DNB

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DNB GROUP

Third quarter report 2014
(Unaudited)

Financial highlights

DNB Group

Income statement *Amounts in NOK million*	3rd quarter 2014	3rd quarter 2013	January-September 2014	January-September 2013	Full year 2013
Net interest income	8 228	7 915	23 787	22 252	30 192
Net commissions and fees	*2 229*	*2 182*	*6 656*	*6 390*	*8 537*
Net gains on financial instruments at fair value	*1 817*	*1 264*	*5 038*	*3 690*	*5 032*
Net financial and risk result, DNB Livsforsikring	*136*	*205*	*424*	*656*	*1 021*
Net insurance result, DNB Skadeforsikring	*121*	*102*	*362*	*296*	*418*
Other operating income	*256*	*364*	*1 044*	*1 077*	*1 420*
Net other operating income, total	4 560	4 117	13 525	12 109	16 427
Total income	12 788	12 032	37 311	34 361	46 619
Operating expenses	5 088	4 987	15 406	15 023	20 186
Restructuring costs and non-recurring effects	74	236	181	895	682
Expenses relating to debt-financed structured products	0	0	0	450	450
Impairment losses for goodwill and intangible assets	0	0	0	0	557
Pre-tax operating profit before impairment	7 626	6 809	21 724	17 993	24 744
Net gains on fixed and intangible assets	13	2	11	(3)	151
Impairment of loans and guarantees	183	475	817	2 149	2 185
Pre-tax operating profit	7 456	6 337	20 918	15 842	22 709
Tax expense	1 762	1 448	5 019	3 976	5 188
Profit from operations held for sale, after taxes	(8)	(7)	(39)	(5)	4
Profit for the period	**5 686**	**4 881**	**15 859**	**11 861**	**17 526**

Balance sheet *Amounts in NOK million*	30 Sept. 2014	31 Dec. 2013 [1)]	30 Sept. 2013 [1)]
Total assets	2 422 622	2 405 239	2 494 775
Loans to customers	1 387 742	1 340 831	1 332 945
Deposits from customers	887 813	867 904	925 451
Total equity	153 072	142 227	136 477
Average total assets	2 663 115	2 542 535	2 527 724
Total combined assets	2 690 503	2 655 745	2 730 972

Key figures	3rd quarter 2014	3rd quarter 2013	January-September 2014	January-September 2013	Full year 2013
Return on equity, annualised (per cent)	15.0	14.4	14.4	12.1	13.2
Earnings per share (NOK)	3.49	3.00	9.74	7.28	10.76
Combined weighted total average spread for lending and deposits (per cent)	1.25	1.29	1.26	1.26	1.27
Cost/income ratio (per cent)	40.4	43.4	41.8	47.6	45.7
Impairment relative to average net loans to customers, annualised (per cent)	0.05	0.14	0.08	0.22	0.17
Common equity Tier 1 capital ratio, transitional rules, at end of period (per cent) [2)]	12.6	11.0	12.6	11.0	11.8
Tier 1 capital ratio, transitional rules, at end of period (per cent) [2)]	12.9	11.3	12.9	11.3	12.1
Capital ratio, transitional rules, at end of period (per cent) [2)]	15.0	13.1	15.0	13.1	14.0
Share price at end of period (NOK)	120.30	91.30	120.30	91.30	108.50
Price/book value	1.28	1.09	1.28	1.09	1.24
Dividend per share (NOK)	-	-	-	-	2.70

1) Due to changes in principles, some comparative figures have been restated. See further details in note 1 Accounting principles.
2) Including 50 per cent of profit for the period, except 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.

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Directors' report

Introduction

Third quarter 2014

DNB recorded profits of NOK 5 686 million in the third quarter of 2014, up NOK 805 million from the third quarter of 2013. Adjusted for the effect of basis swaps, there was a NOK 317 million increase in profits, reflecting higher lending volumes, reduced restructuring expenses and lower impairment losses on loans. As a result of the interest rate adjustments implemented in the second quarter of 2014, lending spreads narrowed slightly from the third quarter of 2013 relative to the short-term money market rate. Nevertheless, there was a pronounced rise in net interest income from the year-earlier period. The common equity Tier 1 capital ratio, calculated according to the transitional rules, rose from 11.0 per cent at end-September 2013 to 12.6 per cent, including 50 per cent of interim profits. DNB's target is to achieve a common equity Tier 1 capital ratio of 13.5-14.0 per cent by year-end 2016.

There was a 3.8 per cent average increase in the healthy loan portfolio from the third quarter of 2013, parallel to a 0.12 percentage point narrowing of lending spreads. In order to face the market competition, DNB implemented interest rate reductions, effective on 16 June and 30 September, respectively, in the second and third quarter of 2014 for existing loans and deposits. The most recent interest rate reductions will have effect on existing loans from early December 2014. Net interest income rose by NOK 313 million compared with the third quarter of 2013.

Adjusted for the effect of basis swaps, net other operating income was NOK 228 million lower than in the third quarter of 2013. This was partly due to a lower financial and risk result from DNB Livsforsikring.

Total operating expenses were reduced by NOK 61 million from the third quarter of 2013. Ordinary operating expenses, excluding restructuring costs and other non-recurring effects, rose by NOK 101 million during the same period, partly in reflection of a certain rise in IT and pension expenses.

Impairment losses on loans and guarantees remained at a relatively low level, totalling NOK 183 million for the quarter, which was markedly below the normalised level. Impairment losses were reduced by NOK 292 million from the third quarter of 2013. Lower impairment losses in the large corporates and international customers segment were the main reason behind the reduction in impairment from the third quarter of 2013.

On 19 September 2014, DNB arranged a 24-hour TV advertising campaign to convey the message that customers can call DNB's 24/7 customer service if they need advice and tips from the bank. The campaign attracted a lot of attention.

In the third quarter of 2014, DNB once again qualified for inclusion in the Dow Jones Sustainability Index as the only Nordic bank. The index measures financial, environmental and social performance.

First three quarters 2014

DNB recorded profits of NOK 15 859 million in the January through September period in 2014, up NOK 3 999 million from the corresponding period in 2013. Adjusted for the effect of basis swaps, there was a NOK 3 690 million increase in profits, reflecting higher net interest income, higher other operating income, lower costs and lower impairment losses on loans.

Lending spreads widened by 0.05 percentage points, while deposit spreads narrowed by 0.03 percentage points compared with the first three quarters of 2013. During the same period, there was a 3.3 per cent average increase in the healthy loan portfolio, while deposit volumes were up 10.7 per cent. This gave a total increase in net interest income of NOK 1 534 million from the January through September period in 2013. The rise in volume is in line with the Group's long-term expectation of an annual increase in lending volume of 3 to 4 per cent.

Other operating income was NOK 13 525 million in the first three quarters of 2014, up NOK 1 416 million from the year-earlier period. Adjusted for the effect of basis swaps, there was an increase of NOK 986 million. The increase was mainly attributable to a capital gain of NOK 913 million from the sale of the shareholding in Nets. Total operating expenses were brought down by NOK 781 million or 4.8 per cent compared with the first three quarters of 2013, partly due to reduced restructuring costs and provisions for debt-financed structured products in 2013.

At NOK 817 million, impairment losses on loans and guarantees were reduced by NOK 1 332 million compared with the first three quarters of 2013. This reflects both sound credit management and a certain improvement in the macroeconomic situation in Norway and internationally from 2013 to 2014.

Income statement for the third quarter of 2014

Net interest income

Amounts in NOK million	3rd quarter 2014	Change	3rd quarter 2013
Net interest income	8 228	313	7 915
Long-term funding costs		130	
Exchange rate movements		119	
Lending and deposit volumes		115	
Other net interest income		65	
Lending and deposit spreads		(116)	

Net interest income rose by NOK 313 million or 4.0 per cent from the third quarter of 2013. The increase was mainly attributable to lower long-term funding costs and favourable exchange rate movements, though rising lending volumes and wider deposit spreads also had a positive impact. Average lending spreads contracted by 0.12 percentage points, while deposit spreads showed a corresponding increase. Volume-weighted spreads narrowed by 0.04 percentage points. There was an average increase of NOK 49.5 billion or 3.8 per cent in the healthy loan portfolio compared with the third quarter of 2013. During the same period, deposits were up NOK 77.7 billion or 8.3 per cent.

Net other operating income

Amounts in NOK million	3rd quarter 2014	Change	3rd quarter 2013
Net other operating income	4 560	443	4 117
Basis swaps		671	
Net income from other financial instruments		(32)	
Other operating income		(32)	
Net other commissions and fees		(37)	
Profits from associated companies		(58)	
Net financial and risk result from DNB Livsforsikring [1)]		(69)	

1) *Excluding guarantees and basis swaps.*

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

Net other operating income increased by NOK 443 million or 10.8 per cent from the third quarter of 2013. Adjusted for basis swaps, net other operating income declined by NOK 228 million. The shortfall in income partly reflected reductions in the net financial and risk result from DNB Livsforsikring and profits from associated companies.

Operating expenses

Amounts in NOK million	3rd quarter 2014	Change	3rd quarter 2013
Operating expenses excluding non-recurring effects	5 088	101	4 987
Income-related costs			
Ordinary depreciation on operational leasing		15	
Expenses related to operations			
IT expenses		33	
Pension expenses		49	
External distribution costs		29	
Other costs		(25)	
Non-recurring effects	74	(162)	236
Restructuring costs – employees	33	(39)	72
Other restructuring costs and non-recurring effects	41	(122)	164
Operating expenses	5 162	(61)	5 223

Operating expenses were reduced by NOK 61 million from the third quarter of 2013. Adjusted for non-recurring effects, there was an increase in expenses of NOK 101 million. The NOK 15 million rise in expenses related to operational leasing reflected a corresponding increase in income. Higher pension and IT expenses and a certain rise in external distribution costs were other factors behind the rising expenses.

Impairment of loans and guarantees

Impairment losses on loans and guarantees totalled NOK 183 million, down from NOK 475 million in the third quarter of 2013 and NOK 554 million in the second quarter of 2014. The most pronounced reduction compared with the third quarter of 2013 stemmed from the large corporates and international customers segment, while there was a slight increase for personal customers. In addition, there was a rise in collective impairment compared with the third quarter of 2013. The decline in impairment from the second quarter of 2014 partly reflected a significant reduction in individual impairment on loans to large corporates and international customers and reversals on collective impairment losses. Collective impairment losses of NOK 52 million were recorded in the second quarter of 2014, while the third quarter saw significant reversals on collective impairment losses of NOK 84 million. This reflected a positive development in freight rates, mainly gas. Impairment losses remained lower than the normalised level in the third quarter of 2014.

There was a positive trend in non-performing and doubtful loans and guarantees, which were reduced by NOK 8.0 billion from end-September 2013 and were thus at the lowest level since the third quarter of 2011. Net non-performing and doubtful loans and guarantees amounted to NOK 14.9 billion at end-September 2014, which represented 1.01 per cent of the loan portfolio, down from 1.70 per cent at end-September 2013.

Taxes

The DNB Group's tax expense for the third quarter of 2014 was NOK 1 762 million, or 23.6 per cent of pre-tax operating profits. The tax rate was somewhat lower than the long-term expectation of 26 per cent, partly due to tax-exempt income from shareholdings. The tax rate for 2014 is expected to be approximately 24 per cent.

Segments

Financial governance in DNB is geared to the different customer segments. The follow-up of total customer relationships and segment profitability are important dimensions when making strategic priorities and deciding where to allocate resources. Special product areas are responsible for production and development for parts of the product range and help ensure that the Group meets the needs of the various customer segments. Reported figures for the different segments reflect the Group's total sales of products and services to the relevant customer segments.

Personal customers

This segment includes the Group's 2.1 million personal customers in Norway.

Pre-tax operating profits totalled NOK 2 604 million in the third quarter of 2014, an increase of NOK 140 million from the third quarter of 2013. Strong growth in net interest income due to higher lending volumes combined with strict cost control contributed to the positive profit trend. The quality of the loan portfolio was sound, with a stable, low level of impairment losses.

Personal customers	3rd quarter		Change	
Income statement in NOK million	2014	2013	NOK mill	%
Net interest income	3 586	3 437	150	4.4
Net other operating income	1 260	1 271	(12)	(0.9)
Total income	4 846	4 708	138	2.9
Operating expenses	2 179	2 208	(29)	(1.3)
Pre-tax operating profit before impairment	2 667	2 500	167	6.7
Net gains on fixed and intangible assets	0	0	0	
Impairment of loans and guarantees	63	22	40	182.1
Pre-tax operating profit	2 604	2 464	140	5.7
Tax expense	703	690	13	1.9
Profit from operations held for sale	0	(5)	5	
Profit for the period	1 901	1 770	131	7.4
Average balance sheet items in NOK billion				
Net loans to customers	673.0	652.1	20.9	3.2
Deposits from customers	363.6	346.1	17.5	5.0
Key figures in per cent				
Lending spread [1)]	2.30	2.52		
Deposit spread [1)]	(0.32)	(0.56)		
Return on allocated capital [2)]	25.5	40.1		
Cost/income ratio	45.0	46.9		
Ratio of deposits to loans	54.0	53.1		

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 DNB Group. The reduction in the return from 2013 is due to stricter capital requirements for home mortgages.*

Lending volumes increased during the third quarter. Average net loans increased by 3.2 per cent from the third quarter of 2013 and by 1.6 per cent from the second quarter of 2014. Deposits rose by 5.0 per cent from the third quarter of 2013, and the ratio of deposits to net loans was 54.0 per cent.

Net interest income was up 4.4 per cent from the third quarter of 2013. Lending spreads were reduced as a result of the price adjustments implemented during the second quarter of 2014, while deposit spreads widened. The volume-weighted interest rate spread contracted by 0.07 percentage points from the third quarter of 2013 and by 0.03 percentage points from the second quarter of 2014.

Other operating income remained fairly stable compared to the third quarter of 2013. The effects of implemented cost-cutting measures helped reduce costs compared with the third quarter of 2013.

A large share of loans to personal customers represents well-secured home mortgages entailing low risk. Net impairment of loans was at a stable level, representing 0.04 per cent of the portfolio in the third quarter of 2014.

The market share of credit to households stood at 26.2 per cent at end-August 2014, while the market share of total household savings was 32.6 per cent. DNB Eiendom achieved a market share of 19.3 per cent at end-September 2014.

The process of facilitating self-service solutions was continued in the form of a training programme on the use of internet banking and other digital services. As a result of a higher self-service ratio, eight branch offices were closed during the first nine months of the year. More initiatives aimed at young customers were implemented, and a package comprising both contents, accident and travel insurance was launched. In order to facilitate quick and easy payment of small amounts, contactless VISA debit cards are offered as the standard card for loyalty programme customers over the age of 18.

DNB aspires to record continued profitable growth in the personal customer segment. Impairment losses on loans are expected to remain stable at a low level.

Small and medium-sized enterprises

This segment includes the Group's small and medium-sized corporate customers.

Pre-tax operating profits came to NOK 952 million in the third quarter of 2014, an increase of NOK 80 million from the third quarter of 2013. The increase in profits reflected a strong rise in both net interest income and net other operating income.

Small and medium-sized enterprises	3rd quarter		Change	
Income statement in NOK million	2014	2013	NOK mill	%
Net interest income	1 620	1 565	55	3.5
Net other operating income	454	360	94	26.1
Total income	2 075	1 926	149	7.7
Operating expenses	957	900	57	6.4
Pre-tax operating profit before impairment	1 118	1 026	92	9.0
Impairment of loans and guarantees	154	161	(7)	(4.6)
Profit from repossessed operations	(11)	8	(19)	
Pre-tax operating profit	952	873	80	9.1
Tax expense	257	244	13	5.2
Profit for the period	695	628	67	10.6
Average balance sheet items in NOK billion				
Net loans to customers	216.2	206.2	9.9	4.8
Deposits from customers	164.3	148.3	16.0	10.8
Key figures in per cent				
Lending spread [1)]	2.67	2.77		
Deposit spread [1)]	(0.02)	(0.09)		
Return on allocated capital [2)]	13.2	12.2		
Cost/income ratio	46.1	46.7		
Ratio of deposits to loans	76.0	71.9		

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 DNB Group.

The healthy increase in loans to small and medium-sized enterprises continued in the third quarter of 2014. Average net loans to customers rose by 4.8 per cent from the third quarter of 2013. During the same period, there was a significant increase in deposits of 10.8 per cent. The ratio of deposits to net loans averaged 76 per cent for the quarter.

Net interest income increased from the third quarter of 2013 due to volume growth and wider deposit spreads. Net other operating income showed strong growth during the corresponding period, reflecting a rise in income from foreign exchange, pension and insurance products. The main factor behind the rise in expenses from the third quarter of 2013 was higher costs for IT development and premises and rising costs related to product sales.

The quality of the loan portfolio is considered to be satisfactory. The close follow-up of customers and preventive measures are vital to ensuring satisfactory quality. Net impairment of loans totalled NOK 154 million in the third quarter of 2014. On an annual basis, this represented 0.28 per cent of net loans. In the third quarter of 2013, net impairment represented 0.31 per cent of net loans. Impairment losses were recorded on loans to a number of industries, and more than half of the impairment losses in the third quarter of 2014 stemmed from six commitments, with NOK 51 million referring to an individual commitment.

DNB is committed to supporting customers who want to start their own business and is working on measures that will help newly established companies streamline their business activities. DNB Corporate MasterCard was launched during the third quarter.

Moderate credit growth is anticipated in the market, and DNB expects to record lending growth in this segment on a level with the banking market in general. The level of impairment losses on loans is expected to remain virtually unchanged.

Large corporates and international customers

This segment includes the Group's largest Norwegian corporate customers and all international customers, including all customers in the Baltics and Poland. Operations are based on sound industry expertise and long-term customer relationships.

Pre-tax operating profits came to NOK 2 971 million, up NOK 488 million from the third quarter of 2013. The positive profit performance reflected a healthy trend in income, strict cost control and lower impairment losses.

Large corporates and international customers	3rd quarter		Change	
Income statement in NOK million	2014	2013	NOK mill	%
Net interest income	3 132	2 962	170	5.7
Net other operating income	1 373	1 209	165	13.6
Total income	4 506	4 171	335	8.0
Operating expenses	1 542	1 370	172	12.6
Pre-tax operating profit before impairment	2 964	2 801	163	5.8
Net gains on fixed and intangible assets	12	2	10	
Impairment of loans and guarantees	(39)	304	(343)	(112.8)
Profit from repossessed operations	(43)	(16)	(28)	
Pre-tax operating profit	2 971	2 483	488	19.6
Tax expense	921	745	176	23.6
Profit for the period	2 050	1 738	312	17.9
Average balance sheet items in NOK billion				
Net loans to customers	475.8	467.3	8.5	1.8
Deposits from customers	362.0	354.9	7.1	2.0
Key figures in per cent				
Lending spread [1)]	2.18	2.15		
Deposit spread [1)]	(0.14)	(0.19)		
Return on allocated capital [2)]	15.3	12.7		
Cost/income ratio	34.2	32.8		
Ratio of deposits to loans	76.1	76.0		

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 DNB Group.

Net loans to customers were up 1.8 per cent from the third quarter of 2013. Adjusted for exchange rate movements, however, there was an underlying reduction in the portfolio of 0.6 per cent, reflecting strategic portfolio adjustments, a challenging market situation, stronger competition and more active use of the bond market. Compared with the second quarter of 2014, lending volumes were up 0.6 per cent after adjusting for exchange rate movements. Deposits rose by 2.0 per cent from the third quarter of 2013, which in its entirety can be ascribed to exchange rate movements.

Relative to the 3-month money market rate, average lending spreads were 2.18 per cent, increasing by 0.03 percentage points from the third quarter of 2013 and by 0.01 percentage points from the second quarter of 2014. Deposit spreads widened by 0.05 percentage points from the third quarter of 2013 and by 0.03 percentage points from the second quarter of 2014.

An increase in income relating to the issue of bonds and to corporate finance services compared with the third quarter of 2013 helped boost other operating income.

There was a rise in operating expenses from the third quarter of 2013, reflecting higher sales costs.

Net impairment losses were reduced by NOK 343 million from the third quarter of 2013. Individual impairment represented NOK 11 million or 0.01 per cent of net loans to customers, while reversals on collective impairment losses came to NOK 50 million for the quarter. In the third quarter of 2013, individual impairment represented 0.41 per cent of net loans.

Targeted efforts are being made to retain the level of quality in the portfolio through close follow-up of customers and preventive measures. Net non-performing and doubtful loans and guarantees amounted to NOK 8.7 billion at end-September 2014, a reduction of NOK 8.0 billion from a year earlier and a NOK 1.3 billion reduction from end-June 2014.

DNB gives priority to strong, long-term and profitable customer relationships and on further developing key customer segments. The Group's wide range of products and broad expertise are key elements in efforts to strengthen customer relationships and form the basis for operations over the coming years. The increasing pressure on spreads in the market is expected to prevail, and repricing in certain segments will not necessarily be adequate to ensure that spreads remain at the current level. This will be compensated for by repricing deposits.

Trading

This segment comprises market making and proprietary trading in fixed income, foreign exchange and commodity products, as well as equities, including the hedging of market risk inherent in customer transactions. Customer activities are supported by trading activities.

Pre-tax operating profits came to NOK 585 million in the third quarter of 2014, up NOK 136 million from the year-earlier period. The rise in profits reflected greater volatility in the currency and interest rate markets and capital gains on bonds.

Trading	3rd quarter		Change	
Income statement in NOK million	2014	2013	NOK mill	%
Net interest income	100	140	(40)	(28.7)
Net other operating income	608	525	84	15.9
Total income	708	665	43	6.5
Operating expenses	123	216	(93)	(43.1)
Pre-tax operating profit	585	449	136	30.4
Tax expense	158	130	28	21.4
Profit for the period	427	318	109	34.1
Key figures in per cent				
Cost/income ratio	17.4	32.5		
Return on allocated capital [1]	25.1	15.6		

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

Traditional pension products

This segment comprises the portfolio of traditional defined-benefit pension products in DNB Livsforsikring. DNB no longer offers such products to new customers.

Pre-tax operating profits totalled NOK 176 million, a reduction of NOK 288 million from the third quarter of 2013.

Traditional pension products	3rd quarter		Change	
Income statement in NOK million	2014	2013	NOK mill	%
Upfront pricing of risk and guaranteed rate of return	149	174	(25)	(14.1)
Owner's share of administration result	3	52	(49)	(94.1)
Owner's share of risk result	46	71	(26)	(35.8)
Owner's share of interest result	(185)	65	(249)	
Return on corporate portfolio	163	102	60	59.1
Pre-tax operating profit	176	464	(288)	(62.1)
Tax expense	(22)	(15)	(7)	44.7
Profit for the period	198	479	(281)	(58.6)
Key figures in per cent				
Cost/income ratio	46.7	27.5		
Return on allocated capital [1]	4.6	11.5		

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

The prolonged low interest rate level and increased reserves to reflect higher life expectancy will put pressure on life insurance companies' earnings. DNB Livsforsikring is thus adapting its operations to the new regulatory framework by taking a conservative approach in its asset management operations and winding up the company's public sector operations as well as the sale of defined-benefit pensions and paid-up policies.

In consequence of the upward adjustment of life expectancy assumptions, it will be necessary to strengthen the premium reserve for group pensions over the next few years. At end-September 2014, the total required increase in reserves for DNB Livsforsikring's portfolio was estimated at NOK 12.3 billion for the period up to 2020, of which NOK 6.6 billion had been set aside as at 30 September 2014. The shareholder contribution will be affected by the average return achieved during the 2014-2020 period. Provided that the expected return is achieved, DNB will have to cover approximately 22 per cent of the total required increase in reserves. A shareholder contribution of NOK 727 million has been charged to the accounts for the January through September period in 2014. For the public sector portfolio, the build-up of reserves must be completed by year-end 2016 or at the time the individual customers transfer their portfolios. For all other portfolios, the build-up of reserves must be completed by year-end 2020.

The EU's new solvency regulations for insurance companies, Solvency II, will be introduced as from 1 January 2016. In April 2014, a number of changes in the regulations were approved, including the introduction of permanent measures and transitional schemes to ease the implementation of new capital requirements. Several of the measures include a national scope of action to be exercised by the supervisory authorities in each country. Finanstilsynet's assessments, which were disclosed on 8 September 2014, will be circulated for public comment. DNB takes a positive view of the plans to allow Norwegian life insurance companies to use the transitional rules when implementing Solvency II.

Funding, liquidity and balance sheet

The short-term funding markets were generally sound in the third quarter of 2014, and DNB had ample access to short-term funding in all currencies, in spite of greater competition for the funds.

In the long-term funding markets, there was a healthy supply of capital. After the European Central Bank, ECB, presented its covered bond purchase programme as one of several measures to stimulate economic activity in the eurozone, the costs of new funding in the form of covered bonds have shown a particularly favourable trend.

Debt securities issued by the Group totalled NOK 533 billion at end-September 2014 and NOK 499 billion a year earlier. The average remaining term to maturity for the bond debt portfolio was 4.4 years at end-September 2014, down from 4.5 years a year earlier.

In order to keep the Group's liquidity risk at a low level, short-term and long-term liquidity risk limits have been established. These are consistent with the Basel III calculation methods. Among other things, this implies that customer loans are generally financed through customer deposits, long-term securities and primary capital. The Group stayed well within the liquidity limits during the quarter. The short-term liquidity requirement, Liquidity Coverage Ratio, LCR, remained stable at above 100 per cent throughout the third quarter. At end-September 2014, the total LCR was 107.3 per cent, while the LCRs for assets in euros and US dollars were 48.5 per cent and 208.3 per cent, respectively.

At end-September 2014, total combined assets in the DNB Group were NOK 2 691 billion, a reduction from NOK 2 731 billion at end-September 2013. Total assets in the Group's balance sheet were NOK 2 423 billion as at 30 September 2014 and NOK 2 495 billion a year earlier. Of this, total assets in DNB Livsforsikring came to NOK 287 billion at end-September 2014 and NOK 286 billion a year earlier.

Net loans to customers increased by NOK 55 billion or 4.1 per cent from end-September 2013. Customer deposits declined by NOK 38 billion or 4.1 per cent during the same period. The ratio of customer deposits to net loans to customers declined from 69.4 per cent at end-September 2013 to 64.0 per cent a year later. Excluding a few large, short-term deposits, the ratio of deposits to net loans increased from 62.4 to 63.9 per cent during the corresponding period. The Group's ambition is to have ratio of customer deposits to net loans of minimum 60 per cent.

Macroeconomic developments

Following a period characterised by positive signals in the international economy, several of Norway's major trading partners have experienced more sluggish growth in recent months. The level of growth has been particularly weak in the eurozone. Developments have been more positive in the US and the United Kingdom, which have experienced sound growth in private consumption and investments. Unemployment levels seem to have peaked in the EU, but remain very high.

In the US and the United Kingdom, there has been a pronounced decline in unemployment rates. Several emerging economies have experienced slow economic growth, while growth has remained brisk in China and India.

During the past few months, the significant weakening of the Russian economy and geopolitical unrest have had a negative impact on the Baltic region. Forecasts for the Baltic countries for the coming years indicate moderate activity growth driven by competitive advantages and a cyclical upswing in consumption and investments.

Norwegian economic growth increased significantly during the second quarter of 2014, though this was largely attributable to factors that will not give equally strong impulses to the economy in the period ahead. Information from Norges Bank, collected in mid-August, showed moderate, but slightly declining production growth over the preceding three months, which was somewhat below the expectations presented in May. However, companies anticipate a somewhat higher growth rate over the coming six months. Not unexpectedly, oil suppliers indicate a declining future level of activity. An expansionary fiscal policy and low interest rates could to some extent counteract weaker impulses from the petroleum industry. The export industry showed a healthier trend over the preceding three months, while there was a weaker development for the home market industry. However, both industries anticipate moderate growth in the period ahead. The building and construction industry has the same expectations, and the prolonged decline in growth appears to have come to a halt. Signals within commodity trade and the services industries are somewhat more optimistic. Companies report a decline in capacity utilisation parallel to a slight rise in labour supply. The unemployment level in Norway has been fairly stable over the past year.

Risk and capital adequacy

For some time, investment surveys have indicated a reduction in investment activity in the Norwegian petroleum sector next year. In October 2014, the price of oil declined below USD 90 per barrel, and the oil supplier industry is scaling down its capacity. The Fiscal Budget for 2015 entails increased use of petroleum revenues, which will have a stabilising effect on economic developments in Norway. The international recovery after the financial crisis is slow, and growth expectations have been scaled back, especially in the eurozone. Interest rate increases are constantly postponed. The differences in capital adequacy regulations for Norwegian and international banks may also represent a challenge for the competitiveness of Norwegian banks in the period ahead.

The DNB Group quantifies risk by measuring risk-adjusted capital requirements. The capital requirement declined by NOK 0.7 billion from end-June 2014, to NOK 76.2 billion.

Developments in the risk-adjusted capital requirement

Amounts in NOK billion	30 Sept. 2014	30 June 2014	31 March 2014	31 Dec. 2013
Credit risk	53.2	53.5	53.3	57.2
Market risk	7.5	10.3	10.3	8.2
Market risk in life insurance	15.6	14.1	13.5	10.2
Insurance risk in life insurance	1.0	1.0	1.0	1.0
Non-life insurance	1.0	0.9	0.9	0.9
Operational risk	10.7	10.7	10.7	10.7
Business risk	6.8	6.8	6.8	4.8
Gross risk-adjusted capital requirement	95.8	97.3	96.5	93.2
Diversification effect [1)]	(19.5)	(20.4)	(20.4)	(19.0)
Net risk-adjusted capital requirement	76.2	76.9	76.1	74.1
Diversification effect in per cent of gross risk-adjusted capital requirement [1)]	20.4	20.9	21.2	20.4

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 was roughly on a level with the figure at end-June 2014. The volume of credit to both enterprises and households increased somewhat during the quarter, while portfolio quality was sound and stable. The volume of non-performing loans and guarantees was somewhat reduced. However, there are signs of greater challenges for a number of industries in the period ahead, particularly for traditional retail trade, certain shipping markets and the oil supplier industry.

The risk-adjusted capital requirement for market risk within banking operations was reduced by NOK 2.8 billion during the quarter, reflecting reduced exposure in the form of equity investments. Market risk in life insurance rose by NOK 1.5 billion as a result of a further decline in interest rates during the quarter. In the longer term, the low interest rate level represents a challenge for life insurance operations, heightening the risk of losses.

There were few events and low operational losses during the third quarter of 2014. However, the stability of the Group's IT systems is still not satisfactory, and measures are being taken to further improve operational stability and emergency preparedness in relation to business disruptions.

Risk-weighted volume included in the calculation of the formal capital adequacy requirement decreased by NOK 9.4 billion from end-December 2013, to NOK 1 080 billion. In the third quarter of 2014, 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 12.6 per cent, while the capital adequacy ratio was 15.0 per cent, including 50 per cent of profits for the year to date.

New regulatory framework

On 22 August 2014, the Norwegian Ministry of Finance adopted regulations on the technical specifications in CRD IV. The main requirements have already been included in the Financial Institutions Act and the Securities Trading Act. These entered into force on 1 July 2013 and entail a gradual increase in the minimum common equity Tier 1 requirement up until 1 July 2016. According to the Ministry, calculations of buffer requirements should be based on total risk-weighted volume, including international exposures. This means that total risk-weighted volume should be used when calculating the counter-cyclical buffer and in cases where the systemic risk buffer and the buffer for systemically important institutions are added up. In addition, in a regulation the Ministry has included the distinctively Norwegian requirement that risk-weighted volume cannot be less than 80 per cent of the corresponding figure calculated according to the Basel I regulations. This means that the Basel I floor applies to the buffer requirements. The changes in regulations entered into force on

30 September 2014.

On 22 September 2014, the Ministry of Finance announced that the stipulation in the EU regulations on the inclusion of a specific discount factor for exposures to small and medium-sized enterprises will not be introduced in Norway. The Ministry points out that the background for the stipulation is the weak economic situation in the EU and aims to negotiate a text regarding adaptations to this stipulation before the rules are due to be included in the EEA agreement.

Some stipulations in the EU's new banking regulations, Basel III and CRD IV, remain to be implemented, including liquidity requirements, a non-risk based capital requirement (leverage ratio) and stipulations regarding the so-called Pillar II requirements. In the opinion of the Ministry of Finance, Norway cannot wait for the international processes, but must formulate and introduce national rules that "as far as possible" correspond to the likely EU requirements. A liquidity buffer requirement, Liquidity Coverage Ratio (LCR), and a Net Stable Funding Ratio (NSFR) will be introduced. The Ministry of Finance has asked Finanstilsynet to consider how to introduce these two requirements in Norway and to present a proposal by end-May 2015. On 10 October 2014, the European Commission presented final requirements on the composition of the LCR liquidity buffer. As up to 70 per cent of the buffer can now be in the form of covered bonds, as opposed to 40 per cent in previous proposals, the portfolio structure will be more flexible. In order to meet the requirement in Norwegian kroner, in isolation, DNB is nevertheless of the opinion that Norwegian banks will need to avail themselves of the options described in CRD IV that will make it possible for banks with small domestic capital markets to meet the LCR requirement in local currency.

The Ministry of Finance has also asked Finanstilsynet to consider when and how a non-risk based capital requirement and related definitions can be introduced in Norway. Among other things, Finanstilsynet will consider the most appropriate level for Norwegian banks in a scenario where such a requirement is the lower limit for the risk-weighted capital requirement. In addition, Finanstilsynet has been asked to consider the appropriateness of making public the supervisory authorities' Pillar II assessments and requirements for individual banks. Finanstilsynet will present its suggestions and assessments by end-June 2015.

In the National Budget 2015, the Ministry of Finance emphasises that transparency about and simple comparability of the real risk levels of banks in different countries are important contributions to well-functioning financial markets and the efficient pricing of debt and equity costs. This will be difficult to achieve as long as there are major differences in capital adequacy regulations across national borders. The Norwegian authorities wish to explore the possibility of requiring all Nordic authorities to specify what their banks' capital ratios would have been based on a common set of simplified risk weights. A simplified reporting standard of this type would allow the capital ratios of different Nordic banks to be compared independently of the national rules, according to the Ministry of Finance. In DNB's opinion, this is positive, but not good enough to achieve the desired harmonisation and transparency to ensure equal competitive terms for Nordic banks.

The EU's new solvency regulations for insurance companies, Solvency II, will be introduced as from 2016. Agreement has been reached in the EU on permanent measures and transitional schemes to ease the implementation of new capital requirements, especially for life insurance companies that offer long-term guaranteed rates of return. Several of the measures include a national scope of action to be exercised by the supervisory authorities in each country. On 8 September 2014, Finanstilsynet disclosed its assessments regarding this subject and opened up for using much of the scope of action in the EU regulations in Norway. Thus, Norwegian insurance companies will probably be able to use a number of the transitional rules and exceptions from the new solvency regulations, just like its European competitors. Finanstilsynet's assessments will be circulated for public comment when the draft regulations regarding the implementation of Solvency II are sent to the Ministry of Finance later in the autumn.

Future prospects

There has recently been weaker economic growth in the eurozone parallel to a positive trend in the US and the United Kingdom, as well as in emerging economies such as India and China. Forecasts for international economic growth are therefore moderately positive. In Norway, the rate of growth is expected to slow in the period ahead due to a decline in petroleum investments. An expansionary fiscal policy and relatively low interest rates will probably reduce the dampening effect. If the recent fall in oil prices prevails, it could have a negative effect on the Norwegian economy in the longer term. In such case, the forecast may be adjusted downward. Volume-weighted spreads are expected to be stable during the remainder of 2014. A slight narrowing of lending spreads will be offset by wider deposit spreads. Lending volumes are expected to increase at an annual rate of 3 to 4 per cent, with the highest growth in lending to personal customers and small and medium-sized enterprises. A continued increase in income from capital-light products is anticipated, while the level of expenses is expected to remain relatively stable, excluding restructuring expenses, in the period up to 2016. A certain increase is anticipated in IT expenses relating to restructuring measures over the coming year. Furthermore, continued sound credit quality is expected to result in a reduction in impairment losses in 2014, which could fall below NOK 2 billion. The long-term tax rate is still estimated to be 26 per cent, while the tax rate for 2014 is expected to be approximately 24 per cent.

Oslo, 22 October 2014
The Board of Directors of DNB ASA

Anne Carine Tanum
(chairman)

Tore Olaf Rimmereid
(vice-chairman)

Jarle Bergo

Sverre Finstad

Carl A. Løvvik

Vigdis Mathisen

Jaan Ivar Semlitsch

Berit Svendsen

Rune Bjerke
(group chief executive)

Income statement

Amounts in NOK million	Note	3rd quarter 2014	3rd quarter 2013	January-September 2014	January-September 2013	Full year 2013
						DNB Group
Total interest income	5	15 291	15 373	45 912	44 987	60 404
Total interest expenses	5	7 063	7 458	22 126	22 735	30 212
Net interest income	5	**8 228**	**7 915**	**23 787**	**22 252**	**30 192**
Commission and fee income etc.	6	2 852	2 786	8 558	8 135	10 916
Commission and fee expenses etc.	6	622	604	1 902	1 745	2 379
Net gains on financial instruments at fair value	7	1 817	1 264	5 038	3 690	5 032
Net financial result, DNB Livsforsikring		(87)	58	36	405	554
Net risk result, DNB Livsforsikring		223	147	389	251	467
Net insurance result, DNB Skadeforsikring		121	102	362	296	418
Profit from investments accounted for by the equity method	8	41	99	182	244	362
Net gains on investment property	18	(17)	(23)	(7)	(7)	(86)
Other income	9	232	287	869	840	1 144
Net other operating income		**4 560**	**4 117**	**13 525**	**12 109**	**16 427**
Total income		**12 788**	**12 032**	**37 311**	**34 361**	**46 619**
Salaries and other personnel expenses	10, 11	2 752	2 776	8 251	8 630	11 307
Other expenses	10	1 848	1 938	5 749	6 107	7 850
Depreciation and impairment of fixed and intangible assets	10	563	509	1 587	1 631	2 719
Total operating expenses	10	**5 162**	**5 223**	**15 587**	**16 368**	**21 875**
Pre-tax operating profit before impairment		**7 626**	**6 809**	**21 724**	**17 993**	**24 744**
Net gains on fixed and intangible assets		13	2	11	(3)	151
Impairment of loans and guarantees	14	183	475	817	2 149	2 185
Pre-tax operating profit		**7 456**	**6 337**	**20 918**	**15 842**	**22 709**
Tax expense		1 762	1 448	5 019	3 976	5 188
Profit from operations held for sale, after taxes		(8)	(7)	(39)	(5)	4
Profit for the period		**5 686**	**4 881**	**15 859**	**11 861**	**17 526**
Earnings/diluted earnings per share (NOK)		3.49	3.00	9.74	7.28	10.76
Earnings per share excluding operations held for sale (NOK)		3.50	3.00	9.77	7.29	10.76

Comprehensive income statement

Amounts in NOK million	3rd quarter 2014	3rd quarter 2013	January-September 2014	January-September 2013	Full year 2013
					DNB Group
Profit for the period	**5 686**	**4 881**	**15 859**	**11 861**	**17 526**
Actuarial gains and losses, net of tax [1)]	(573)	(352)	(1 029)	13	(469)
Property revaluation	41	7	83	27	124
Elements of other comprehensive income allocated to customers (life insurance)	(41)	(7)	(83)	(27)	(124)
Other comprehensive income that will not be reclassified to profit or loss, net of tax	(573)	(352)	(1 029)	13	(469)
Currency translation of foreign operations	451	382	854	2 492	3 478
Hedging of net investment, net of tax	(398)	(230)	(600)	(2 098)	(2 425)
Other comprehensive income that may subsequently be reclassified to profit or loss, net of tax	53	152	255	394	1 053
Other comprehensive income for the period	**(520)**	**(199)**	**(774)**	**407**	**584**
Comprehensive income for the period	**5 166**	**4 682**	**15 085**	**12 268**	**18 110**

1) *Pension commitments and pension funds in the defined-benefit schemes have been recalculated. Calculations for the third quarter have been updated with new calculation assumptions in accordance with guidance notes from the Norwegian Accounting Standards Board 31 August 2014.*

Balance sheet

Amounts in NOK million	Note	DNB Group 30 Sept. 2014	31 Dec. 2013 1)	30 Sept. 2013 1)
Assets				
Cash and deposits with central banks		213 375	167 171	401 560
Due from credit institutions	12, 13	111 977	180 882	29 586
Loans to customers	12, 13, 15, 16	1 387 742	1 340 831	1 332 945
Commercial paper and bonds at fair value	13, 17	269 757	277 764	286 217
Shareholdings	13	27 215	29 826	26 682
Financial assets, customers bearing the risk	13	40 780	35 512	33 197
Financial derivatives	13	153 397	130 939	128 608
Commercial paper and bonds, held to maturity	12, 17	123 315	152 883	157 213
Investment property	18	29 710	32 485	32 715
Investments accounted for by the equity method		5 786	5 802	5 690
Intangible assets	19	6 182	6 511	6 947
Deferred tax assets		1 188	1 104	1 369
Fixed assets		13 422	12 498	11 215
Assets held for sale		238	225	213
Other assets		38 539	30 806	40 617
Total assets		**2 422 622**	**2 405 239**	**2 494 775**
Liabilities and equity				
Due to credit institutions	12, 13	187 030	234 219	260 903
Deposits from customers	12, 13	887 813	867 904	925 451
Financial derivatives	13	126 158	111 310	103 209
Debt securities issued	12, 13, 20	724 761	711 555	718 302
Insurance liabilities, customers bearing the risk		40 780	35 512	33 197
Liabilities to life insurance policyholders in DNB Livsforsikring		217 625	230 906	228 881
Insurance liabilities, DNB Skadeforsikring		2 023	1 958	2 036
Payable taxes		4 604	3 277	4 221
Deferred taxes		2 192	2 654	1 516
Other liabilities		43 322	31 934	48 966
Liabilities held for sale		89	53	73
Provisions		1 155	1 454	1 999
Pension commitments		5 330	4 001	3 716
Subordinated loan capital	12, 13, 20	26 668	26 276	25 827
Total liabilities		**2 269 550**	**2 263 012**	**2 358 297**
Share capital		16 288	16 278	16 288
Share premium reserve		22 609	22 609	22 609
Other equity		114 175	103 340	97 581
Total equity		**153 072**	**142 227**	**136 477**
Total liabilities and equity		**2 422 622**	**2 405 239**	**2 494 775**
Off-balance sheet transactions, contingencies and post-balance sheet events	24			

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	Property revaluation reserve	Currency translation reserve	Net invest-ment hedge reserve	Other equity [1]	Total equity [1]
Balance sheet as at 31 December 2012	**16 269**	**22 609**	**(678)**	**0**	**(2 079)**	**1 306**	**90 066**	**127 492**
Profit for the period							11 861	11 861
Other comprehensive income			13	27	2 492	(2 098)		434
OCI allocated to customers (life insurance)				(27)				(27)
Comprehensive income for the period	0	0	13	0	2 492	(2 098)	11 861	12 268
Currency translation reserve taken to income					(6)		6	0
Change of reporting currency DNB Invest Denmark					7		(7)	0
Dividends paid for 2012 (NOK 2.10 per share)							(3 420)	(3 420)
Net purchase of treasury shares	19						118	137
Balance sheet as at 30 September 2013	**16 288**	**22 609**	**(666)**	**0**	**414**	**(792)**	**98 625**	**136 477**
Balance sheet as at 31 December 2013	**16 278**	**22 609**	**(1 147)**	**0**	**1 404**	**(1 119)**	**104 201**	**142 227**
Profit for the period							15 859	15 859
Other comprehensive income			(1 029)	83	854	(600)		(691)
OCI allocated to customers (life insurance)				(83)				(83)
Comprehensive income for the period	0	0	(1 029)	0	854	(600)	15 859	15 085
Currency translation reserve taken to income					80		(29)	51
Dividends paid for 2013 (NOK 2.70 per share)							(4 398)	(4 398)
Net purchase of treasury shares	10						97	107
Balance sheet as at 30 September 2014	**16 288**	**22 609**	**(2 176)**	**0**	**2 339**	**(1 719)**	**115 731**	**153 072**

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

	Share capital	Other equity	Total equity
Balance sheet as at 31 December 2013	*(10)*	*(97)*	*(107)*
Net purchase of treasury shares	*10*	*97*	*107*
Reversal of fair value adjustments through profit and loss		*0*	*0*
Balance sheet as at 30 September 2014	*0*	*0*	*0*

Cash flow statement

Amounts in NOK million	DNB Group January-September 2014	January-September 2013	Full year 2013
Operating activities			
Net payments on loans to customers	(44 053)	(9 988)	(11 368)
Interest received from customers	40 619	39 683	53 483
Net receipts on deposits from customers	9 635	85 687	29 904
Interest paid to customers	(3 986)	(4 596)	(15 336)
Net receipts/payments on loans to credit institutions	11 602	19 393	(158 476)
Interest received from credit institutions	1 283	985	1 375
Interest paid to credit institutions	(1 686)	(1 807)	(2 368)
Net receipts/payments on the sale of financial assets for investment or trading	62 991	(14 864)	20 257
Interest received on bonds and commercial paper	3 074	3 762	4 998
Net receipts on commissions and fees	6 829	5 460	7 376
Payments to operations	(14 790)	(13 779)	(19 285)
Taxes paid	(4 466)	(6 902)	(7 648)
Receipts on premiums	15 557	16 104	21 098
Net payments on premium reserve transfers	(21 938)	(1 766)	(1 338)
Payments of insurance settlements	(10 977)	(10 921)	(14 523)
Other receipts/payments	(28)	4 844	(5 016)
Net cash flow from operating activities	**49 667**	**111 295**	**(96 866)**
Investment activities			
Net payments on the acquisition of fixed assets	(1 506)	(2 068)	(3 881)
Net receipts, investment property	617	948	1 061
Receipts on the sale of long-term investments in shares	347	436	642
Payments on the acquisition of long-term investments in shares	(19)	(16)	(16)
Dividends received on long-term investments in shares	172	274	319
Net cash flow from investment activities	**(390)**	**(426)**	**(1 875)**
Funding activities			
Receipts on issued bonds and commercial paper	1 016 160	725 403	996 386
Payments on redeemed bonds and commercial paper	(1 009 057)	(742 602)	(1 031 094)
Interest payments on issued bonds and commercial paper	(10 502)	(10 339)	(12 219)
Receipts on the raising of subordinated loan capital	0	7 349	7 528
Redemptions of subordinated loan capital	0	(3 709)	(3 709)
Interest payments on subordinated loan capital	(627)	(508)	(749)
Dividend payments	(4 398)	(3 420)	(3 420)
Net cash flow from funding activities	**(8 424)**	**(27 826)**	**(47 277)**
Effects of exchange rate changes on cash and cash equivalents	**6 848**	**18 343**	**13 934**
Net cash flow	**47 701**	**101 386**	**(132 085)**
Cash as at 1 January	172 162	304 247	304 247
Net receipts/payments of cash	47 701	101 386	(132 085)
Cash at end of period *)	219 864	405 633	172 162
**) Of which: Cash and deposits with central banks*	*213 375*	*401 560*	*167 171*
Deposits with credit institutions with no agreed period of notice [1]	*6 489*	*4 073*	*4 991*

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 third quarter accounts 2014 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 2013. The annual and interim accounts for the Group are prepared according to IFRS principles as endorsed by the EU.

As from the first quarter of 2014, DNB Livsforsikring and DNB Skadeforsikring are presented on three lines in the consolidated income statement, as opposed to six lines in previous periods. The current three lines are Net financial result, DNB Livsforsikring; Net risk result, DNB Livsforsikring and Net insurance result, DNB Skadeforsikring. In addition, the presentation of income from DNB Eiendomsmegling has been changed. As from the first quarter of 2014, such income is presented as net commission and fee income, and is no longer presented as other income. Comparable figures are changed accordingly.

New or amended accounting standards or interpretations that have entered into force so far in 2014 and are of significance to the Group, are described below. The new rules were implemented by the Group as of 1 January 2014.

IFRS 10 Consolidated Financial Statements

The standard will replace the parts of IAS 27 which address consolidated financial statements, and also include structured units, which were previously addressed in SIC-12 Consolidation - Special Purpose Entities.

IFRS 10 establishes a control model which applies to all companies. The definition of control is different from that used in IAS 27. Control exists if the investor has power over the investee, is exposed, or has rights, to variable returns from the investee and has the ability to use its power to direct the activities of the investee that significantly affect returns. Potential voting rights, options, convertible debt and other aspects should also be taken into account.

The new standard will require increased judgment when assessing which entities are controlled by the company. Due to the new definition of control, certain mutual funds have been consolidated in the Group's balance sheet. This primarily applies to funds owned by DNB Livsforsikring and managed by DNB Asset Management. The table below shows comparable figures for 2013 with implementation effect on 1 January 2013.

IFRS 11 Joint Arrangements

The standard will replace IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities - Non-monetary Contributions by Venturers, and eliminates proportionate consolidation of joint ventures.

The standard identifies two categories of joint control (joint arrangements): joint ventures and joint operations. When consolidating joint ventures, the equity method should be applied. For joint operations, the parties should recognise their rights to assets and liabilities in their balance sheets and recognise their share of income and costs incurred jointly in their income statements.

In consequence of the implementation of the new standard, some minor ownership interests within real estate that were previously accounted for using proportionate consolidation, are now presented according to the equity method in the consolidated balance sheet. The table below shows comparable figures for 2013 with implementation effect on 1 January 2013.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 applies to companies which have interests in subsidiaries, jointly controlled operations, associated companies and structured entities. The standard replaces all of the disclosure requirements that were previously in IAS 27 Consolidated and Separate Financial Statements, IAS 28 Investment in Associates and IAS 31 Interests in Joint Ventures. In addition, a number of new disclosure requirements to, among others, IFRS 10 and IFRS 11, are introduced. The changes in the rules will only affect the presentation of note information in the annual report for 2014.

Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities

The amendments to the standard clarify the rules on presenting financial assets and liabilities on a net basis. The new rules had no material impact on the offsetting of financial assets and liabilities in the accounts.

Revised IAS 27 Separate Financial Statements and IAS 28 Investment in Associates and Joint Ventures

In consequence of the introduction of IFRS 10, 11 and 12, the IASB has made amendments to IAS 27 and IAS 28 to harmonise the standards with the new accounting standards. Following the revision, IAS 27 only regulates the separate financial statements, while IAS 28 regulates investments in both associated companies and joint ventures which are required to be accounted for using the equity method.

Balance sheet 1)

DNB Group

	31 December 2013			30 September 2013			1 January 2013		
Amounts in NOK million	Reported	Effect IFRS 10/11	Restated	Reported	Effect IFRS 10/11	Restated	31 Dec. 2012 Reported	Effect IFRS 10/11	Restated
Investment property	33 331	(846)	32 485	33 565	(850)	32 715	39 496	(889)	38 607
Shareholdings	47 252	(17 426)	29 826	44 256	(17 574)	26 682	48 288	(20 988)	27 300
Commercial paper and bonds at fair value	260 338	17 426	277 764	268 643	17 574	286 217	224 750	20 988	245 738
Profit from companies accounted for by the equity method	3 113	2 689	5 802	3 029	2 661	5 690	2 882	2 394	5 276
Other assets	16 847	13 959	30 806	23 629	16 988	40 617	14 200	7 369	21 569
Other liabilities	16 132	15 801	31 934	30 169	18 797	48 966	18 451	8 873	27 325

1) *The new rules have had no impact on the Group's income statement, equity or capital adequacy.*

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 carrying amounts 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 2013.

Note 3 Changes in group structure

JSC DNB Bank

The Group's subsidiary JSC DNB Bank in Russia had eight branch offices and approximately 190 employees. At end-April 2014, an agreement on the sale of the company was signed. The sale was completed in July 2014. As a result of the sale, approximately NOK 205 million has been charged to "Net gains on fixed and intangible assets".

Amports Inc.

DNB acquired a holding of just over 29 per cent in Amports Inc. in 2010 in connection with the restructuring of a loan. Headquartered in Florida, Amports is a leader in the global automotive service industry in the US and Mexico and operates port terminals for auto shipping. The holding has been recognised in the group accounts according to the equity method. On 17 April 2014, DNB signed an agreement to sell the holding, and the transaction was completed in the second quarter of 2014. A capital gain of NOK 211 million has been recorded under "Net gains on fixed and intangible assets".

BankID Norge AS

The company was established in June 2014. The object of the company is to develop, operate, manage and sell electronic ID services for the banking industry. DNB owns 34.3 per cent of the shares in BankID Norge AS. The company will be recorded as an associated company in the balance sheet.

BankAxept AS

BankAxept AS develops and operates electronic payment services. The company is owned by 127 banks. Follwing a share issue in April 2014, DNB owns 37.8 per cent of the shares in the company. The company will be recorded as an associated company in the balance sheet.

Note 4 Segments

Financial governance in DNB is geared to the different customer segments. The follow-up of total customer relationships and segment profitability are two important dimensions when making strategic priorities and deciding where to allocate the Group's resources. Special product areas are responsible for production and development for parts of the product range and for ensuring that the Group meets the needs of the various customer segments. Reported figures for the different segments will reflect the Group's total sales of products and services to the relevant customer segments.

Personal customers	-	includes the Group's total products and activities to private customers in all channels, both digital and physical. DNB offers a wide range of products through Norway's largest distribution network, comprising branches, telephone banking (24/7), digital banking, real estate broking as well as external channels (post offices and in-store postal and banking outlets).
Small and medium-sized enterprises	-	is responsible for product sales and advisory services to small and medium-sized enterprises in Norway. DNB aspires to be a local bank for the whole of Norway, while offering the products and expertise of a large bank. Customers in this segment range from small businesses and start-up companies to relatively large corporate customers, and the product offerings are adapted to the customers' different needs. Small and medium-sized enterprises are served through the Group's large physical distribution network throughout Norway as well as digital and telephone banking (24/7).
Large corporates and international customers	-	includes large Norwegian and international corporate customers and all customers served by DNB's subsidiary banks in the Baltics and Poland. Operations are based on sound industry expertise and long-term customer relationships.
Trading	-	includes market making and other trading activities in fixed income, currencies and commodities (FICC) as well as equities, including risk management of the risk inherent in customer transactions. Markets' trading activities support the customer activities.
Traditional pension products	-	includes traditional defined-benefit pension products in DNB Livsforsikring. DNB no longer offers such products to new customers.

The income statement and balance sheet for the segments have been prepared on the basis of internal financial reporting for the functional organisation of the DNB Group into segments, as reported to group management (chief operating decision maker) for an assessment of current developments and the allocation of resources. Figures for the segments 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 segments and are based on a number of assumptions, estimates and discretionary distributions.

Capital allocated to the segments is calculated on the basis of the Group's common equity 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 2014 corresponds to a common equity Tier 1 capital ratio of 12.9 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.

Income statement, third quarter

DNB Group

	Personal customers		Small and medium-sized enterprises		Large corporates and international customers		Trading		Traditional pension products 1)		Other operations/ eliminations 2)		DNB Group	
	3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter	
Amounts in NOK million	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Net interest income - ordinary operations	3 468	3 362	1 536	1 479	2 918	2 737	71	105	0	0	236	232	8 228	7 915
Interest on allocated capital 3)	119	74	85	86	215	226	29	35	0	0	(447)	(421)	0	0
Net interest income	3 586	3 437	1 620	1 565	3 132	2 962	100	140	0	0	(211)	(189)	8 228	7 915
Net other operating income	1 260	1 271	454	360	1 373	1 209	608	525	330	640	535	112	4 560	4 117
Total income	4 846	4 708	2 075	1 926	4 506	4 171	708	665	330	640	324	(76)	12 788	12 032
Operating expenses	2 179	2 208	957	900	1 542	1 370	123	216	154	176	208	354	5 162	5 223
Pre-tax operating profit before impairment	2 667	2 500	1 118	1 026	2 964	2 801	585	449	176	464	117	(430)	7 626	6 809
Net gains on fixed and intangible assets	0	0	(0)	0	12	2	0	0	0	1	2	(0)	13	2
Impairment of loans and guarantees 4)	63	22	154	161	(39)	304	0	0	0	0	5	(13)	183	475
Profit from repossessed operations	0	(13)	(11)	8	(43)	(16)	0	0	0	0	54	21	0	0
Pre-tax operating profit	2 604	2 464	952	873	2 971	2 483	585	449	176	464	167	(397)	7 456	6 337
Tax expense	703	690	257	244	921	745	158	130	(22)	(15)	(255)	(346)	1 762	1 448
Profit from operations held for sale, after taxes	0	(5)	0	0	0	0	0	0	0	0	(8)	(3)	(8)	(7)
Profit for the period	1 901	1 770	695	628	2 050	1 738	427	318	198	479	415	(53)	5 686	4 881

1) *See the tables below for more information about Traditional pension products.*
2) *See the tables below for more information about other operations/eliminations.*
3) *Allocated capital corresponds to the external capital adequacy requirement (Basel II) which must be met by the Group. In consequence of stricter external capital requirements and the authorities' signals of additional capital requirements for home mortgages, allocated capital to Personal customers has been adjusted upwards in 2014.*
4) *See note 14 Impairment of loans and guarantees for an analysis of the gross change in impairment for the Group.*

Note 4 Segments (continued)

Main average balance sheet items

DNB Group

	Personal customers		Small and medium-sized enterprises		Large corporates and international customers		Trading		Traditional pension products		Other operations/ eliminations		DNB Group	
	3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter	
Amounts in NOK billion	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Loans to customers [1)]	673.0	652.1	216.2	206.2	475.8	467.3	8.9	1.8			1.2	0.5	1 375.0	1 327.8
Deposits from customers [1)]	363.6	346.1	164.3	148.3	362.0	354.9	134.2	94.8			(3.6)	(1.3)	1 020.4	942.8
Assets under management	66.3	61.2	50.6	37.3	203.0	179.4			217.4	234.1	11.7	5.3	549.0	517.3
Allocated capital [2)]	29.6	17.5	20.9	20.4	53.0	54.5	6.7	8.1	17.1	16.6				

Key figures

DNB Group

	Personal customers		Small and medium-sized enterprises		Large corporates and international customers		Trading		Traditional pension products		Other operations		DNB Group	
	3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter	
Per cent	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Cost/income ratio [3)]	45.0	46.9	46.1	46.7	34.2	32.8	17.4	32.5	46.7	27.5			40.4	43.4
Ratio of deposits to loans [1) 4)]	54.0	53.1	76.0	71.9	76.1	76.0							74.2	71.0
Return on allocated capital, annualised [2)]	25.5	40.1	13.2	12.2	15.3	12.7	25.1	15.6	4.6	11.5			15.0	14.4

1) *Loans to customers include accrued interest, impairment and value adjustments. Correspondingly, deposits from customers include accrued interest and value adjustments.*
2) *Allocated capital for the segments is calculated based on the external capital adequacy requirement (Basel II) which must be met by the Group. Recorded capital is used for the Group. In consequence of stricter external capital requirements and the authorities' signals of additional capital requirements for home mortgages, allocated capital to Personal customers has been adjusted upwards in 2014. This resulted in a lower return on capital compared with the preceding periods.*
3) *Total operating expenses relative to total income.*
4) *Deposits from customers relative to loans to customers. Calculated on the basis of average balance sheet items.*

Income statement, January-September

DNB Group

	Personal customers		Small and medium-sized enterprises		Large corporates and international customers		Trading		Traditional pension products		Other operations/ eliminations		DNB Group	
	Jan.-Sept.		Jan.-Sept.		Jan.-Sept.		Jan.-Sept.		Jan.-Sept.		Jan.-Sept.		Jan.-Sept.	
Amounts in NOK million	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Net interest income - ordinary operations	9 978	8 986	4 502	4 326	8 314	7 762	212	326	0	0	782	853	23 787	22 252
Interest on allocated capital [1)]	357	230	254	272	650	711	89	111	0	0	(1 350)	(1 325)	0	0
Net interest income	10 335	9 216	4 756	4 598	8 963	8 473	301	437	0	0	(568)	(472)	23 787	22 252
Net other operating income	3 600	3 620	1 220	1 098	4 057	3 869	1 686	1 463	1 365	1 823	1 596	235	13 525	12 109
Total income	13 935	12 836	5 976	5 696	13 020	12 343	1 987	1 900	1 365	1 823	1 028	(237)	37 311	34 361
Operating expenses	6 495	6 565	2 852	2 746	4 675	4 396	382	560	465	625	718	1 476	15 587	16 368
Pre-tax operating profit before impairment	7 440	6 271	3 123	2 950	8 346	7 947	1 605	1 339	900	1 198	310	(1 713)	21 724	17 993
Net gains on fixed and intangible assets	(4)	(0)	(0)	(0)	11	(3)	0	0	0	1	4	0	11	(3)
Impairment of loans and guarantees [2)]	200	260	425	427	180	1 447	0	0	0	0	12	16	817	2 149
Profit from repossessed operations	0	(13)	(39)	(2)	(88)	(44)	0	0	0	0	127	60	0	0
Pre-tax operating profit	7 236	5 997	2 659	2 521	8 089	6 453	1 605	1 339	900	1 199	429	(1 668)	20 918	15 842
Taxes	1 954	1 679	718	706	2 508	1 936	433	388	15	80	(608)	(814)	5 019	3 976
Profit from operations held for sale, after taxes	0	3	0	0	0	0	0	0	0	0	(39)	(7)	(39)	(5)
Profit for the period	5 282	4 321	1 941	1 815	5 581	4 517	1 172	951	885	1 118	998	(861)	15 859	11 861

1) *Allocated capital corresponds to the external capital adequacy requirement (Basel II) which must be met by the Group. In consequence of stricter external capital requirements and the authorities' signals of additional capital requirements for home mortgages, allocated capital to Personal customers has been adjusted upwards in 2014.*
2) *See note 14 Impairment of loans and guarantees for an analysis of the gross change in impairment for the Group.*

Note 4 Segments (continued)

Traditional pension products

The risk profile of Traditional pension products is different by nature from the risk profile of the Group's bank-related products. Higher life expectancy is one of several risk factors linked to defined-benefit pension products. In the tables below, a specification is given of pre-tax operating profits, including the costs related to the increase in reserves to reflect higher life expectancy.

Specification of pre-tax operating profit, Traditional pension products — **DNB Group**

Amounts in NOK million	3rd quarter 2014	3rd quarter 2013	January-September 2014	January-September 2013	Full year 2013
Recorded interest result	32	471	3 391	1 192	2 066
Risk result	89	147	254	203	321
Administration result	44	71	180	101	124
Upfront pricing of risk and guaranteed rate of return	149	174	474	510	682
Provisions for higher life expentancy, group pension [1)]	902	367	2 991	1 015	1 798
Allocations to policyholders, products with guaranteed returns	(601)	133	969	217	355
Return on corporate portfolio	162	102	561	424	559
Pre-tax operating profit - Traditional pension products	176	464	900	1 199	1 600

1) Provisions for higher life expectancy, group pension:

Amounts in NOK million	*Accumulated balance 30 September 2014*
Paid-up policies	*2 868*
Defined benefit	*3 758*
Total group pension [*)]	*6 626*

**) The total required increase in reserves for the portfolio as at 30 September 2014 was approximately NOK 12.3 billion.*

Other operations/eliminations

DNB Group

	Eliminations [1)]		Group units [2)]		Total	
	3rd quarter		3rd quarter		3rd quarter	
Amounts in NOK million	2014	2013	2014	2013	2014	2013
Net interest income - ordinary operations	(13)	(5)	250	237	236	232
Interest on allocated capital [3)]	0	0	(447)	(421)	(447)	(421)
Net interest income	(13)	(5)	(197)	(183)	(211)	(189)
Net other operating income	(375)	(320)	910	432	535	112
Total income	(389)	(325)	713	249	324	(76)
Operating expenses	(389)	(325)	597	679	208	354
Pre-tax operating profit before impairment	0	0	117	(430)	117	(430)
Net gains on fixed and intangible assets	0	0	2	(0)	2	(0)
Impairment of loans and guarantees [4)]	0	0	5	(13)	5	(13)
Profit from repossessed operations	0	0	54	21	54	21
Pre-tax operating profit	0	0	167	(397)	167	(397)

1) *The eliminations refer mainly to internal services from support units to segments and between segments. Further, intra-group transactions and gains and losses on transactions between companies in the Group are eliminated.*

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

Group units - pre-tax operating profit in NOK million	*3rd quarter 2014*	*3rd quarter 2013*
+ Interest on unallocated equity etc.	*88*	*83*
+ Income from equity investments	*(28)*	*8*
+ Gains on fixed and intangible assets	*2*	*(0)*
+ Mark-to-market adjustments Group Treasury and fair value of loans	*80*	*152*
+ Basis swaps	*449*	*(223)*
+ Eksportfinans ASA	*48*	*91*
+ Net gains on investment property	*(26)*	*(25)*
+ Profit from repossessed operations	*54*	*21*
- Unallocated impairment of loans and guarantees	*5*	*(13)*
- Ownership-related expenses (costs relating to shareholders, investor relations, strategic planning etc.)	*99*	*111*
- Unallocated personnel expenses	*70*	*23*
- Unallocated IT and Operations expenses	*(31)*	*180*
- Impairment of leases	*1*	*(2)*
- Unallocated operating expenses in main buildings	*14*	*18*
- Impairment of investment property and fixed assets	*40*	*14*
Other	*(301)*	*(172)*
Pre-tax operating profit	*167*	*(397)*

3) *Allocated capital corresponds to the external capital adequacy requirement (Basel II) which must be met by the Group.*

4) *See note 14 Impairment of loans and guarantees for an analysis of the gross change in impairment for the Group.*

Note 5 Net interest income

Amounts in NOK million	3rd quarter 2014	3rd quarter 2013	January-September 2014	January-September 2013	Full year 2013
					DNB Group
Interest on amounts due from credit institutions	446	362	1 312	952	1 299
Interest on loans to customers	13 078	13 232	39 011	38 766	52 019
Interest on impaired loans and guarantees	176	183	469	521	682
Interest on commercial paper and bonds	1 219	1 308	3 877	3 961	5 316
Front-end fees etc.	76	81	232	244	329
Other interest income	297	207	1 013	543	759
Total interest income	**15 291**	**15 373**	**45 912**	**44 987**	**60 404**
Interest on amounts due to credit institutions	307	535	1 354	1 829	2 374
Interest on deposits from customers	3 391	3 635	10 609	11 044	14 626
Interest on debt securities issued	3 116	3 053	9 438	9 005	12 130
Interest on subordinated loan capital	144	105	428	311	453
Guarantee fund levy	198	191	591	566	754
Other interest expenses [1)]	(93)	(61)	(293)	(20)	(125)
Total interest expenses	**7 063**	**7 458**	**22 126**	**22 735**	**30 212**
Net interest income	**8 228**	**7 915**	**23 787**	**22 252**	**30 192**

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	3rd quarter 2014	3rd quarter 2013	January-September 2014	January-September 2013	Full year 2013
					DNB Group
Money transfer fees	911	899	2 606	2 484	3 330
Fees on asset management services	316	281	907	816	1 119
Fees on custodial services	90	80	267	237	320
Fees on securities broking	76	54	252	175	262
Corporate finance	156	125	536	339	497
Interbank fees	9	10	26	28	37
Credit broking commissions	161	98	428	376	473
Sales commissions on insurance products	661	713	2 084	2 083	2 810
Fees on real estate broking	282	284	827	897	1 144
Sundry commissions and fees	190	243	625	700	923
Total commission and fee income etc.	**2 852**	**2 786**	**8 558**	**8 135**	**10 916**
Money transfer fees	351	320	985	888	1 225
Commissions on fund management services	58	42	168	131	179
Fees on custodial services	37	31	122	100	134
Interbank fees	17	18	51	54	73
Credit broking commissions	3	23	35	72	102
Commissions on the sale of insurance products	8	16	102	63	85
Sundry commissions and fees	147	153	440	437	581
Total commission and fee expenses etc.	**622**	**604**	**1 902**	**1 745**	**2 379**
Net commission and fee income	**2 229**	**2 182**	**6 656**	**6 390**	**8 537**

Note 7 Net gains on financial instruments at fair value

					DNB Group
	3rd quarter	3rd quarter	January-September		Full year
Amounts in NOK million	2014	2013	2014	2013	2013
Dividends	87	64	370	321	411
Net gains on commercial paper and bonds	381	92	2 228	(852)	(837)
Net gains on shareholdings and equity-related derivatives	(153)	8	407	19	732
Net unrealised gains on basis swaps	449	(223)	(114)	(544)	(1 364)
Net gains on other financial instruments	1 053	1 322	2 147	4 746	6 090
Net gains on financial instruments at fair value	**1 817**	**1 264**	**5 038**	**3 690**	**5 032**

Note 8 Profit from investments 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 these unrealised gains on DNB's holding, after tax, represented NOK 11.8 billion. 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, 2013 and 2014, 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. Reversals totalling NOK 1.7 billion were made in the first nine months of 2014. The remaining impairment loss was NOK 0.4 billion at end- september 2014. 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.

On 28 March 2014, a judgment in favour of Eksportfinans was delivered in the legal dispute described in the annual report for 2013, whereby a complaint had been filed against Eksportfinans by Silver Point Capital Fund LP and Silver Point Capital Offshore Master Fund LP (Silver Point) with the Tokyo District Court. The judgment is final.

Eksportfinans' accounts for the fourth quarter of 2013 (unaudited) included the following information on legal disputes:

> "On 12 December 2012, Eksportfinans received a complaint filed by Silver Point Capital Fund LP and Silver Point Capital Offshore Master Fund LP (Silver Point) with the Tokyo District Court. Silver Point is an investor in Eksportfinans Japanese Samurai bonds and has previously threatened (as stated in press releases dated 19 December 2011 and 7 November 2012) to declare default under these bonds. The plaintiff is demanding a partial payment in the amount of JPY 9.6 billion (approximately NOK 553 million at exchange rates applicable at 31 December, 2013) (together with 6 per cent interest thereon from 13 December 2011) as part of their entire claim of JPY 9.7 billion (approximately NOK 633 million including interest at exchange rates applicable at 31 December 2013). The due dates of these Samurai bonds are 16 June 2015 and 28 July 2016. Silver Point claims that the bonds became due and payable when they sent a default notice to Mizuho Corporate Bank as fiscal agent on 12 December 2011. Eksportfinans will, as previously stated in press releases on 19 December 2011 and 7 November 2012, vigorously resist this action on the basis that there is no default, and the company is therefore of the opinion that this complaint will not prevail. This opinion is supported by analysis from external counsel. Eksportfinans has therefore also concluded that such complaint does not constitute a cross default under Eksportfinans' other financial obligations. In a court meeting on 29 November 2013 the preceding judge closed the hearings and set the judgment date to 28 March 2014."

Through DNB Livsforsikring, the Group has joint control over three property companies as a result of its holdings in the companies and an agreement that all board decisions concerning the relevant activities shall be unanimous. As of 1 January 2013, these activities are classified as jointly controlled operations in accordance with IFRS 11 and recognised in the group accounts according to the equity method. These activities were previously accounted for according to the proportional consolidation method. The total return on the investments is included in the common portfolio of DNB Livsforsikring and presented under Net financial result, DNB Livsforsikring in the income statement. The change affects the classification of the investment in the balance sheet, but has no impact on the presentation in the income statement. See note 1 Accounting principles for effects of IFRS 11 Joint Arrangements.

Note 9 Other income

					DNB Group
	3rd quarter	3rd quarter	January-September		Full year
Amounts in NOK million	2014	2013	2014	2013	2013
Income from owned/leased premises	26	18	69	41	69
Income from investment properties	52	59	189	185	239
Sales income	28	25	86	75	107
Miscellaneous operating income	126	184	525	540	729
Total other income	**232**	**287**	**869**	**840**	**1 144**

Note 10 Operating expenses

Amounts in NOK million	3rd quarter 2014	3rd quarter 2013	January-September 2014	January-September 2013	Full year 2013
					DNB Group
Salaries	2 017	2 033	6 021	5 959	7 892
Employer's national insurance contributions	283	288	856	855	1 127
Pension expenses [1]	266	190	776	584	787
Restructuring expenses [1]	33	99	154	732	776
Other personnel expenses	153	166	445	500	724
Total salaries and other personnel expenses	**2 752**	**2 776**	**8 251**	**8 630**	**11 307**
Fees [2]	336	294	1 026	902	1 164
IT expenses [2]	533	681	1 627	1 810	2 346
Postage and telecommunications	78	75	225	229	303
Office supplies	23	24	71	73	90
Marketing and public relations	206	205	685	636	847
Travel expenses	46	46	162	149	229
Reimbursement to Norway Post for transactions executed	64	35	171	101	143
Training expenses	11	8	39	33	49
Operating expenses on properties and premises	314	300	1 005	972	1 364
Operating expenses on machinery, vehicles and office equipment	19	28	75	90	130
Other operating expenses [3]	216	241	662	1 111	1 184
Total other expenses	**1 848**	**1 938**	**5 749**	**6 107**	**7 850**
Impairment losses for goodwill [4]	0	0	0	0	57
Depreciation and impairment of fixed and intangible assets [5]	563	509	1 587	1 631	2 661
Total depreciation and impairment of fixed and intangible assets	**563**	**509**	**1 587**	**1 631**	**2 719**
Total operating expenses	**5 162**	**5 223**	**15 587**	**16 368**	**21 875**

1) *In consequence of the restructuring process in DNB, provisions for restructuring costs were made in 2013. In addition, a reduction in pension commitments for employees who were granted severance packages was estimated, resulting in lower pension expenses.*
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 57 million relating to JSC DNB Bank were recorded in the fourth quarter of 2013.*
5) *Impairment of capitalised systems development in the Baltics totalling NOK 500 million was recorded in the fourth quarter of 2013.*

Note 11 Number of employees/full-time positions

	3rd quarter 2014 [1) 2)]	3rd quarter 2013	January-September 2014 [1) 2)]	January-September 2013	Full year 2013 [2)]
					DNB Group
Number of employees at end of period	12 041	12 798	12 041	12 798	12 452
- of which number of employees abroad	3 315	3 731	3 315	3 731	3 533
Number of employees calculated on a full-time basis at end of period	11 648	12 356	11 648	12 356	12 016
- of which number of employees calculated on a full-time basis abroad	3 279	3 672	3 279	3 672	3 481
Average number of employees	12 089	12 941	12 190	13 239	13 091
Average number of employees calculated on a full-time basis	11 656	12 489	11 756	12 788	12 642

1) *The reduction in number of employees and the number of employees calculated on a full-time basis from 2013 reflects restructuring measures in the Group.*
2) *JSC DNB Bank was sold in July 2014. JSC DNB Bank had 176 employees/employees calculated on a full-time basis at the end of 2013.*

Note 12 Fair value of financial instruments at amortised cost

DNB Group

Amounts in NOK million	30 September 2014 Carrying amount	30 September 2014 Fair value	31 December 2013 Carrying amount	31 December 2013 Fair value	30 September 2013 Carrying amount	30 September 2013 Fair value
Cash and deposits with central banks	11 717	11 717	93 008	93 008	14 602	14 602
Due from credit institutions	19 169	19 169	14 411	14 411	12 903	12 903
Loans to customers	1 272 371	1 275 227	1 213 630	1 213 010	1 201 320	1 201 295
Commercial paper and bonds, held to maturity	123 315	131 906	152 883	158 092	157 213	162 504
Total financial assets	1 426 571	1 438 019	1 473 932	1 478 520	1 386 039	1 391 305
Due to credit institutions	24 768	24 768	24 386	24 386	25 051	25 051
Deposits from customers	840 296	840 296	809 465	809 465	858 013	858 013
Securities issued [1)]	455 719	464 421	460 850	467 367	433 288	439 900
Subordinated loan capital [1)]	25 395	25 656	25 025	25 198	24 575	24 374
Total financial liabilities	1 346 179	1 355 141	1 319 726	1 326 416	1 340 927	1 347 338

1) *Includes hedged liabilities.*

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 30 September 2014					
Deposits with central banks	0	201 656	0	2	201 658
Due from credit institutions	0	92 757	0	51	92 808
Loans to customers	0	7 551	107 507	313	115 371
Commercial paper and bonds at fair value	39 553	226 762	108	3 334	269 757
Shareholdings	7 623	11 828	7 764	-	27 215
Financial assets, customers bearing the risk	0	40 780	0	-	40 780
Financial derivatives	9	151 996	1 392	-	153 397
Liabilities as at 30 September 2014					
Due to credit institutions	0	162 230	0	31	162 261
Deposits from customers	0	47 386	0	131	47 516
Debt securities issued	0	268 370	0	672	269 042
Subordinated loan capital	0	1 271	0	2	1 273
Financial derivatives	8	125 050	1 101	-	126 158
Other financial liabilities [2)]	607	0	0	0	607

1) *Accrued interest on financial derivatives is included in the amounts in levels 2 and 3.*
2) *Short positions, equities trading.*

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

Amounts in NOK million	Financial assets: Loans to customers	Financial assets: Commercial paper and bonds	Financial assets: Share-holdings [1)]	Financial assets: Financial derivatives	Financial liabilities: Financial derivatives
Carrying amount as at 31 December 2013	**123 207**	**311**	**10 914**	**1 442**	**1 248**
Net gains on financial instruments	1 059	1	1 190	(33)	(127)
Additions/purchases	2 961	360	655	329	324
Sales	0	572	4 975	0	0
Settled	19 720	7	0	345	342
Transferred from level 1 or level 2	0	131	0	0	0
Transferred to level 1 or level 2	0	112	20	0	0
Other [2)]	0	(4)	0	(1)	(2)
Carrying amount as at 30 September 2014	**107 507**	**108**	**7 764**	**1 392**	**1 101**

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.*

Note 13 Financial instruments at fair value (continued)

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 corresponding 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 description of the instruments and valuation techniques, see DNB's annual report for 2013.

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

Amounts in NOK million	30 September 2014 Loans to customers	Commercial paper and bonds	Share-holdings
Principal amount/purchase price	105 130	110	7 467
Fair value adjustment [1)]	2 376	(2)	297
Total fair value, excluding accrued interest	107 507	108	7 764

1) *Changes in the fair value of customer loans mainly result from changes in swap rates. A corresponding negative adjustment is made in the fair value of financial instruments used for financial hedging.*

Breakdown of shareholdings, level 3 — **DNB Group**

Amounts in NOK million	Property funds	Hedge-funds	Unquoted equities	Private Equity (PE) funds	Other	Total
Carrying amount as at 30 September 2014	729	1 388	1 494	4 132	21	7 764

Sensitivity analysis, level 3 — **DNB Group**

Amounts in NOK million	Carrying amount 30 September 2014	Effect of reasonably possible alternative assumptions
Loans to customers	107 507	(184)
Commercial paper and bonds	108	(1)
Shareholdings	7 764	0
Financial derivatives, net	292	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 6 003 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 classified as level 3 was NOK 1 697 million as at 30 September 2014, following the completion of the sale of Nets Holding in the third quarter. The investment in Nets Holding was valued at NOK 3 430 million at 30 June 2014

Note 14 Impairment of loans and guarantees

DNB Group

Amounts in NOK million	3rd quarter 2014	3rd quarter 2013	January-September 2014	January-September 2013	Full year 2013
Write-offs	295	207	548	762	966
New individual impairment	467	753	1 973	2 470	3 071
Total new individual impairment	762	961	2 521	3 232	4 037
Reassessed individual impairment	311	167	978	809	1 263
Recoveries on loans and guarantees previously written off	185	119	443	340	457
Net individual impairment	267	674	1 101	2 082	2 318
Change in collective impairment of loans	(84)	(199)	(284)	67	(133)
Impairment of loans and guarantees [1)]	**183**	**475**	**817**	**2 149**	**2 185**
Write-offs covered by individual impairment made in previous years	457	319	1 630	983	1 837
1) Of which individual impairment of guarantees	*50*	*21*	*(144)*	*111*	*119*

Note 15 Loans to customers

	DNB Group		
Amounts in NOK million	30 Sept. 2014	31 Dec. 2013	30 Sept. 2013
Loans at amortised cost:			
Loans to customers, nominal amount	1 281 458	1 223 642	1 212 032
Individual impairment	9 199	9 695	10 251
Loans to customers, after individual impairment	1 272 259	1 213 947	1 201 781
+ Accrued interest and amortisation	2 896	2 708	2 776
- Individual impairment of accrued interest and amortisation	736	710	745
- Collective impairment	2 049	2 315	2 492
Loans to customers, at amortised cost	1 272 371	1 213 630	1 201 320
Loans at fair value:			
Loans to customers, nominal amount	112 681	125 493	130 259
+ Accrued interest	313	391	409
+ Adjustment to fair value	2 377	1 317	958
Loans to customers, at fair value	115 371	127 201	131 625
Loans to customers	**1 387 742**	**1 340 831**	**1 332 945**

Note 16 Net impaired loans and guarantees for principal customer groups 1)

	DNB Group		
Amounts in NOK million	30 Sept. 2014	31 Dec. 2013	30 Sept. 2013
Private individuals	3 236	3 482	3 578
Transportation by sea and pipelines and vessel construction	3 042	4 953	6 106
Real estate	2 827	3 708	3 851
Manufacturing	987	2 182	2 170
Services	539	506	576
Trade	338	387	401
Oil and gas	35	137	97
Transportation and communication	872	767	910
Building and construction	1 072	975	1 095
Power and water supply	21	68	54
Seafood	37	58	64
Hotels and restaurants	137	228	226
Agriculture and forestry	141	103	126
Central and local government	0	0	0
Other sectors	13	11	1
Total customers	13 297	17 565	19 255
Credit institutions	0	5	7
Total net impaired loans and guarantees	13 297	17 570	19 262
Non-performing loans and guarantees not subject to impairment	1 624	3 179	3 645
Total net non-performing and doubtful loans and guarantees	14 921	20 749	22 907

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 corresponds to the EU's standard industrial classification, NACE Rev.2.*

Note 17 Commercial paper and bonds, held to maturity

Amounts in NOK million	30 Sept. 2014	31 Dec. 2013	30 Sept. 2013
		DNB Group	
International bond portfolio	36 388	63 087	65 703
DNB Livsforsikring ASA	88 275	92 421	93 980
Other units [1)]	(1 349)	(2 626)	(2 470)
Commercial paper and bonds, held to maturity	**123 315**	**152 883**	**157 213**

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 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, the portfolio was thus measured at fair value according to models used for financial instruments not traded in an active market. The models were based on a regression analysis whereby historical market data (explanatory variables) which were observable even during the financial turmoil were 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 showed a high level of correlation between changes in given market data and changes in the value of the portfolio, which at the time was priced in an active market or through broker quotes which were believed to be fairly reliable. As of 1 January 2014, the fair value of the portfolio is determined based on broker quotes. If fair value had been used to determine the value of the portfolio in the third quarter of 2014, there would have been a NOK 39 million increase 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 30 September 2014 was NOK 0.8 billion higher than if the previous valuation principle had been retained. On the reclassification date, the carrying amount of the portfolio was NOK 88.0 billion, compared with NOK 17.4 billion at end-September 2014. The average term to maturity of the portfolio was 5.5 years, and the change in value resulting from an interest rate adjustment of one basis point was NOK 11 million at end-September 2014.

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

Amounts in NOK million	3rd quarter 2014	3rd quarter 2013	January-September 2014	January-September 2013	Full year 2013
Recorded amortisation effect	24	39	80	133	163
Net gain, if valued at fair value	63	159	(153)	540	452
Effects of reclassification on profits	(39)	(120)	232	(407)	(289)

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

Amounts in NOK million	30 Sept. 2014	31 Dec. 2013	30 Sept. 2013
Recorded unrealised losses	523	603	633
Unrealised losses, if valued at fair value	1 285	1 132	1 044
Effects of reclassification on the balance sheet	762	529	411

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

Amounts in NOK million	30 Sept. 2014	31 Dec. 2013	30 Sept. 2013
Reclassified portfolio, carrying amount	17 399	20 313	21 812
Reclassified portfolio, if valued at fair value	16 638	19 784	21 400
Effects of reclassification on the balance sheet	762	529	411

Note 17 Commercial paper and bonds, held to maturity (continued)

International bond portfolio

After the reclassification date, DNB has chosen to increase 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 and government-guaranteed bonds, these investments are carried at fair value. As at 30 September 2014 the international bond portfolio represented NOK 124.6 billion. 72.8 per cent of the securities in the portfolio had an AAA rating, while 21.7 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 Portugal, Italy, Ireland, Greece or Spain. The structure of the international bond portfolio is shown below.

		DNB Group
	Per cent 30 Sept. 2014	NOK million 30 Sept. 2014
Asset class		
Residential mortgages	24.45	30 596
Corporate loans	0.01	16
Government related	33.87	42 376
Covered bonds	41.67	52 142
Total international bond portfolio, nominal values	100.00	125 130
Accrued interest, amortisation effects and fair value adjustments		(520)
Total international bond portfolio		124 610
Total international bond portfolio, held to maturity		36 388
Of which reclassified portfolio		17 399

The average term to maturity of the international bond portfolio is 3.0 years, and the change in value resulting from an interest rate adjustment of one basis point was NOK 14 million at end-September 2014.

DNB Livsforsikring

Bonds held-to-maturity totalled NOK 88.3 billion in DNB Livsforsikring ASA's as at 30 September 2014, mainly comprising bonds issued by highly creditworthy borrowers. At end-September, bonds with government guarantees represented 23.3 per cent of the portfolio, while covered bonds represented 32.9 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 30 Sept. 2014	NOK million 30 Sept. 2014
Asset class		
Government/government-guaranteed	23.29	20 094
Guaranteed by supranational entities	1.51	1 300
Municipalities/county municipalities	8.56	7 382
Bank and mortgage institutions	17.40	15 009
Covered bonds	32.93	28 409
Other issuers	16.31	14 073
Total bond portfolio DNB Livsforsikring, held to maturity, nominal values	100.00	86 267
Accrued interest, amortisation effects and fair value adjustments		2 008
Total bond portfolio DNB Livsforsikring, held to maturity		88 275

Note 18 Investment properties

Amounts in NOK million	DNB Group 30 Sept. 2014	31 Dec. 2013 [1]	30 Sept. 2013 [1]
DNB Livsforsikring	31 129	32 545	31 669
Properties for own use [2]	(5 627)	(4 674)	(3 545)
Other investment properties [3]	4 209	4 615	4 591
Total investment properties	**29 710**	**32 485**	**32 715**

1) Due to changes in principles, some comparative figures have been restated. See further details in note 1 Accounting principles.
2) Some properties in DNB Livsforsikring are classified as properties for own use in the group accounts and are recorded at fair value.
3) 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 31 129 million as at 30 September 2014.

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 third quarter of 2014, external appraisals were obtained for a total of 14 properties, representing 37 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 0.2 per cent lower 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 portfolio, a required rate of return of 8.5 per cent has been principally used. The same general required rate of return is used for the hotel and shopping centre portfolios, but for some of the hotel and shopping centres, based on an individual evaluation, an adjustment of the required rate of return has been made in the interval minus 0.4 to plus 0.4 percentage points.

Value development and sensitivity

The value of investment properties in DNB Livsforsikring was adjusted upwards by NOK 181 million during the third quarter of 2014. 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 4.4 per cent or NOK 934 million. Correspondingly, a 5 per cent change in future market rents will change the value of the property portfolio by 3.7 per cent or NOK 793 million.

Changes in the value of investment properties

Amounts in NOK million	DNB Group Investment property
Carrying amount as at 31 December 2012 [1]	**38 607**
Additions, purchases of new properties	673
Additions, capitalised investments	240
Additions, acquired companies	20
Net gains resulting from adjustment to fair value	130
Net gains resulting from adjustment to fair value of projects	0
Disposals	7 940
Exchange rate movements	986
Other	0
Recorded value as at 30 September 2013 [1]	**32 715**
Carrying amount as at 31 December 2013 [1]	**32 485**
Additions, purchases of new properties	247
Additions, capitalised investments	191
Additions, acquired companies	270
Net gains resulting from adjustment to fair value [2]	204
Net gains resulting from adjustment to fair value of projects	2
Disposals	2 538
Exchange rate movements	(359)
Other [3]	(792)
Carrying amount as at 30 September 2014	**29 710**

1) Due to changes in principles, some comparative figures have been restated. See further details in note 1 Accounting principles.
2) Of which NOK 39 million represented a negative value adjustment of investment properties which are not owned by DNB Livsforsikring.
3) In 2013, DNB Livsforsikring purchased a building that was capitalised in the balance sheet. The building was taken into use by the DNB Group in 2014 and classified under owner-used properties.

Note 19 Intangible assets

			DNB Group
Amounts in NOK million	30 Sept. 2014	31 Dec. 2013	30 Sept. 2013
Goodwill [1]	4 745	4 870	4 902
IT systems development [2]	1 203	1 382	1 786
Other intangible assets	233	259	259
Total intangible assets	**6 182**	**6 511**	**6 947**

1) *Impairment losses for the remaining goodwill of JSC DNB Bank were recorded in the fourth quarter of 2013.*

2) *The process of developing new IT solutions in the Baltics was completed in 2013. Due to reduced growth prospects and stricter capital requirements for the cash flow-generating unit, it was decided to record impairment losses of NOK 500 million, in the fourth quarter, relating to the IT solutions.*

Note 20 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	30 Sept. 2014	31 Dec. 2013	30 Sept. 2013
Commercial paper issued, nominal amount	192 042	183 619	218 808
Bond debt, nominal amount [1]	495 530	504 159	476 551
Adjustments	37 189	23 777	22 944
Total debt securities issued	**724 761**	**711 555**	**718 302**

Changes in debt securities issued

						DNB Group
Amounts in NOK million	Balance sheet 30 Sept. 2014	Issued 2014	Matured/ redeemed 2014	Exchange rate movements 2014	Other adjustments 2014	Balance sheet 31 Dec. 2013
Commercial paper issued, nominal amount	192 042	969 614	961 320	129		183 619
Bond debt, nominal amount [1]	495 530	46 546	47 736	(7 438)		504 159
Adjustments	37 189				13 413	23 777
Total debt securities issued	**724 761**	**1 016 160**	**1 009 057**	**(7 310)**	**13 413**	**711 555**

Changes in subordinated loan capital and perpetual subordinated loan capital securities

						DNB Group
Amounts in NOK million	Balance sheet 30 Sept. 2014	Issued 2014	Matured/ redeemed 2014	Exchange rate movements 2014	Other adjustments 2014	Balance sheet 31 Dec. 2013
Term subordinated loan capital, nominal amount	17 570			(252)		17 822
Perpetual subordinated loan capital, nominal amount	4 217			206		4 011
Perpetual subordinated loan capital securities, nominal amount	3 647			132		3 515
Adjustments	1 234				305	929
Total subordinated loan capital and perpetual subordinated loan capital securities	**26 668**	**0**	**0**	**87**	**305**	**26 276**

1) *Minus own bonds. Nominal amount of outstanding covered bonds in DNB Boligkreditt totalled NOK 383.5 billion as at 30 September 2014. The cover pool market value represented NOK 547.0 billion.*

Note 21 Capital adequacy

Up until 30 June 2014, the DNB Group followed the Basel II regulations for capital adequacy calculations. On 22 August 2014, the Norwegian Ministry of Finance approved changes in a number of capital adequacy regulations. Parallel to this, Finanstilsynet changed the Consolidation Regulations to adapt to the EU's new capital adequacy regulations for banks and investment firms (CRD IV/CRR). As of 30 September 2014, capital adequacy will be reported in accordance with the new reporting requirements. 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.

Primary capital	**DNB Bank ASA**		**DNB Bank Group**		**DNB Group**	
Amounts in NOK million	30 Sept. 2014	31 Dec. 2013	30 Sept. 2014	31 Dec. 2013	30 Sept. 2014	31 Dec. 2013
Share capital	18 314	18 314	18 314	18 314	16 288	16 278
Other equity	95 415	96 276	102 450	108 093	120 933	125 949
Non-eligible capital	-	-	-	-	(1 013)	(1 013)
Total equity	113 729	114 591	120 765	126 407	136 208	141 214
Deductions						
Pension funds above pension commitments	(8)	0	(8)	(4)	(20)	(25)
Goodwill	(2 925)	(2 956)	(2 941)	(3 654)	(4 675)	(5 482)
Deferred tax assets [1)]	(326)	(4 145)	(508)	(1 093)	(509)	(1 111)
Other intangible assets	(803)	(955)	(816)	(1 425)	(1 049)	(1 643)
Dividends payable etc.	0	0	0	(5 000)	0	(4 398)
Unrealised gains on fixed assets	0	0	(30)	(30)	(30)	(30)
50 per cent of investments in other financial institutions	0	(2)	0	(2)	0	(2)
Expected losses exceeding actual losses, IRB portfolios [2)]	(1 410)	(610)	(1 952)	(712)	(1 952)	(712)
Adjustments for unrealised losses/(gains) on debt recorded at fair value	240	240	281	281	281	281
Adjustments for unrealised losses/(gains) arising from the institution's own credit risk related to derivative liabilities	(80)	-	(80)	-	(80)	-
Minimum requirement reassurance allocation	-	-	-	-	(17)	(21)
Common equity Tier 1 capital	108 418	106 162	114 712	114 770	128 158	128 072
Common equity Tier 1 capital incl. 50 per cent of profit for the period	114 669	-	122 010	-	136 042	-
Perpetual subordinated loan capital securities	3 647	3 515	3 647	3 515	3 647	3 515
Tier 1 capital	112 065	109 677	118 359	118 285	131 805	131 587
Tier 1 capital incl. 50 per cent of profit for the period	118 316	-	125 657	-	139 689	-
Perpetual subordinated loan capital	4 217	4 011	4 217	4 011	4 217	4 011
Term subordinated loan capital [3)]	17 570	17 822	17 643	17 850	17 643	17 850
Deductions						
50 per cent of investments in other financial institutions	0	(2)	0	(2)	0	(2)
Expected losses exceeding actual losses, IRB portfolios [2)]	-	(610)	-	(712)	-	(712)
Additions						
45 per cent of unrealised gains on fixed assets	0	0	18	18	18	18
Tier 2 capital	21 787	21 221	21 878	21 165	21 878	21 165
Total eligible primary capital	133 852	130 898	140 238	139 450	153 683	152 752
Total eligible primary capital incl. 50 per cent of profit for the period	140 103	-	147 535	-	161 567	-
Risk-weighted volume, transitional rules	874 557	933 433	992 879	1 004 716	1 079 701	1 089 114
Minimum capital requirement, transitional rules	69 965	74 675	79 430	80 377	86 376	87 129
Common equity Tier 1 capital ratio, transitional rules (%)	13.1	11.4	12.3	11.4	12.6	11.8
Tier 1 capital ratio, transitional rules (%)	13.5	11.7	12.7	11.8	12.9	12.1
Capital ratio, transitional rules (%)	16.0	14.0	14.9	13.9	15.0	14.0
Common equity Tier 1 capital ratio, transitional rules, excluding 50 per cent of profit for the period (%)	12.4	-	11.6	-	11.9	-
Tier 1 capital ratio, transitional rules, excluding 50 per cent of profit for the period (%)	12.8	-	11.9	-	12.2	-
Capital ratio, transitional rules, excluding 50 per cent of profit for the period (%)	15.3	-	14.1	-	14.2	-

1) *As a result of adaptations to CRD IV/CRR, only deferred tax assets that are not due to temporary differences will be deducted from common equity Tier 1 capital as of 30 September 2014.*

2) *As a result of adaptations to CRD IV/CRR, the entire amount will be deducted from common equity Tier 1 capital as of 30 September 2014. Up until 30 September 2014, 50 per cent of the amount was deducted from common equity Tier 1 capital and 50 per cent from Tier 1 capital.*

3) *As at 30 September 2014, calculations of capital adequacy for the banking group and DNB Group included a total of NOK 71 million in subordinated loan capital in associated companies.*

Note 21 Capital adequacy (continued)

Basel III

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).

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

Amounts in NOK million	Nominal exposure 30 Sept. 2014	EAD [1] 30 Sept. 2014	Average risk weights in per cent 30 Sept. 2014	Risk-weighted volume 30 Sept. 2014	Capital requirements 30 Sept. 2014	Capital requirements 31 Dec. 2013
IRB approach						
Corporate	949 531	773 802	44.0	340 463	27 237	30 362
Specialised Lending (SL)	7 506	7 458	45.9	3 423	274	153
Retail - mortgage loans	648 664	648 664	17.0	110 049	8 804	4 884
Retail - other exposures	109 087	89 834	27.8	24 948	1 996	1 984
Securitisation	36 388	36 388	63.2	22 991	1 839	2 380
Total credit risk, IRB approach	1 751 177	1 556 146	32.3	501 874	40 150	39 763
Standardised approach						
Central government	57 343	69 822	0.3	225	18	4
Institutions	160 943	103 255	31.1	32 110	2 569	1 837
Corporate	238 719	198 374	92.5	183 456	14 677	17 055
Retail - mortgage loans	39 762	37 806	50.2	18 975	1 518	1 867
Retail - other exposures	94 006	42 643	77.2	32 939	2 635	2 249
Equity positions	4 472	4 342	104.1	4 518	361	321
Securitisation	2 706	2 706	29.4	795	64	44
Other assets	7 259	7 259	106.1	7 700	616	1 019
Total credit risk, standardised approach	605 209	466 206	60.2	280 718	22 457	24 395
Total credit risk	2 356 385	2 022 352	38.7	782 592	62 607	64 158
Market risk						
Position risk, debt instruments				15 292	1 223	2 239
Position risk, equity instruments				401	32	104
Currency risk				0	0	0
Commodity risk				211	17	9
Credit value adjustment risk (CVA)				6 225	498	-
Total market risk				22 129	1 770	2 352
Operational risk				80 099	6 408	6 408
Net insurance, after eliminations				88 910	7 113	6 982
Deductions				0	0	(60)
Total risk-weighted volume and capital requirements before transitional rules				973 729	77 898	79 840
Additional capital requirements according to transitional rules [2]				105 971	8 478	7 289
Total risk-weighted volume and capital requirements				1 079 701	86 376	87 129

1) *EAD, exposure at default.*

2) *Due to transitional rules, the minimum capital adequacy requirements cannot be reduced below 80 per cent of the corresponding figure calculated according to the Basel I regulations. As a result of adaptations to CRD IV/CRR, adjusted expected losses, multiplied by 12.5, will be deducted from risk-weighted volume calculated according to the Basel I regulations as of 30 September 2014.*

Note 22 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. Ordinary senior bond debt and covered bonds are the major sources of long-term funding. The Group's ratio of deposits to net loans was 64.0 per cent at end-September 2014, down from 69.4 per cent a year earlier. The ratio of deposits to net loans in DNB Bank ASA was 122.6 per cent at end-September 2014.

The short-term funding markets remained generally sound in the third quarter of 2014. In spite of somewhat greater competition for funding due to the fact that a larger group of banks is regarded as financially strong, DNB had ample access to short-term funding in all currencies. In the long-term funding markets, there was also a strong supply of capital throughout the third quarter. After the European Central Bank, ECB, presented its covered bond purchase programme as one of several measures to stimulate economic activity in the eurozone, the costs of new funding in the form of covered bonds have shown a particularly favourable trend.

The short-term liquidity requirement, Liquidity Coverage Ratio (LCR), remained stable at above 100 per cent throughout the third quarter. At end-September, the total LCR was 107.3 per cent, with an LCR of 48.3 per cent for EUR and 208.3 per cent for USD.

The average remaining term to maturity for the portfolio of senior bond debt and covered bonds was 4.4 years at end-September 2014, compared with 4.5 years a year earlier. The DNB Group aims to achieve a sound and stable maturity structure for funding over the next five years.

Note 23 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 ASA (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 is renewed yearly. 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.

DNB Bank ASA carries loans in its balance sheets which according to a legal agreement have been transferred to Eksportfinans and are guaranteed by DNB Bank ASA. Pursuant to the agreement, the bank still carries interest rate risk and credit risk associated with the transferred portfolio. According to the IFRS regulations, the loans have therefore not been removed from the balance sheet of the bank. These portfolios totalled NOK 2.8 billion at end-September 2014. The loans are set off by deposits/payments from Eksportfinans. DNB Bank ASA has also issued guarantees for other loans in Eksportfinans.

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

Note 24 Off-balance sheet transactions, contingencies and post-balance sheet events

Off-balance sheet transactions and additional information **DNB Group**

Amounts in NOK million	30 Sept. 2014	31 Dec. 2013	30 Sept. 2013
Performance guarantees	45 231	45 721	44 793
Payment guarantees	24 368	23 811	22 560
Loan guarantees [1)]	16 087	19 054	19 213
Guarantees for taxes etc.	6 672	6 596	6 701
Other guarantee commitments	2 279	4 291	2 182
Total guarantee commitments	94 637	99 472	95 449
Support agreements	11 530	10 200	11 241
Total guarantee commitments etc. [*)]	106 167	109 672	106 690
Unutilised credit lines and loan offers	589 414	580 460	546 273
Documentary credit commitments	3 223	3 860	2 752
Other commitments	644	671	1 837
Total commitments	593 281	584 990	550 863
Total guarantee and off-balance commitments	699 448	694 662	657 552
Pledged securities	22 363	77 202	88 377
**) Of which counter-guaranteed by financial institutions*	*313*	*148*	*126*

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 2.8 billion were recorded in the balance sheet as at 30 September 2014. 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.

The DNB Group is subject to a number of complaints and disputes relating to structured products and other investment products.

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 30 September 2014 and up till the Board of Directors' final consideration of the accounts on 22 October 2014.

DNB ASA

Income statement

Amounts in NOK million	3rd quarter 2014	3rd quarter 2013	January-September 2014	January-September 2013	Full year 2013
Total interest income	41	37	118	92	131
Total interest expenses	74	81	228	254	335
Net interest income	**(33)**	**(43)**	**(110)**	**(163)**	**(204)**
Commissions and fees payable etc.	2	1	5	5	(6)
Other income [1]	0	0	0	0	9 550
Net other operating income	**(2)**	**(1)**	**(5)**	**(5)**	**9 544**
Total income	**(35)**	**(45)**	**(115)**	**(168)**	**9 340**
Salaries and other personnel expenses	2	1	4	4	5
Other expenses	97	110	290	326	434
Total operating expenses	**99**	**111**	**293**	**330**	**439**
Pre-tax operating profit	**(134)**	**(156)**	**(408)**	**(498)**	**8 901**
Tax expense	(36)	(44)	(110)	(139)	1 771
Profit for the period	**(98)**	**(112)**	**(298)**	**(358)**	**7 130**
Earnings/diluted earnings per share (NOK)	(0.06)	(0.07)	(0.18)	(0.22)	4.38
Earnings per share excluding operations held for sale (NOK)	(0.06)	(0.07)	(0.18)	(0.22)	4.38

DNB ASA

Balance sheet

Amounts in NOK million	30 Sept. 2014	31 Dec. 2013	30 Sept. 2013
Assets			
Due from DNB Bank ASA	5 784	5 826	5 436
Loans to other group companies [2]	1 373	1 349	1 346
Investments in group companies	65 446	66 464	64 504
Receivables due from group companies [1]	0	9 579	43
Other assets	180	0	139
Total assets	**72 783**	**83 218**	**71 469**
Liabilities and equity			
Short-term amounts due to DNB Bank ASA	22	51	39
Due to other group companies	8	5 014	2 302
Other liabilities and provisions	0	5 413	13
Long-term amounts due to DNB Bank ASA	11 891	11 581	11 045
Total liabilities	**11 922**	**22 058**	**13 400**
Share capital	16 288	16 288	16 288
Share premium reserve	22 556	22 556	22 556
Other equity	22 017	22 315	19 224
Total equity	**60 861**	**61 159**	**58 069**
Total liabilities and equity	**72 783**	**83 218**	**71 469**

DNB ASA

1) *Of which group contributions from DNB Bank ASA represented NOK 6 944 million in 2013. The group contribution from DNB Livsforsikring ASA represented NOK 2 414 million in 2013.*
2) *Of which subordinated loans to DNB Livsforsikring ASA represented NOK 1 360 million as at 30 September 2014 and NOK 1 335 million as at 31 December 2013.*

Statement of changes in equity

Amounts in NOK million	Share capital	Share premium reserve	Other equity	Total equity
Balance sheet as at 31 December 2012	**16 288**	**22 556**	**19 583**	**58 427**
Profit for the period			(358)	(358)
Balance sheet as at 30 September 2013	**16 288**	**22 556**	**19 224**	**58 069**
Balance sheet as at 31 December 2013	**16 288**	**22 556**	**22 315**	**61 159**
Profit for the period			(298)	(298)
Balance sheet as at 30 September 2014	**16 288**	**22 556**	**22 017**	**60 861**

DNB ASA

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 2013.

Key figures

DNB Group	3rd quarter 2014	3rd quarter 2013	January-September 2014	January-September 2013	Full year 2013
Interest rate analysis					
1. Combined weighted total average spread for lending and deposits (%)	1.25	1.29	1.26	1.26	1.27
2. Average spread for ordinary lending to customers (%)	2.31	2.42	2.37	2.32	2.34
3. Average spread for deposits from customers (%)	(0.17)	(0.29)	(0.24)	(0.28)	(0.28)
Rate of return/profitability					
4. Net other operating income, per cent of total income	35.7	34.2	36.2	35.2	35.2
5. Cost/income ratio (%)	40.4	43.4	41.8	47.6	45.7
6. Return on equity, annualised (%)	15.0	14.4	14.4	12.1	13.2
7. RAROC, annualised (%)	12.4	13.0	13.0	11.9	12.8
8. Average equity including allocated dividend (NOK million)	150 251	134 251	147 162	131 351	133 242
9. Return on average risk-weighted volume, annualised (%)	2.07	1.77	1.95	1.46	1.61
Financial strength at end of period					
10. Common equity Tier 1 capital ratio, transitional rules (%) [1)]	12.6	11.0	12.6	11.0	11.8
11. Tier 1 capital ratio, transitional rules (%) [1)]	12.9	11.3	12.9	11.3	12.1
12. Capital ratio, transitional rules (%) [1)]	15.0	13.1	15.0	13.1	14.0
13. Common equity Tier 1 capital (NOK million) [1)]	136 042	119 989	136 042	119 989	128 072
14. Risk-weighted volume, transitional rules (NOK million)	1 079 701	1 091 690	1 079 701	1 091 690	1 089 114
Loan portfolio and impairment					
15. Individual impairment relative to average net loans to customers, annualised (%)	0.08	0.20	0.11	0.21	0.18
16. Impairment relative to average net loans to customers, annualised (%)	0.05	0.14	0.08	0.22	0.17
17. Net non-performing and net doubtful loans and guarantees, per cent of net loans	1.01	1.70	1.01	1.70	1.38
18. Net non-performing and net doubtful loans and guarantees at end of period (NOK million)	14 921	22 907	14 921	22 907	20 749
Liquidity					
19. Ratio of customer deposits to net loans to customers at end of period (%)	64.0	69.4	64.0	69.4	64.7
Total assets owned or managed by DNB					
20. Customer assets under management at end of period (NOK billion)	528	500	528	500	519
21. Total combined assets at end of period (NOK billion)	2 691	2 731	2 691	2 731	2 656
22. Average total assets (NOK billion)	2 671	2 540	2 663	2 528	2 543
23. Customer savings at end of period (NOK billion)	1 416	1 426	1 416	1 426	1 387
Staff					
24. Number of full-time positions at end of period	11 648	12 356	11 648	12 356	12 016
The DNB share					
25. Number of shares at end of period (1 000)	1 628 799	1 628 799	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	1 628 799	1 628 799
27. Earnings per share (NOK)	3.49	3.00	9.74	7.28	10.76
28. Earnings per share excl. operations held for sale (NOK)	3.50	3.00	9.77	7.29	10.76
29. Dividend per share (NOK)	-	-	-	-	2.70
30. Total shareholders' return (%)	10.0	6.2	13.8	32.6	57.6
31. Dividend yield (%)	-	-	-	-	2.49
32. Equity per share incl. allocated dividend at end of period (NOK)	93.98	83.79	93.98	83.79	87.32
33. Share price at end of period (NOK)	120.30	91.30	120.30	91.30	108.50
34. Price/earnings ratio	8.61	7.60	9.26	9.40	10.08
35. Price/book value	1.28	1.09	1.28	1.09	1.24
36. Market capitalisation (NOK billion)	195.9	148.7	195.9	148.7	176.7

1) Including 50 per cent of profit for the period, except for the full year figures.

For definitions of selected key figures, see next page.

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 external clients in DNB Asset Management, DNB Livsforsikring and DNB Skadeforsikring.
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 24 April 2014 authorised the Board of Directors of DNB ASA to acquire own shares for a total face value of up to NOK 325 759 772, corresponding to 2 per cent of share capital. The shares shall be purchased in a regulated market. Each share may be purchased at a price between NOK 10 and NOK 200. The authorisation is valid for a period of 12 months from 24 April 2014. 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, Industry and Fisheries 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	3rd quarter 2014	2nd quarter 2014	1st quarter 2014	4th quarter 2013	3rd quarter 2013
Total interest income	15 291	15 426	15 196	15 417	15 373
Total interest expenses	7 063	7 559	7 504	7 477	7 458
Net interest income	**8 228**	**7 867**	**7 691**	**7 940**	**7 915**
Commission and fee income etc.	2 852	2 858	2 848	2 780	2 786
Commission and fee expenses etc.	622	617	663	634	604
Net gains on financial instruments at fair value	1 817	1 132	2 089	1 342	1 264
Net financial result, DNB Livsforsikring	(87)	152	(30)	149	58
Net risk result, DNB Livsforsikring	223	30	135	216	147
Net insurance result, DNB Skadeforsikring	121	139	102	122	102
Profit from investments accounted for by the equity method	41	34	107	118	99
Net gains on investment property	(17)	(3)	13	(79)	(23)
Other income	232	361	277	304	287
Net other operating income	**4 560**	**4 087**	**4 877**	**4 318**	**4 117**
Total income	**12 788**	**11 954**	**12 569**	**12 258**	**12 032**
Salaries and other personnel expenses	2 752	2 789	2 710	2 677	2 776
Other expenses	1 848	1 957	1 944	1 743	1 938
Depreciation and impairment of fixed and intangible assets	563	486	538	1 088	509
Total operating expenses	**5 162**	**5 233**	**5 192**	**5 508**	**5 223**
Pre-tax operating profit before impairment	**7 626**	**6 722**	**7 377**	**6 750**	**6 809**
Net gains on fixed and intangible assets	13	(3)	(0)	153	2
Impairment of loans and guarantees	183	554	80	36	475
Pre-tax operating profit	**7 456**	**6 165**	**7 297**	**6 868**	**6 337**
Tax expense	1 762	1 499	1 758	1 212	1 448
Profit from operations held for sale, after taxes	(8)	(11)	(19)	9	(7)
Profit for the period	**5 686**	**4 654**	**5 519**	**5 665**	**4 881**
Earnings/diluted earnings per share (NOK)	3.49	2.86	3.39	3.48	3.00

Comprehensive income statement — **DNB Group**

Amounts in NOK million	3rd quarter 2014	2nd quarter 2014	1st quarter 2014	4th quarter 2013	3rd quarter 2013
Profit for the period	**5 686**	**4 654**	**5 519**	**5 665**	**4 881**
Actuarial gains and losses, net of tax	(573)	(161)	(294)	(481)	(352)
Property revaluation	41	32	10	96	7
Elements of other comprehensive income allocated to customers (life insurance)	(41)	(32)	(10)	(96)	(7)
Other comprehensive income that will not be reclassified to profit or loss, net of tax	(573)	(161)	(294)	(481)	(352)
Currency translation of foreign operations	451	1 264	(861)	986	382
Hedging of net investment, net of tax	(398)	(703)	501	(327)	(230)
Other comprehensive income that may subsequently be reclassified to profit or loss, net of tax	53	561	(360)	659	152
Other comprehensive income for the period	**(520)**	**400**	**(654)**	**178**	**(199)**
Comprehensive income for the period	**5 166**	**5 054**	**4 865**	**5 843**	**4 682**

Profit and balance sheet trends (continued)

Balance sheet					**DNB Group**
Amounts in NOK million	30 Sept. 2014	30 June 2014	31 March 2014	31 Dec. 2013 [1)]	30 Sept. 2013 [1)]
Assets					
Cash and deposits with central banks	213 375	171 346	363 330	167 171	401 560
Due from credit institutions	111 977	191 487	53 845	180 882	29 586
Loans to customers	1 387 742	1 369 271	1 343 832	1 340 831	1 332 945
Commercial paper and bonds at fair value	269 757	265 787	280 730	277 764	286 217
Shareholdings	27 215	30 756	33 477	29 826	26 682
Financial assets, customers bearing the risk	40 780	39 458	36 602	35 512	33 197
Financial derivatives	153 397	141 666	134 188	130 939	128 608
Commercial paper and bonds, held to maturity	123 315	138 273	148 491	152 883	157 213
Investment property	29 710	30 958	31 456	32 485	32 715
Investments accounted for by the equity method	5 786	5 881	5 919	5 802	5 690
Intangible assets	6 182	6 302	6 363	6 511	6 947
Deferred tax assets	1 188	1 099	1 065	1 104	1 369
Fixed assets	13 422	13 514	13 383	12 498	11 215
Assets held for sale	238	1 119	252	225	213
Other assets	38 539	38 499	29 857	30 806	40 617
Total assets	**2 422 622**	**2 445 417**	**2 482 789**	**2 405 239**	**2 494 775**
Liabilities and equity					
Due to credit institutions	187 030	214 438	257 435	234 219	260 903
Deposits from customers	887 813	881 920	900 180	867 904	925 451
Financial derivatives	126 158	108 922	108 474	111 310	103 209
Debt securities issued	724 761	742 192	745 055	711 555	718 302
Insurance liabilities, customers bearing the risk	40 780	39 458	36 602	35 512	33 197
Liabilities to life insurance policyholders in DNB Livsforsikring	217 625	224 093	221 564	230 906	228 881
Insurance liabilities, DNB Skadeforsikring	2 023	2 072	2 076	1 958	2 036
Payable taxes	4 604	3 057	1 729	3 277	4 221
Deferred taxes	2 192	2 427	3 207	2 654	1 516
Other liabilities	43 322	45 379	27 861	31 934	48 966
Liabilities held for sale	89	884	89	53	73
Provisions	1 155	1 171	1 133	1 454	1 999
Pension commitments	5 330	4 543	4 343	4 001	3 716
Subordinated loan capital	26 668	26 981	26 100	26 276	25 827
Total liabilities	**2 269 550**	**2 297 538**	**2 335 849**	**2 263 012**	**2 358 297**
Share capital	16 288	16 288	16 263	16 278	16 288
Share premium reserve	22 609	22 609	22 609	22 609	22 609
Other equity	114 175	108 982	108 069	103 340	97 581
Total equity	**153 072**	**147 879**	**146 941**	**142 227**	**136 477**
Total liabilities and equity	**2 422 622**	**2 445 417**	**2 482 789**	**2 405 239**	**2 494 775**

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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Organisation number	Register of Business Enterprises NO 981 276 957 MVA

Board of Directors in DNB ASA

Anne Carine Tanum, chairman
Tore Olaf Rimmereid, vice-chairman
Jarle Bergo
Sverre Finstad
Carl A. Løvvik
Vigdis Mathisen
Jaan Ivar Semlitsch
Berit Svendsen

Group management

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

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Financial calendar 2015

Preliminary results 2014 and fourth quarter 2014	5 February
Annual General Meeting	23 April
Ex-dividend date	24 April
Distribution of dividends	as of 7 May
First quarter 2015	30 April
Second quarter 2015	10 July
Third quarter 2015	22 October

Other sources of information

Annual and quarterly reports

Separate annual and quarterly reports are prepared for the DNB Bank Group, DNB Boligkreditt, DNB Næringskreditt 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.

Download DNB's IR app for stock-related information from http://m.euroland.com/n-dnb/en or by scanning the QR code

The quarterly report has been produced by Group Financial Reporting in DNB. Translation: Gina Fladmoe, DNB.
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