

1

RESULTS DNB GROUP FIRST QUARTER 2013

Rune Bjerke (CEO)
Bjørn Erik Næss (CFO)

DNB



First quarter 2013



Pre-tax operating profit before impairment in NOK billion

5.1 (3.2)

Cost/income ratio in per cent

52.0 (61.2)

Return on equity in per cent

10.0 (6.3)

Common Equity Tier 1 capital ratio in per cent (in accordance with transitional rules)

10.6 (9.3)

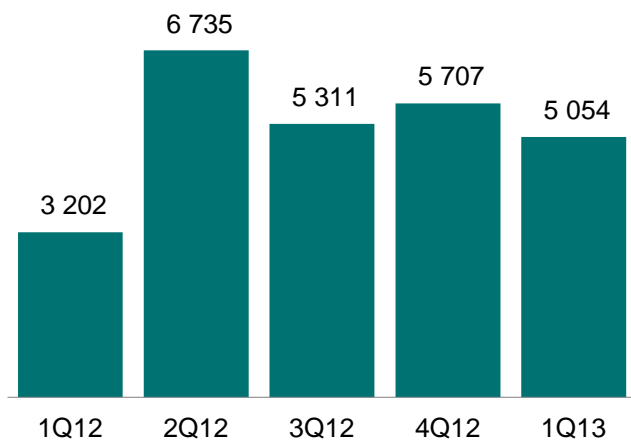
Figures in parentheses refer to 1Q12.

First quarter 2013

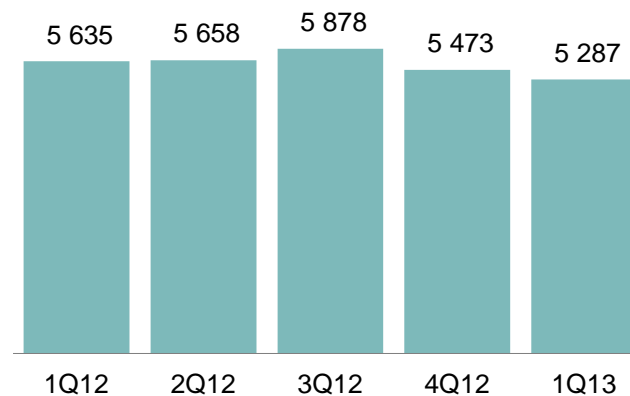
- 
- Increase in net interest income
 - Reduced operating expenses
 - Stable low level of impairment losses on loans
 - Healthy increase in deposits

Profit figures

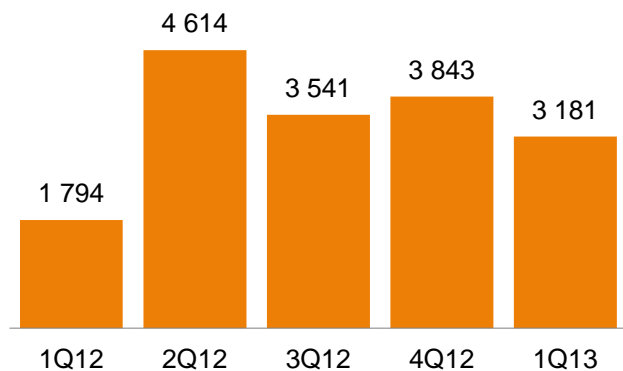
**Pre-tax operating profit before
impairment**
(NOK million)



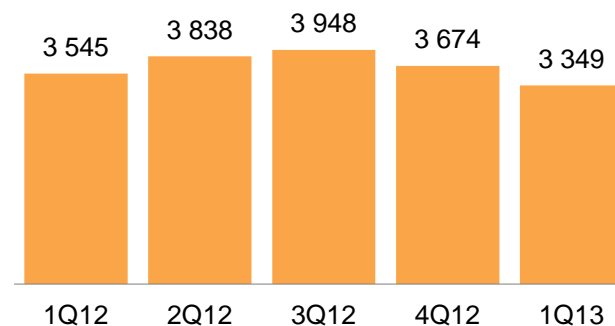
**Pre-tax operating profit before
impairment excl. basis swaps**
(NOK million)



Profit for the period
(NOK million)

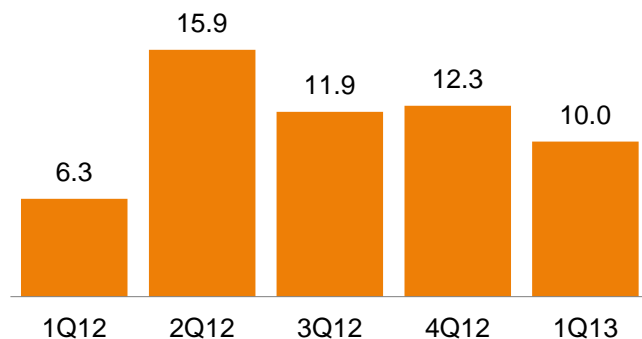


Profit for the period excl. basis swaps
(NOK million)

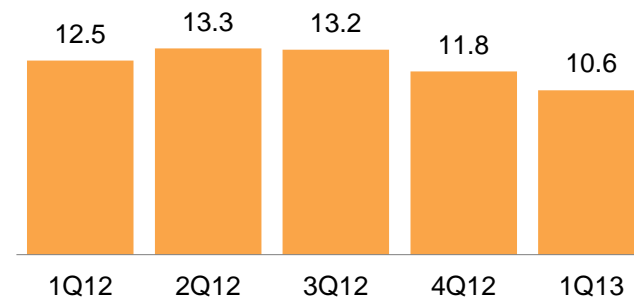


Return on equity and cost/income ratio

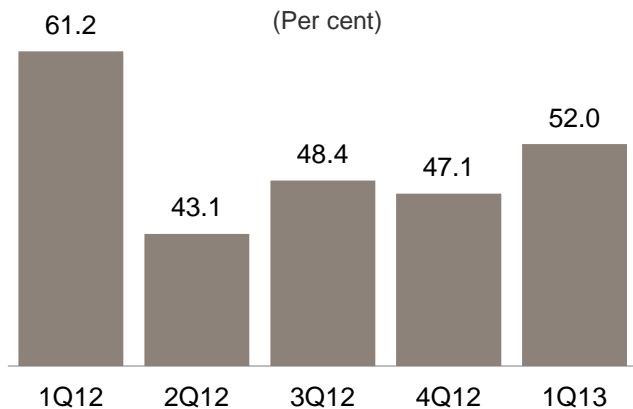
Return on equity
(Per cent)



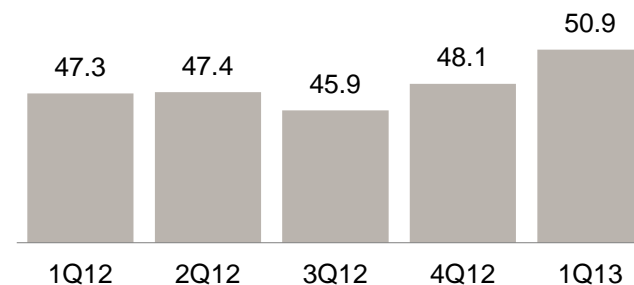
Return on equity excl. basis swaps
(Per cent)



Cost/income ratio
(Per cent)

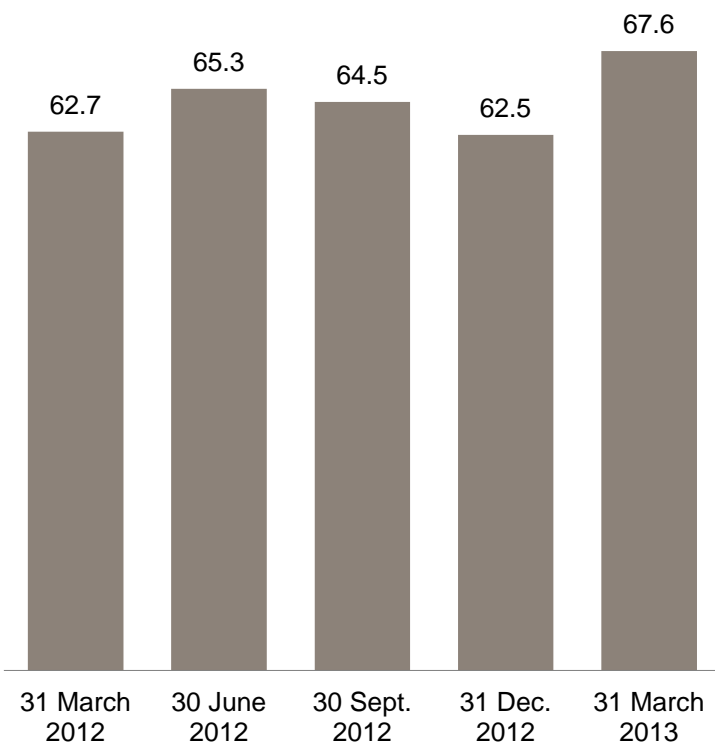


Cost/income ratio excl. basis swaps
(Per cent)

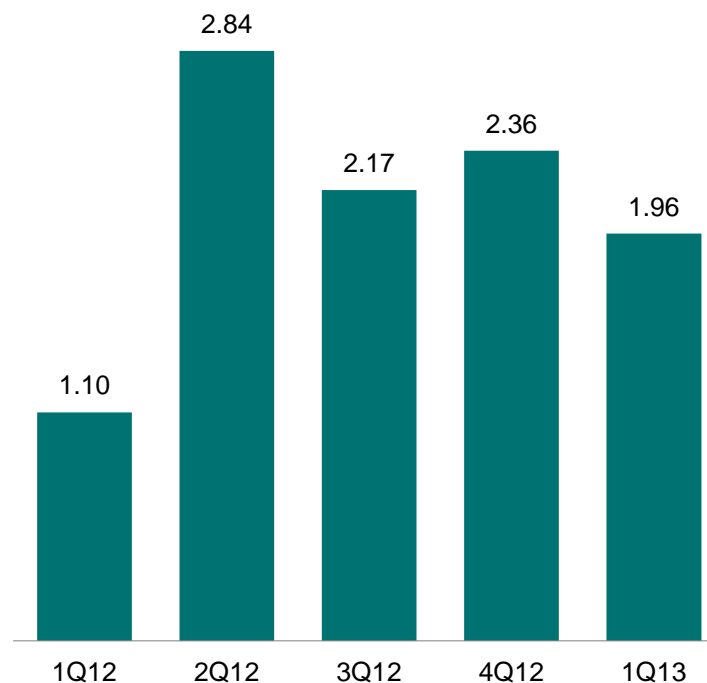


Ratio of deposits to lending and earnings per share

Ratio of deposits to loans
(Per cent)



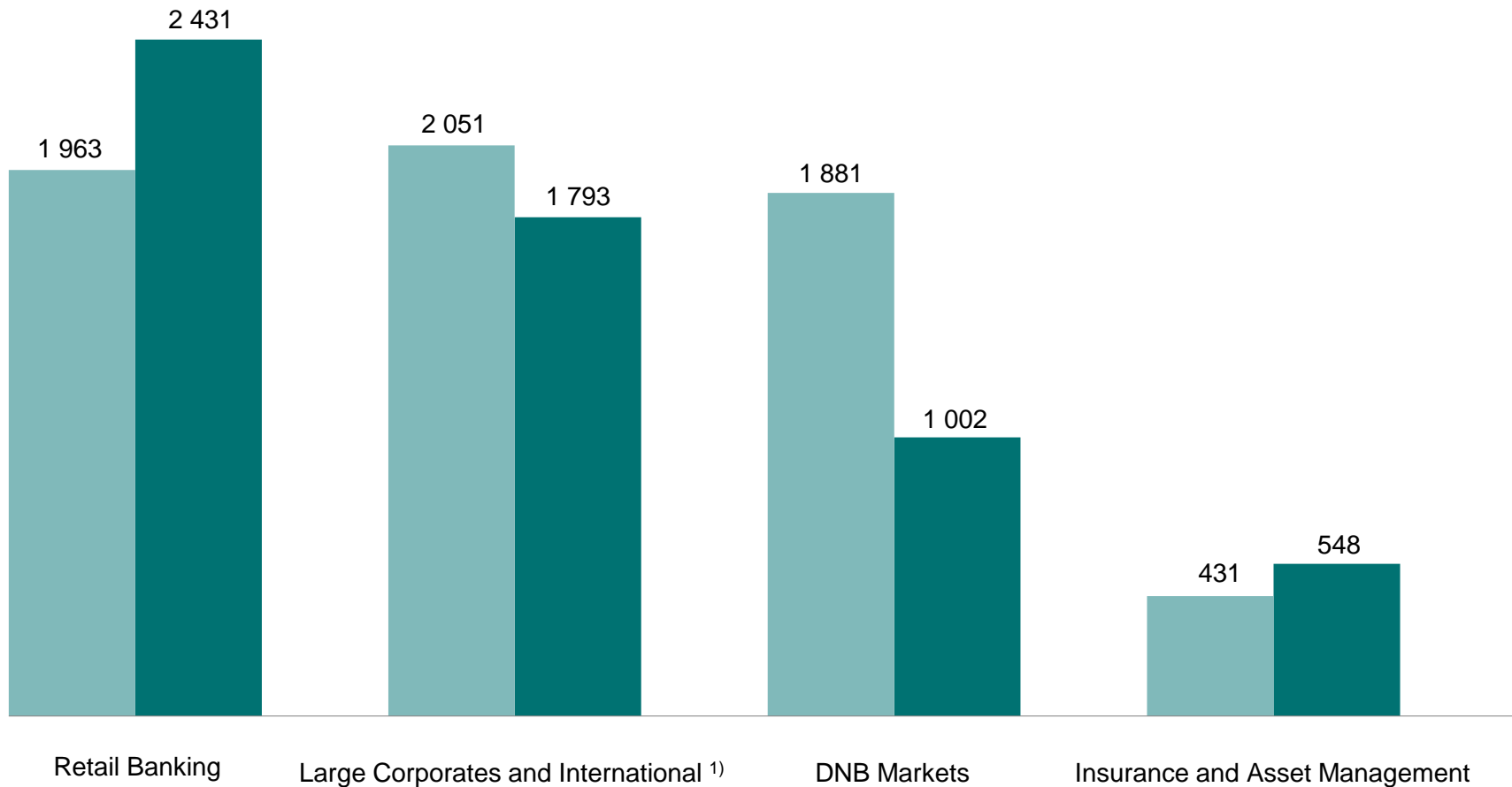
Earnings per share
(NOK)



Business areas

Pre-tax operating profit after impairment in the first quarter
(NOK million)

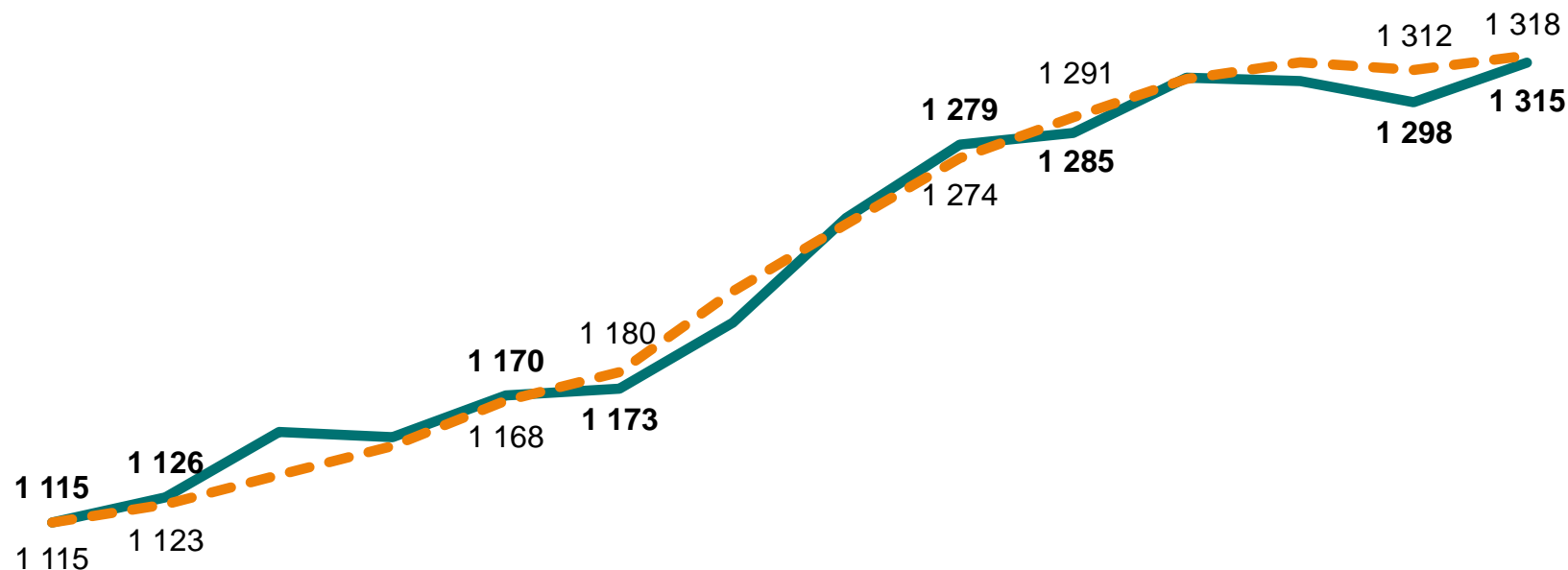
■ First quarter 2013
■ First quarter 2012



1) Including Baltics and Poland

Development in loans

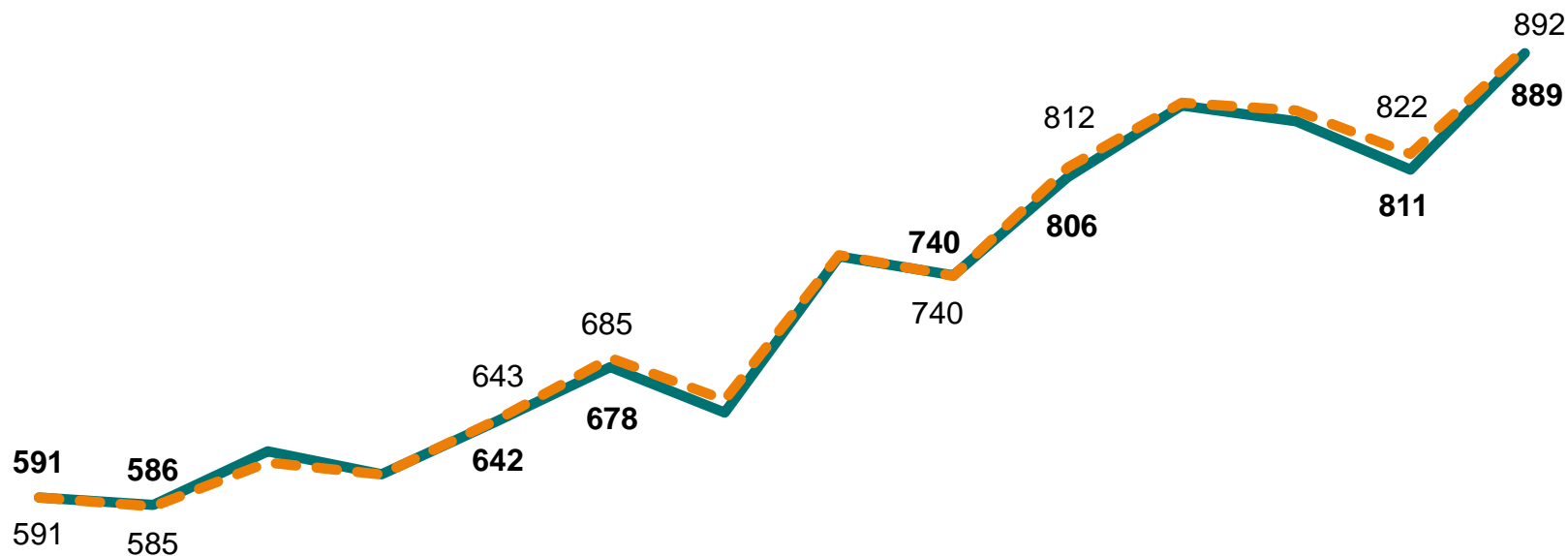
NOK billion



- Loans at end of period
- Loans adjusted for exchange rate movements

Development in deposits

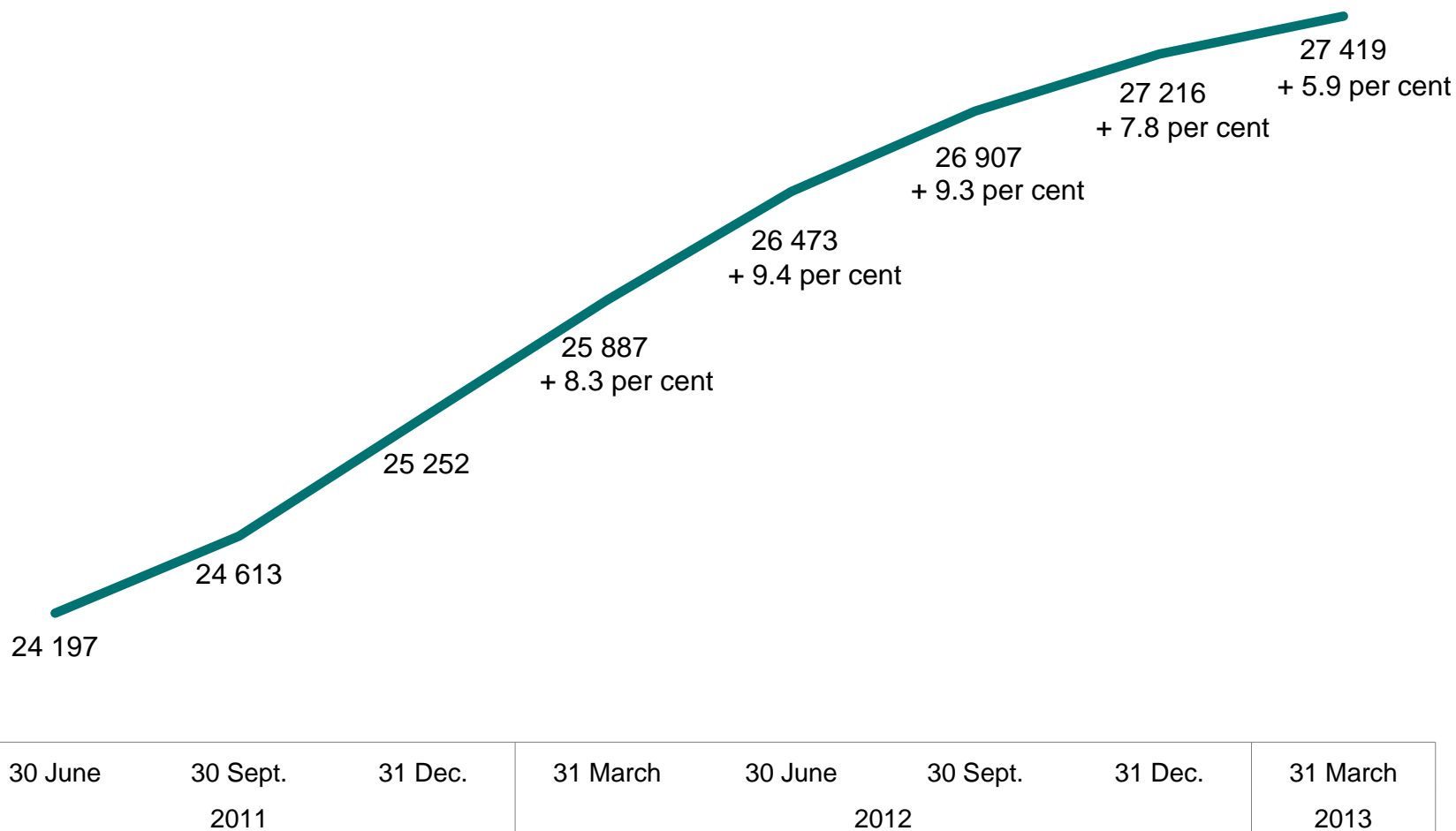
NOK billion



- Deposits at end of period
- - Deposits adjusted for exchange rate movements

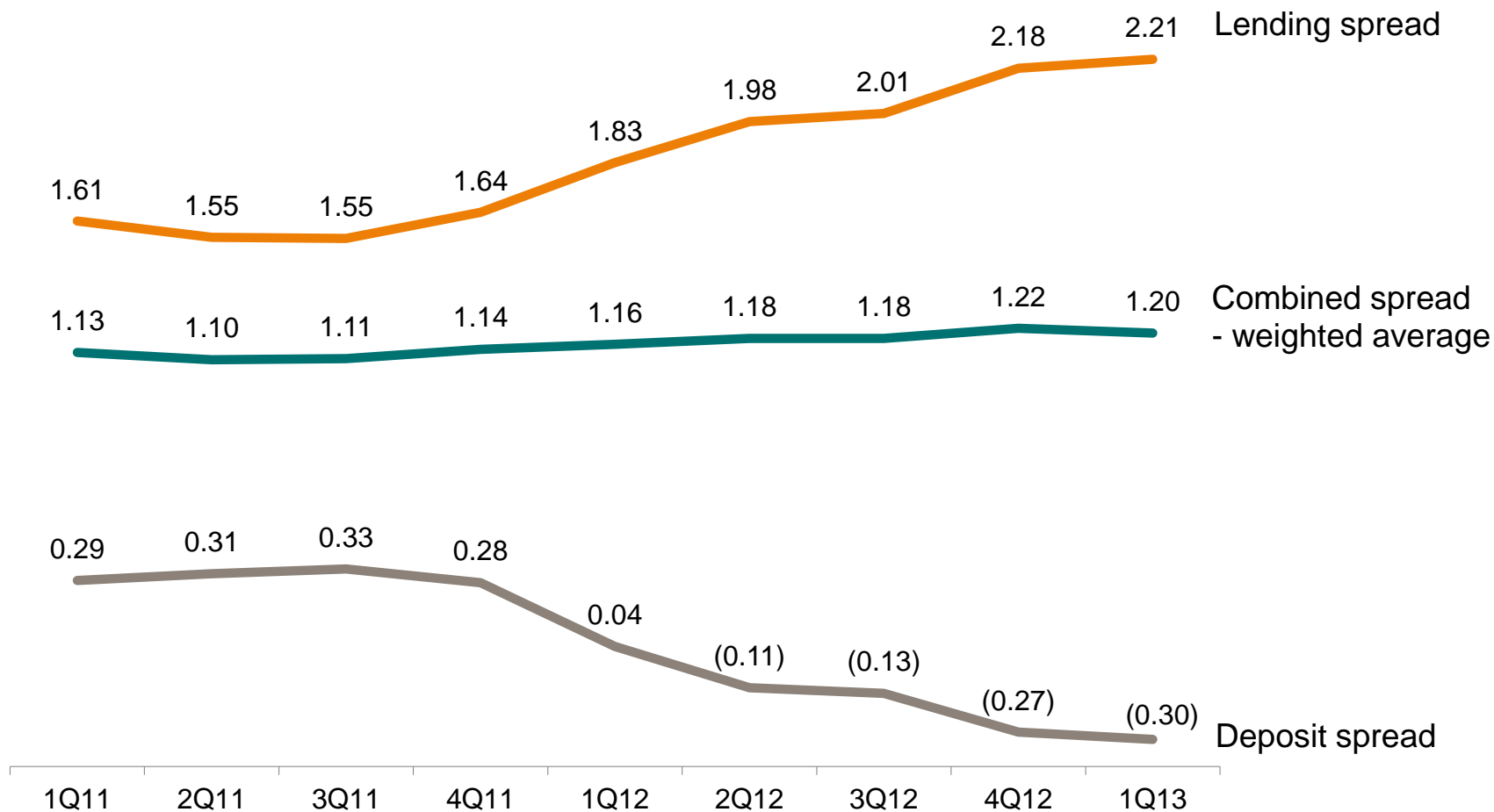
Net interest income – trailing 12 months

NOK million



Development in average interest rate spreads – DNB Group

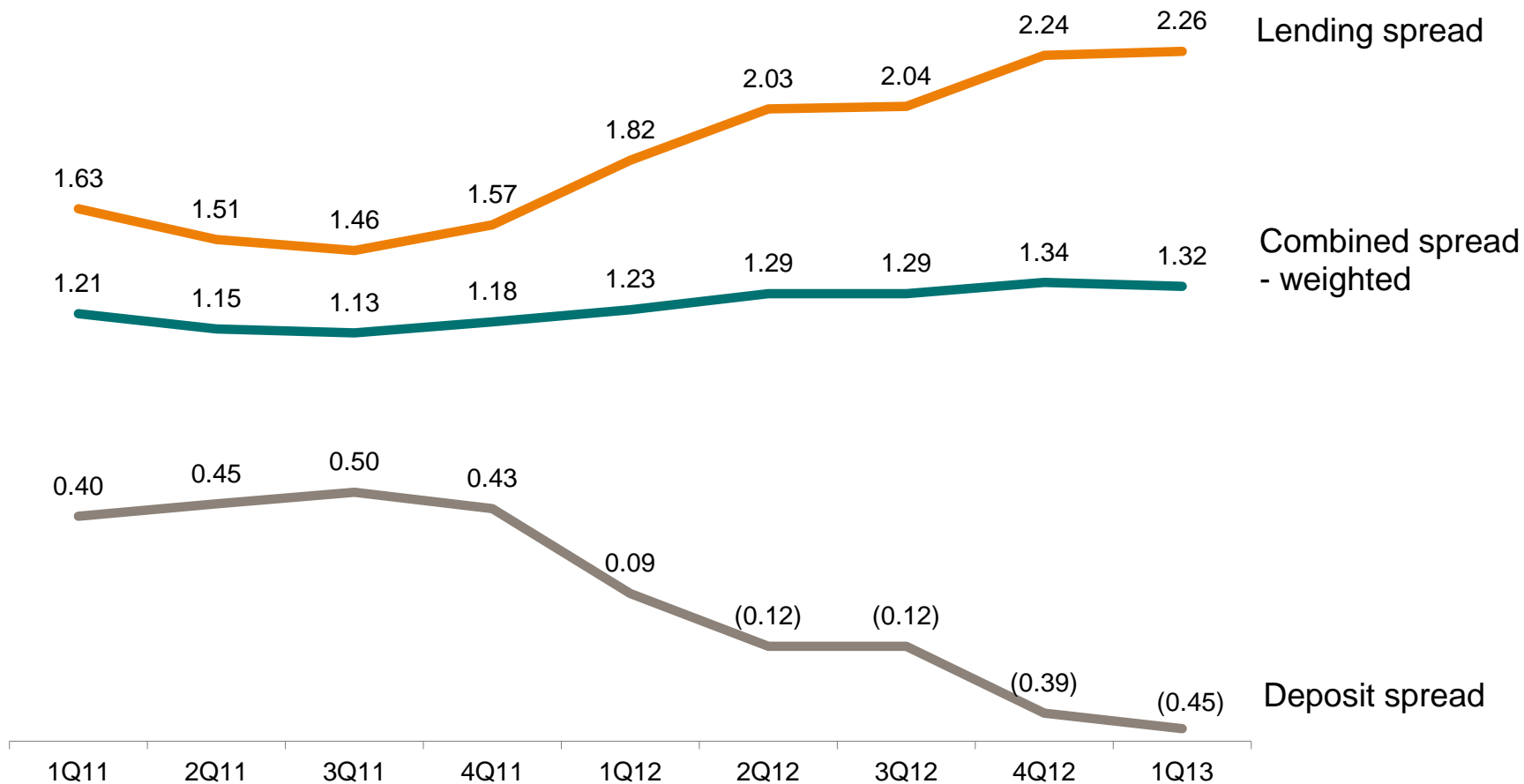
Per cent



Development in average interest rate spreads

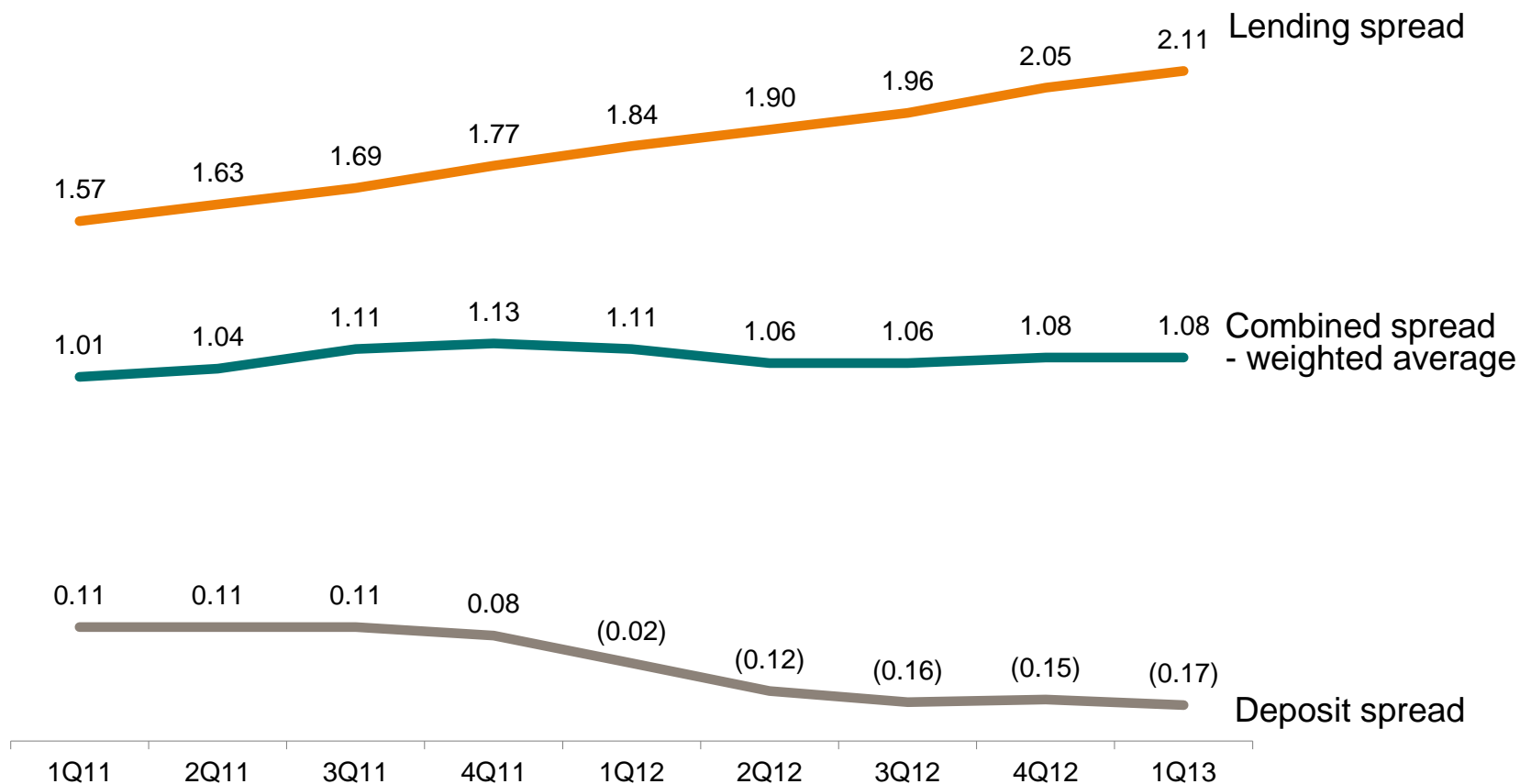
– Retail Banking

Per cent



Development in average interest rate spreads – Large Corporates and International

Per cent



Income statement

Amounts in NOK million	1Q13	4Q12	3Q12	2Q12	1Q12	Full year 2012
Net interest income	6 857	7 101	6 828	6 634	6 653	27 216
<i>Net commissions and fees, core business</i>	1 851	1 896	1 852	2 013	1 750	7 511
<i>Net financial items</i>	1 831	2 165	1 776	3 191	(143)	6 990
Net other operating income, total	3 682	4 061	3 628	5 204	1 607	14 501
Total income	10 539	11 162	10 456	11 837	8 261	41 717
Operating expenses	5 035	5 253	5 060	5 102	5 058	20 473
Provisions for debt-financed structured products	450	0	0	0	0	0
Impairment losses for goodwill and intangible assets	0	202	85	0	0	287
Pre-tax operating profit before impairment	5 054	5 707	5 311	6 735	3 202	20 957
Net gains on fixed and intangible assets	4	(65)	20	37	7	(1)
Impairment of loans and guarantees	737	1 190	521	685	784	3 179
Pre-tax operating profit	4 321	4 453	4 810	6 088	2 425	17 776
Taxes	1 149	614	1 269	1 566	631	4 081
Profit from operations held for sale, after taxes	10	4	0	92	0	96
Profit for the period	3 181	3 843	3 541	4 614	1 794	13 792

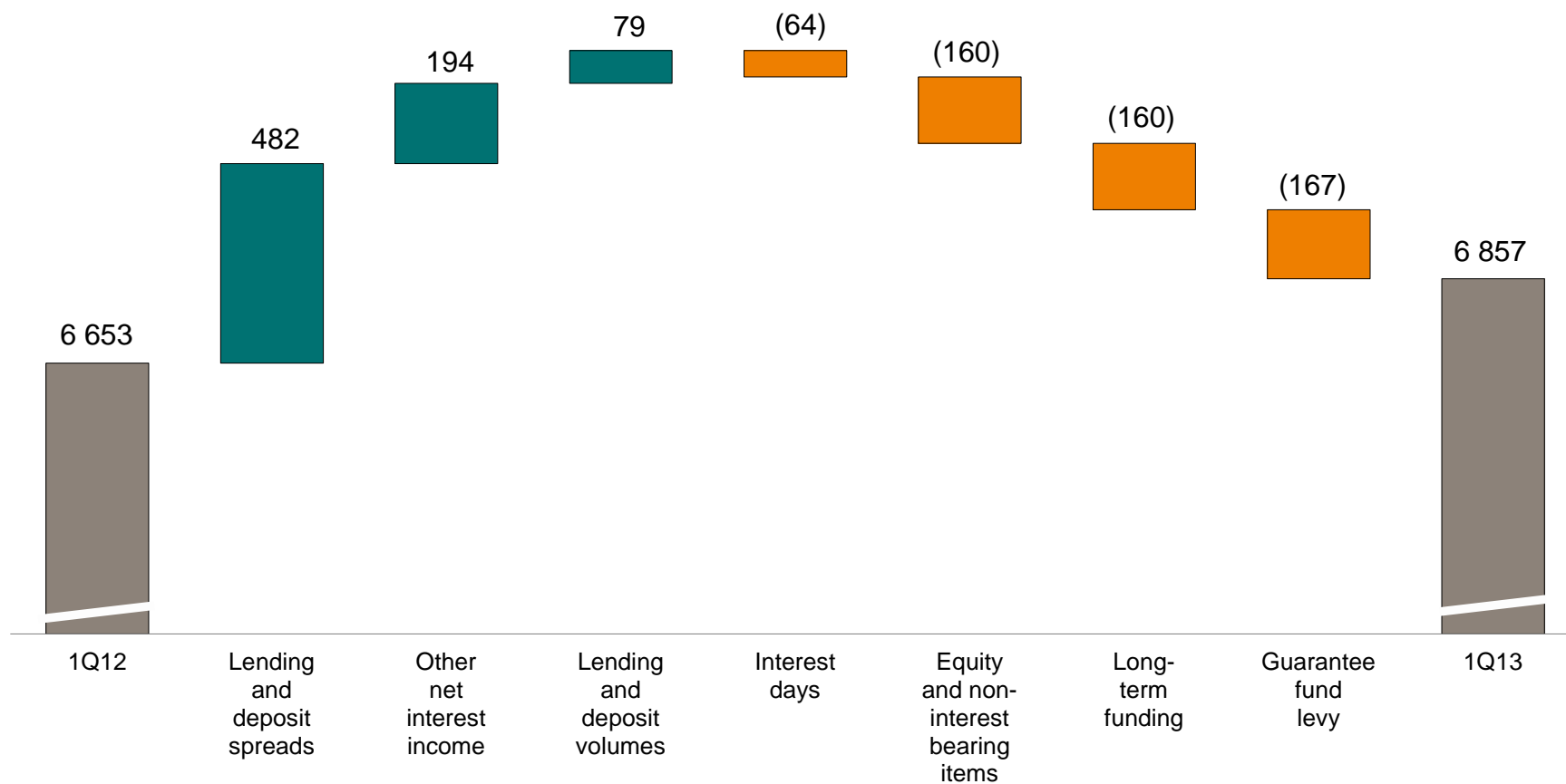
Special items

Amounts in NOK million	1Q13	4Q12	3Q12	2Q12	1Q12	Full year 2012
Mark-to-market adjustments - basis swaps	(233)	235	(566)	1 078	(2 432)	(1 687)
Net mark-to-market adjustments - other items	32	95	79	76	176	426
Impairment losses for goodwill and intangible assets	0	202	85	0	0	287
Provisions for debt-financed structured products	450	0	0	0	0	0
Effect on pre-tax operating profit before impairment	(651)	128	(573)	1 154	(2 256)	(1 548)

Changes in net interest income

NOK million

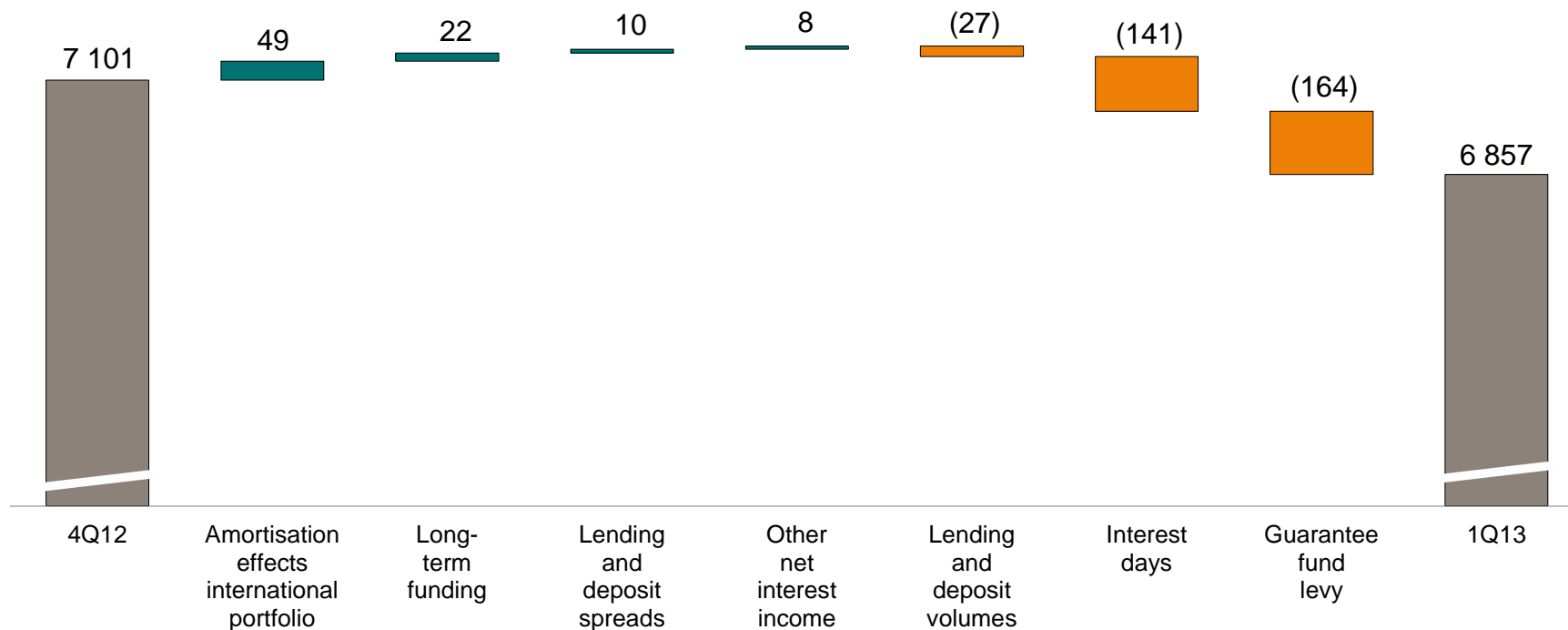
From 1st quarter 2012 to 1st quarter 2013



Changes in net interest income

NOK million

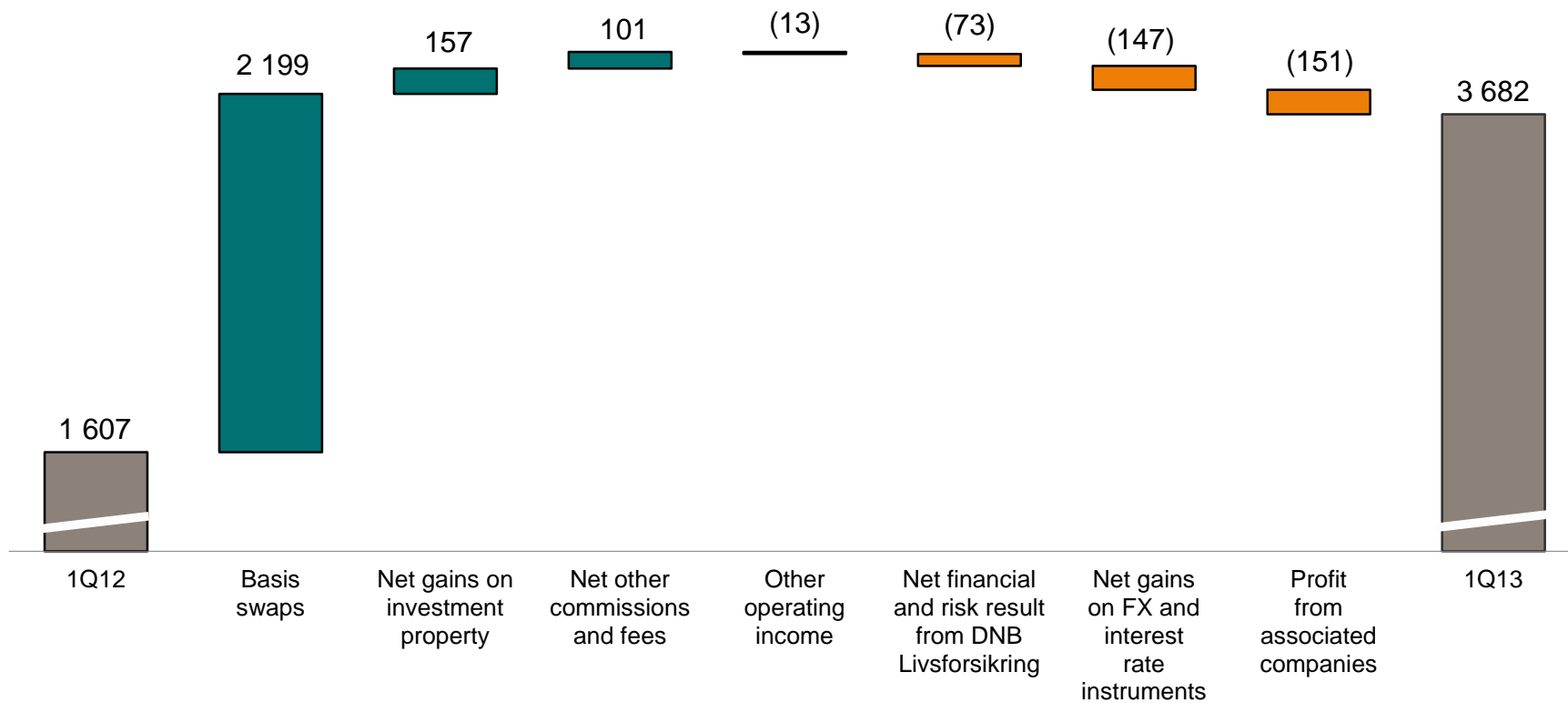
From 4th quarter 2012 to 1st quarter 2013



Changes in net other operating income

NOK million

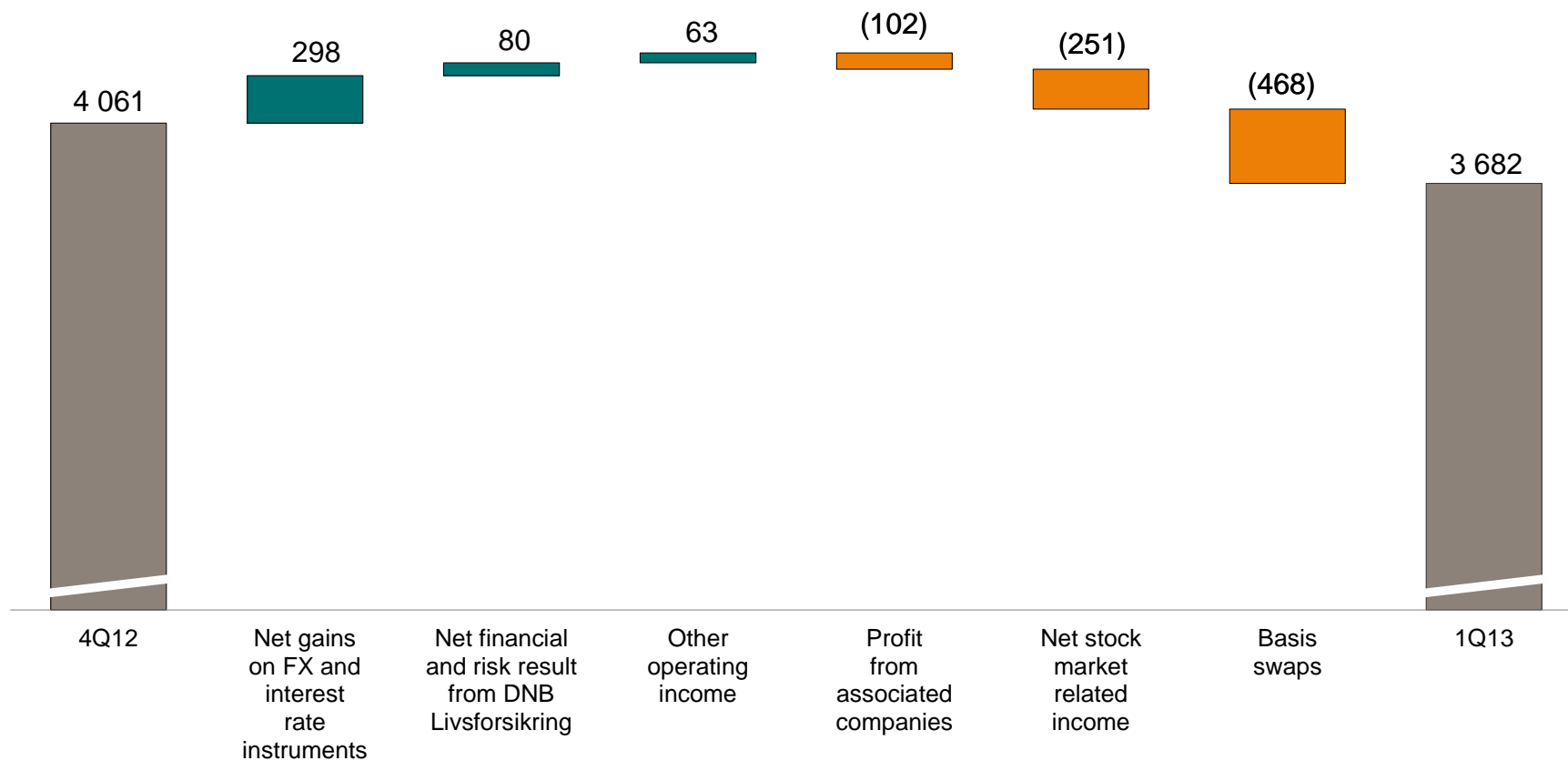
From 1st quarter 2012 to 1st quarter 2013



Changes in net other operating income

NOK million

From 4th quarter 2012 to 1st quarter 2013



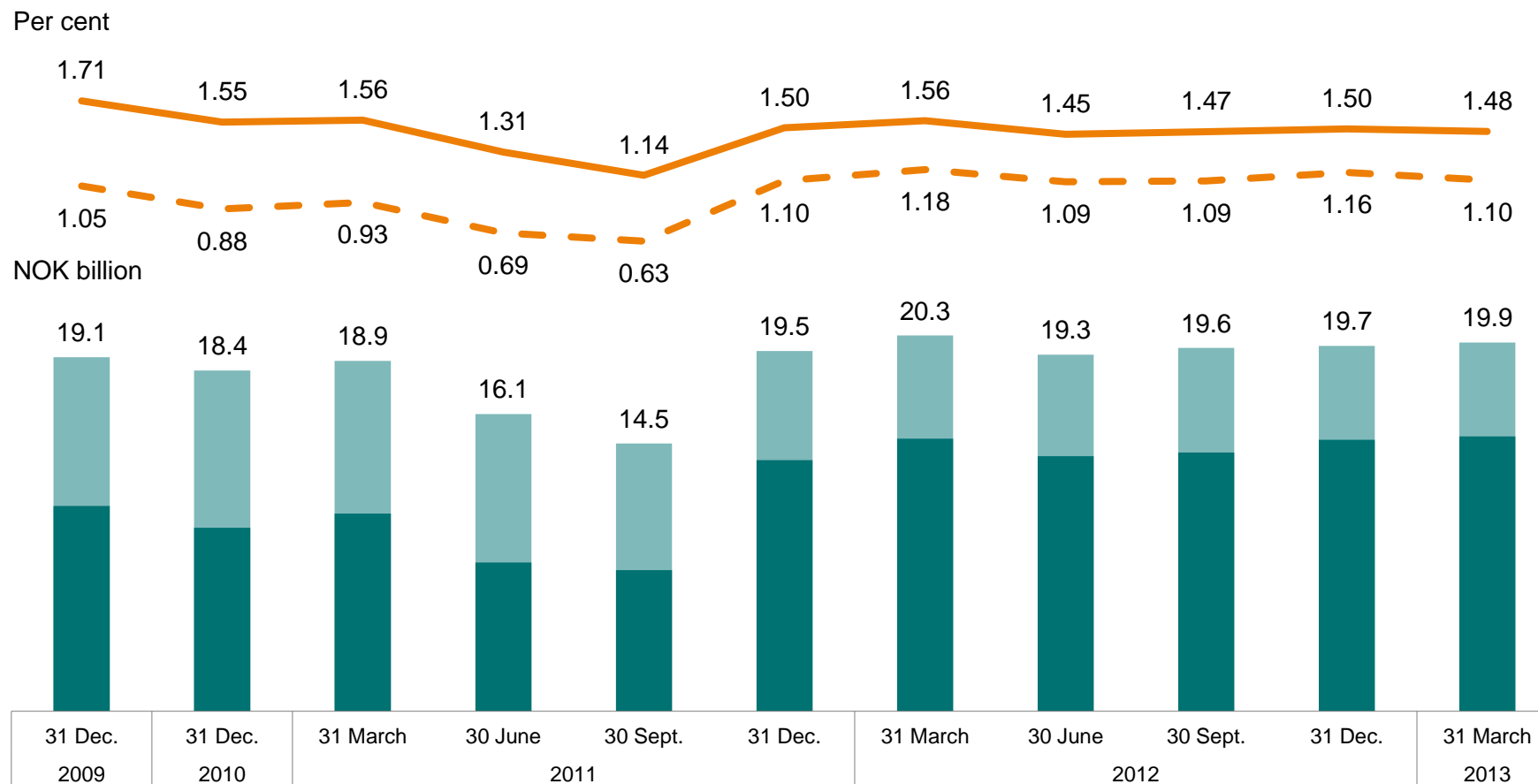
Changes in operating expenses

Amounts in NOK million	1Q13	Change	1Q12	Change in per cent
Operating expenses	5 035	(24)	5 058	(0.5)
Costs for non-core operations		(3)		
Costs related to restructuring etc.				
Impairment losses for intangible assets, leases etc.		45		
Restructuring costs		29		
Rebranding expenses in first quarter 2012		(20)		
Reclassifications		(21)		
Total adjusted operating expenses	4 929	(53)	4 982	(1.1)
Income-related costs				
Operational leasing		35		
Performance-based pay		(61)		
Expenses directly related to operations				
Marketing etc.		(47)		
Travel expenses etc.		(21)		
Pension expenses		(13)		
IT expenses		92		
Other costs		(38)		

Changes in operating expenses

Amounts in NOK million	1Q13	Change	4Q12	Change in per cent
Operating expenses	5 035	(218)	5 253	(4.2)
Costs for non-core operations		(11)		
Costs related to restructuring etc.				
Impairment losses for intangible assets, leases etc.		(122)		
Restructuring costs		(71)		
Reclassifications		63		
Total adjusted operating expenses	4 929	(77)	5 006	(1.5)
Income-related costs				
Performance-based pay		67		
Expenses directly related to operations				
Pension expenses		(86)		
Travel expenses etc.		(42)		
Fees		(42)		
Properties and premises		(27)		
IT expenses		96		
Other costs		(43)		

Net non-performing and net doubtful loans and guarantees ¹⁾



¹⁾ Includes non-performing loans and guarantees and loans and guarantees subject to individual impairment. Accumulated individual impairment is deducted.

- Baltics and Poland
- DNB Group excl. Baltics and Poland
- As a percentage of net loans
- - - As a percentage of net loans excl. Baltics and Poland

Impairment of loans and guarantees

Amounts in NOK million	1Q13	4Q12	3Q12	2Q12	1Q12	Full year 2012
<i>Individual impairment:</i>						
Retail Banking						
- Private customer divisions	11	7	38	7	59	111
- SME divisions	76	317	96	80	160	653
- DNB Finans	95	78	68	123	90	358
Large Corporates and International						
- Nordic Corporates Division	(24)	27	(14)	(22)	(12)	(21)
- International Corporates and Institutions Division	8	(18)	12	144	4	142
- Shipping, Offshore and Logistics Division	347	315	293	142	195	943
- Energy Division	0	92	0	0	0	92
- Other units	1	70	60	5	87	221
DNB excl. Baltics and Poland	513	886	554	478	582	2 500
- Baltics and Poland	104	62	115	132	106	415
Total individual impairment	616	949	670	609	688	2 915
<i>Collective impairment:</i>						
DNB excl. Baltics and Poland	159	268	(90)	108	138	424
Baltics and Poland	(38)	(27)	(58)	(32)	(42)	(159)
Total collective impairment of loans	121	241	(148)	76	96	265
Impairment of loans and guarantees	737	1 190	521	685	784	3 179

Impairment in per cent of loans

Per cent	1Q13	4Q12	3Q12	2Q12	1Q12	Full year 2012
Total impairment in relation to average volumes (annual basis)	0.23	0.36	0.16	0.21	0.25	0.24
- DNB excl. Baltics and Poland	0.22	0.37	0.15	0.19	0.24	0.23
- Baltics and Poland	0.51	0.27	0.43	0.74	0.47	0.48

Balance sheets

	DNB Group		DNB Bank ASA	
	31 March 2013	31 Dec. 2012	31 March 2013	31 Dec. 2012
Amounts in NOK billion				
Deposits with central banks	398	299	395	296
Due from credit institutions	65	37	209	209
Loans to customers	1 315	1 298	724	714
Other assets	655	631	531	518
Total assets	2 434	2 265	1 859	1 737
Due to credit institutions	337	251	359	283
Deposits from customers	889	811	862	787
Short-term debt securities issued	206	244	206	244
Long-term debt securities issued	483	464	169	171
Other liabilities and provisions	388	367	154	146
Equity	131	127	108	105
Total liabilities and equity	2 434	2 265	1 859	1 737
Ratio of deposits to net loans (%)	67.6	62.5	119.0	110.3
Adjusted ratio of deposits to net loans (%) ¹⁾	61.8	62.4	108.6	110.2
Total combined assets	2 653	2 473	1 859	1 737
Currency-adjusted loans to customers	1 304		714	
Currency-adjusted deposits from customers	882		855	

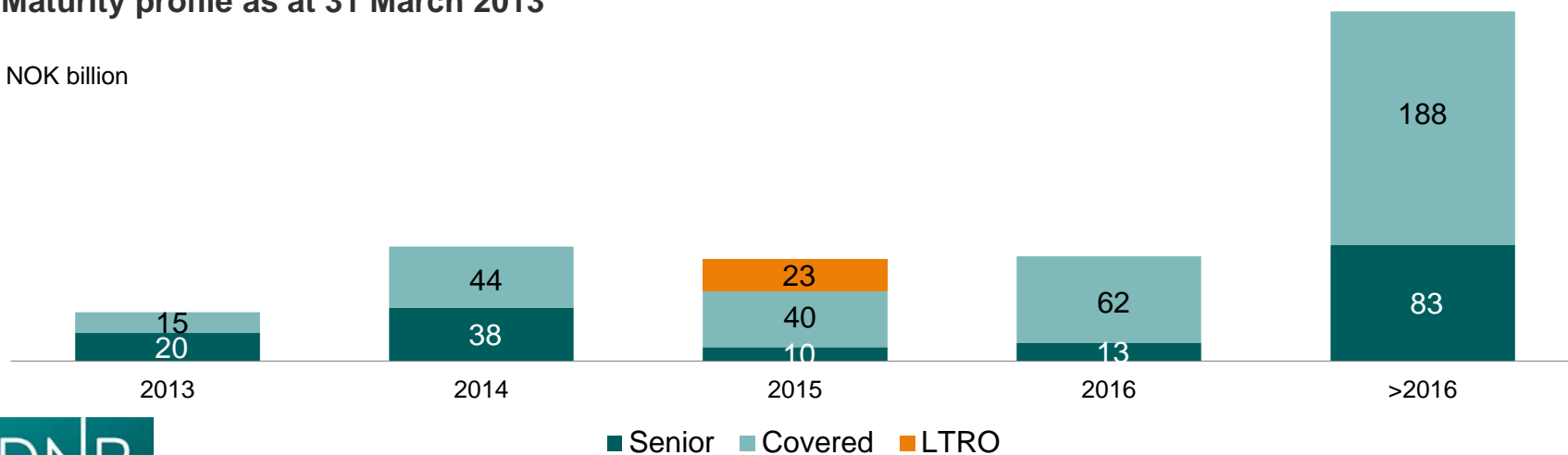
1) Excluding short-term money market deposits in DNB New York

Good access to long-term funding

	NOK billion	Maturity
Funding 2013:		
Covered bonds	36.9	6.2
Senior bonds	3.8	5.1
Total	40.7	6.1
Funding 2012:		
Covered bonds	60.1	8.0
Senior bonds	42.2	6.9
Total	102.3	7.6
Subordinated loans	5.5	5.0
Total including subordinated loans	107.8	7.4
In addition: LTRO funding	9.0	3.0

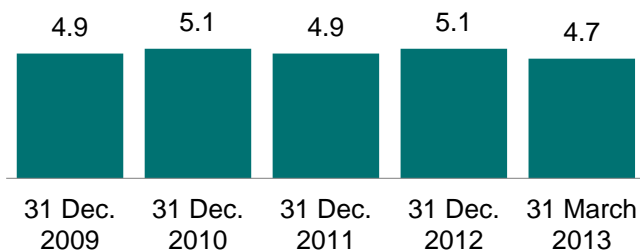
Maturity profile as at 31 March 2013

NOK billion

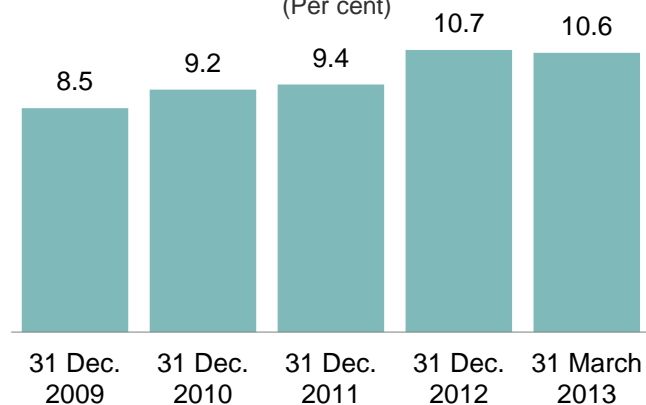


Common Equity Tier 1 capital ratio

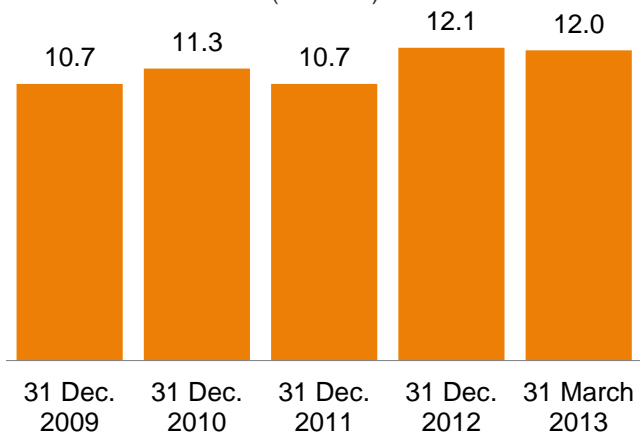
**CET1/total assets
"leverage ratio"**
(Per cent)



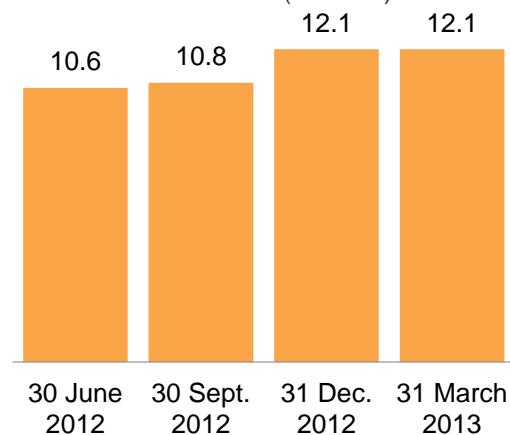
**CET1 capital ratio
transitional rules**
(Per cent)



**CET1 capital ratio subject to full IRB
implementation**
(Per cent)



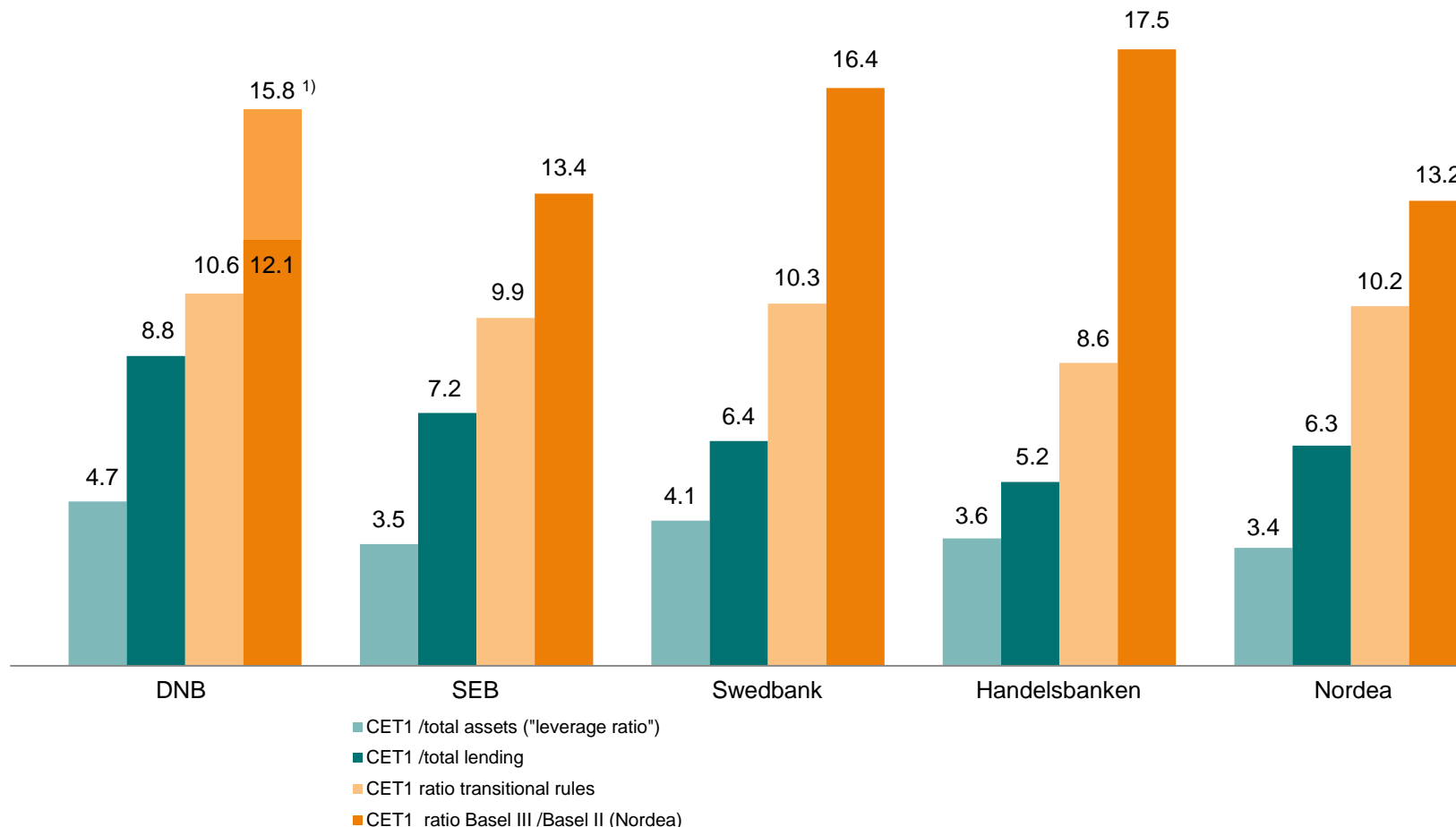
**CET1 capital ratio Basel III
estimate**
(Per cent)



Capital adequacy figures as at 31 March 2013

– comparison with Nordic peers

Per cent



1) Due to requirements from Finanstilsynet, DNB's risk weights are conservatively estimated. The adjusted capital adequacy figures are estimated on the basis of average observed risk weights on corresponding portfolios in Nordic banks.

Financial ambitions remain unchanged

Common Equity Tier 1 capital target	12.0-12.5%
Increase in net interest income	> 6%
Growth in lending volume	3-4%
Cost/income ratio	< 45%
Sale of non-core operations	Yes
Rebalancing of loans	Yes
Reduced dividend level	2012-2014

