



# Q3

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## RESULTS DNB GROUP THIRD QUARTER 2014

Rune Bjerke (CEO)  
Bjørn Erik Næss (CFO)

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DNB

## Third quarter 2014

Pre-tax operating profit before impairment in NOK billion

**7.6 (6.8)**

Cost/income ratio in per cent

**40.4 (43.4)**

Return on equity in per cent

**15.0 (14.4)**

Earnings per share

**3.49 (3.00)**

Common equity Tier 1 capital ratio in per cent (transitional rules)

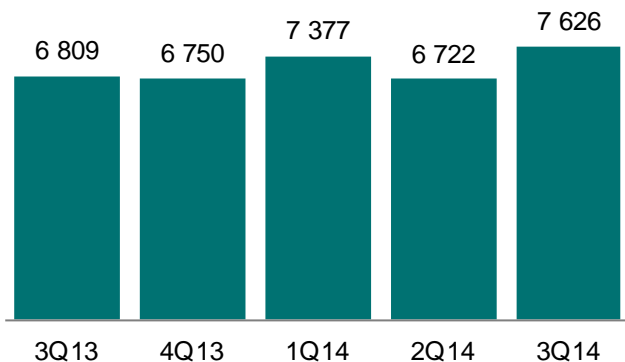
**12.6 (11.0) <sup>1)</sup>**

Figures in parentheses refer to 3Q13

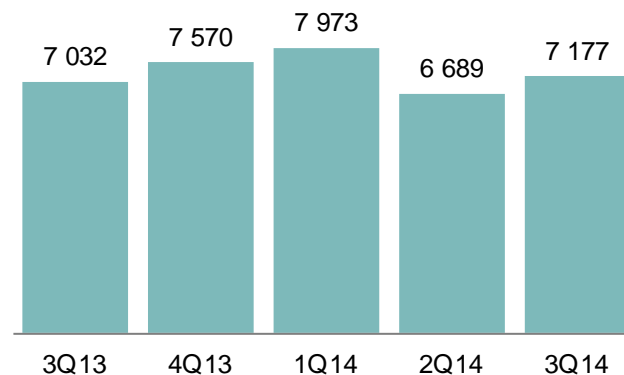
1) Including 50 per cent of profit for the period

# Quarterly profit figures

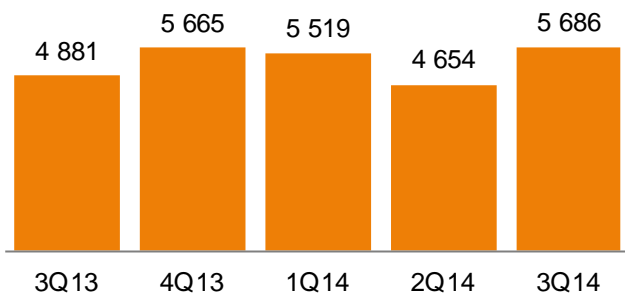
**Pre-tax operating profit before impairment**  
NOK million



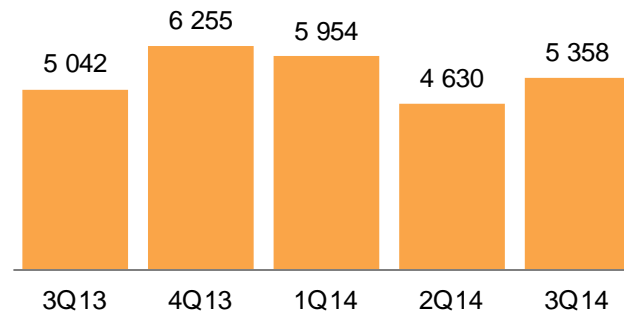
**Pre-tax operating profit before impairment  
excl. basis swaps**  
NOK million



**Profit for the period**  
NOK million



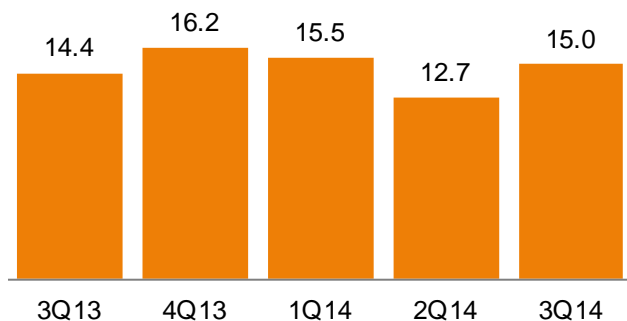
**Profit for the period  
excl. basis swaps**  
NOK million



# Return on equity and cost/income ratio

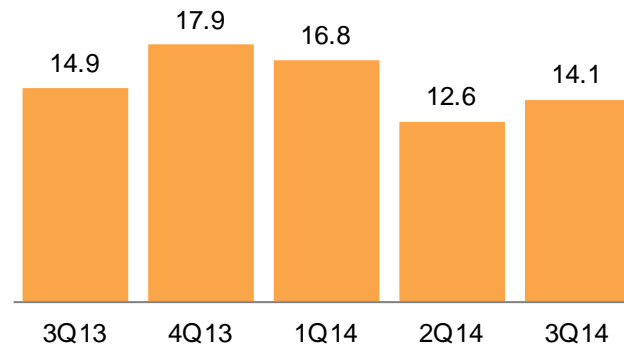
## Return on equity

Per cent



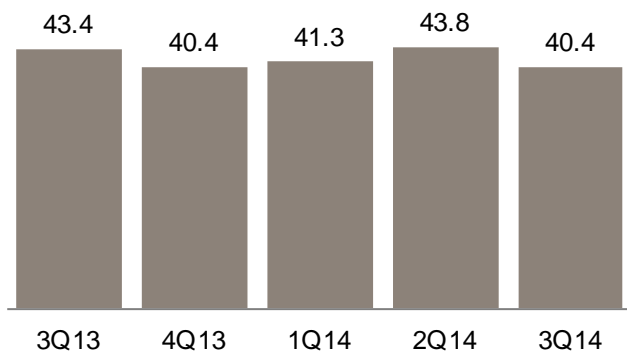
## Return on equity excl. basis swaps

Per cent



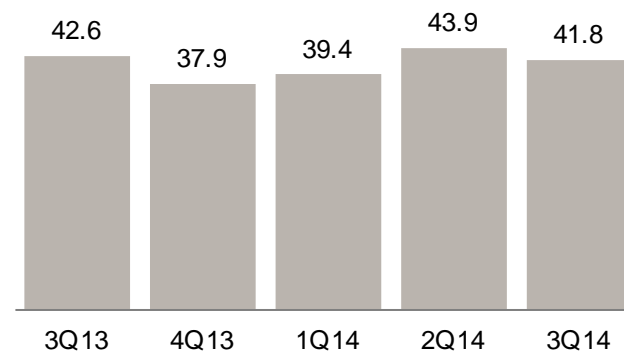
## Cost/income ratio

Per cent



## Cost/income ratio excl. basis swaps

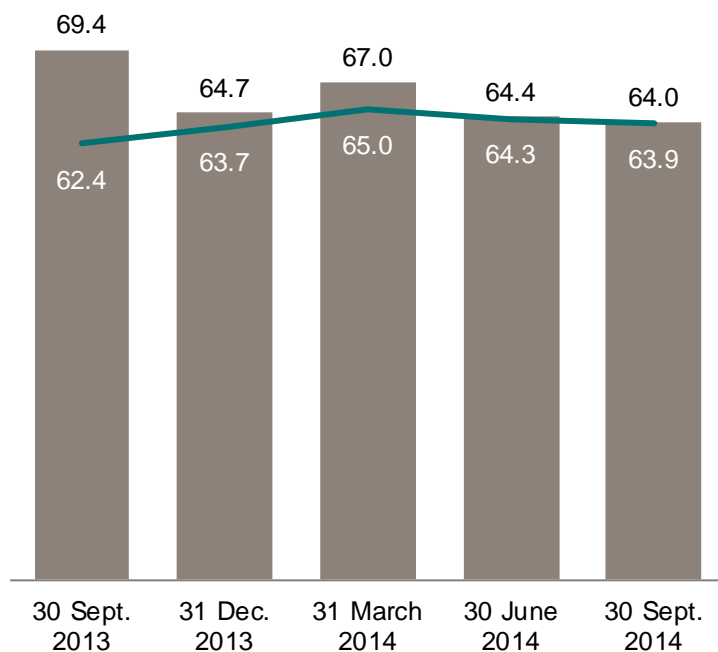
Per cent



# Ratio of deposits to net loans and earnings per share

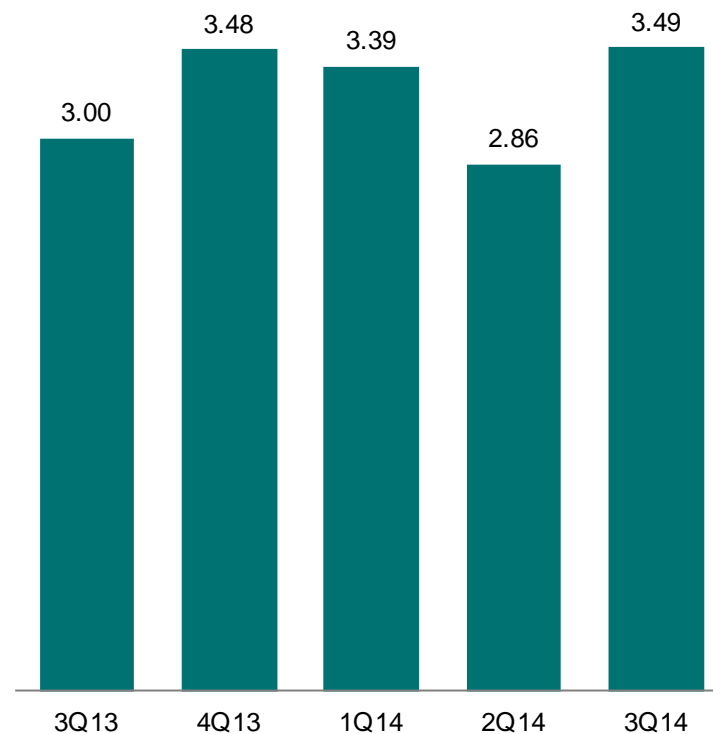
Ratio of deposits to net loans

Per cent



Earnings per share

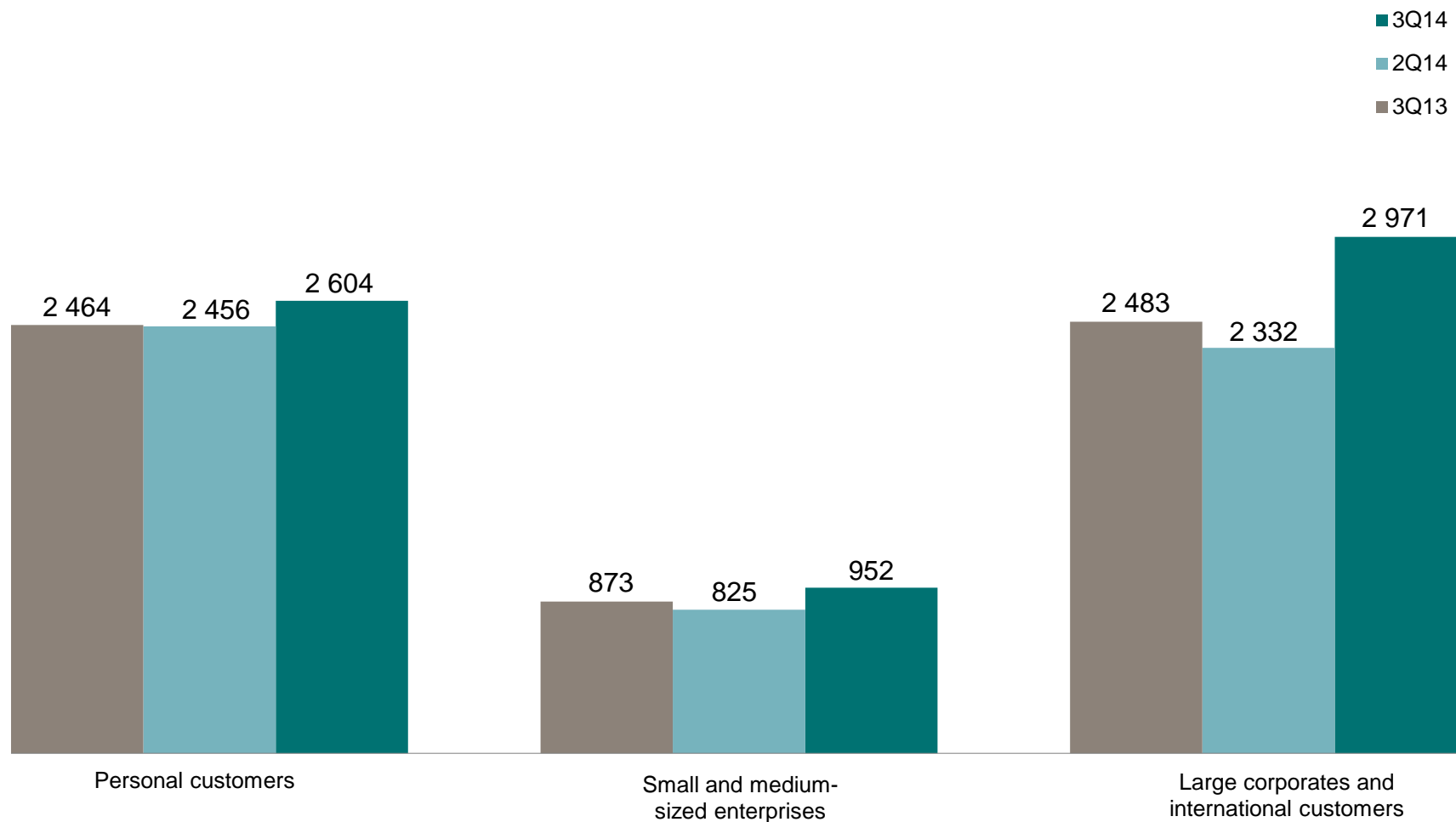
NOK



# Customer segments

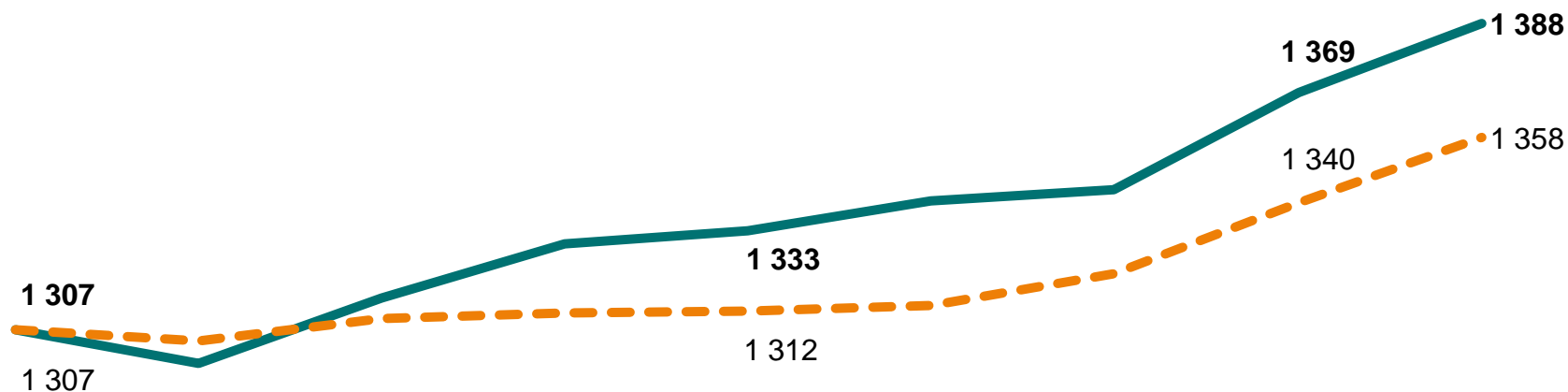
NOK million

## Pre-tax operating profit after impairment



# Development in loans

NOK billion

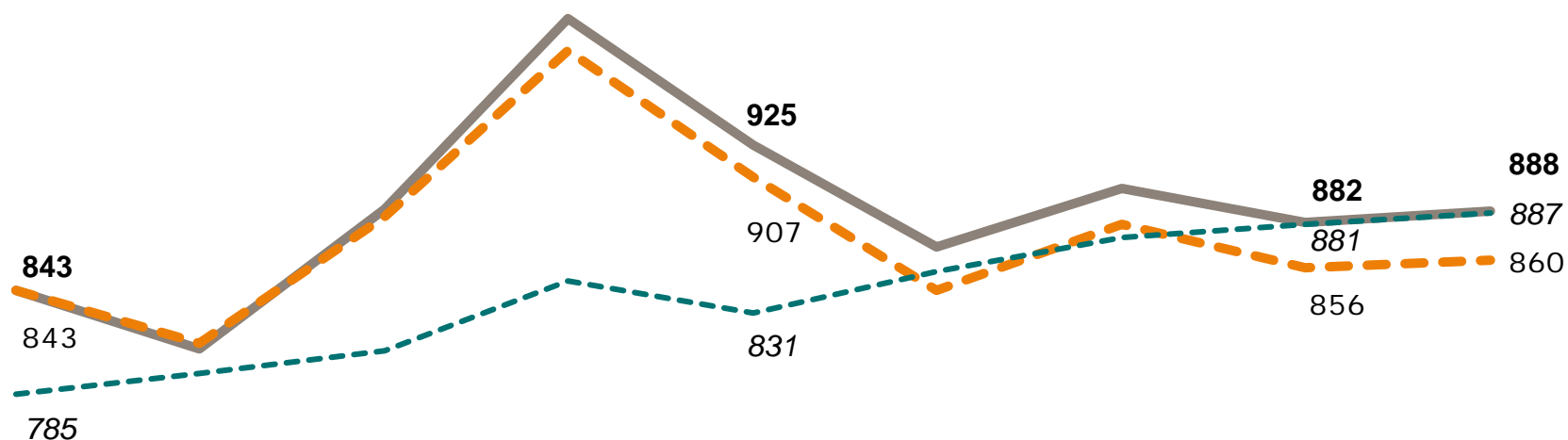


30 Sept.	31 Dec.	31 March	30 June	30 Sept.	31 Dec.	31 March	30 June	30 Sept.
2012		2013				2014		

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

# Development in deposits

NOK billion



— Deposits at end of period

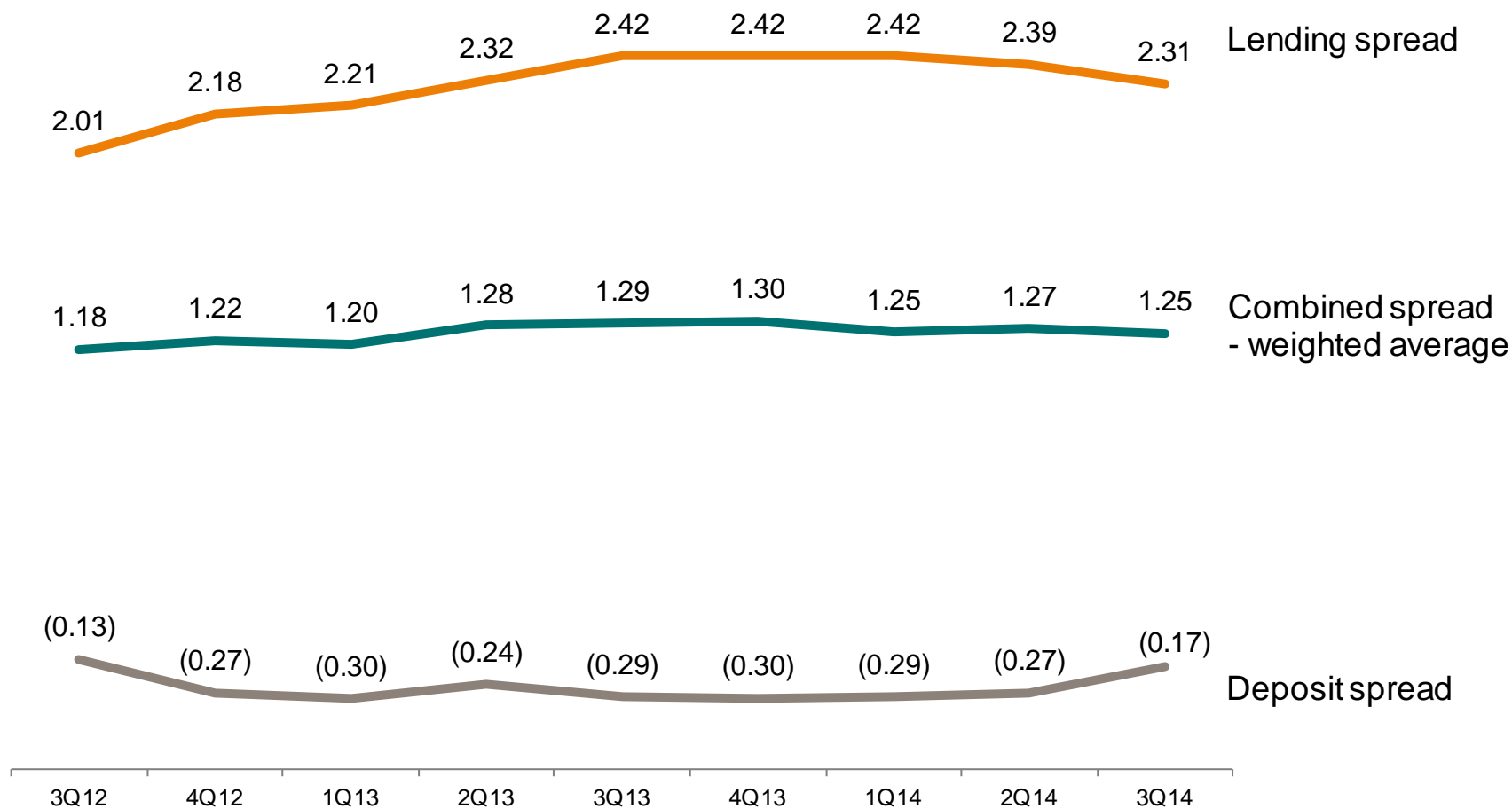
- - - Deposits adjusted for exchange rate movements

- - - Deposits adjusted for short-term money market investments



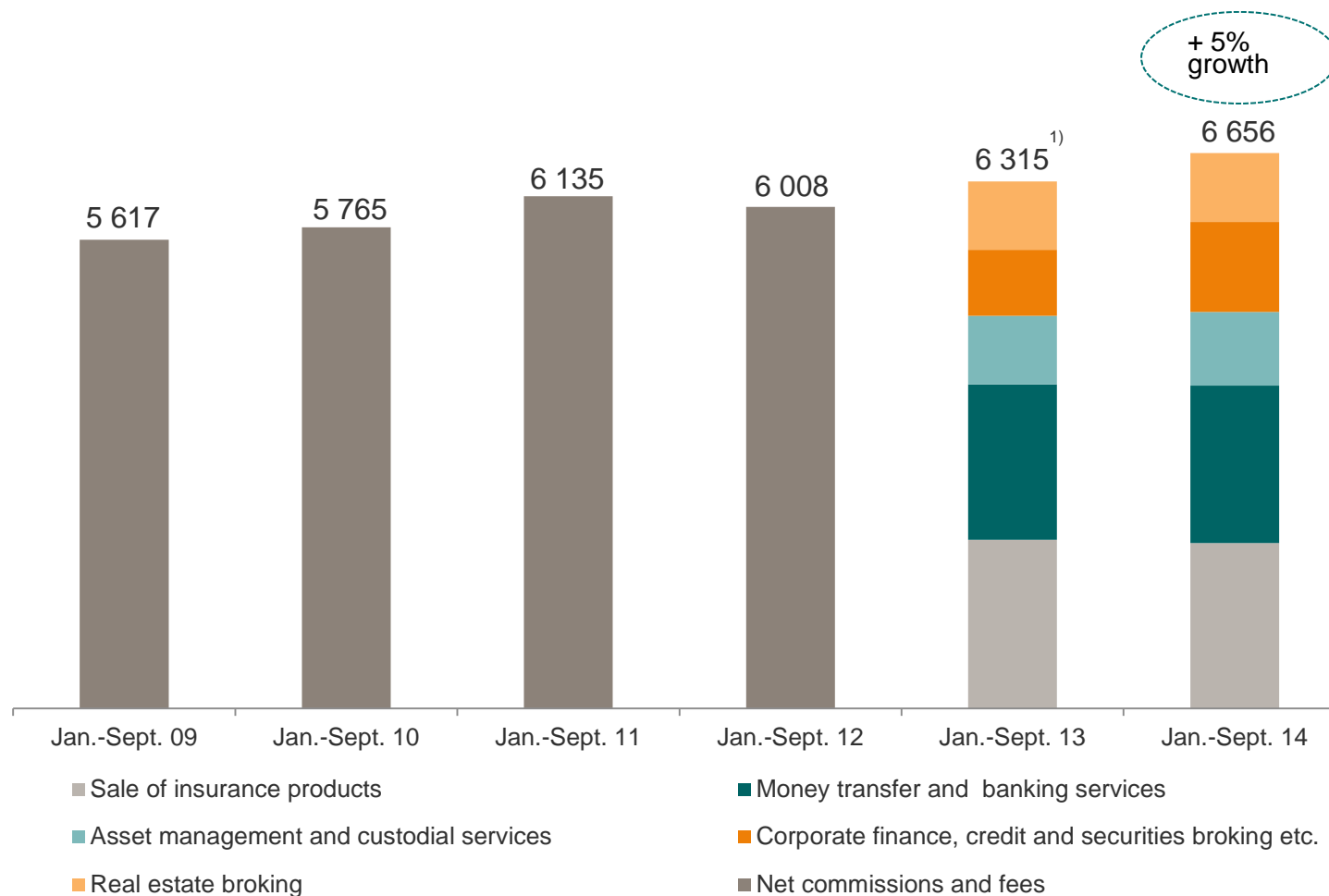
# Development in average interest rate spreads

Per cent

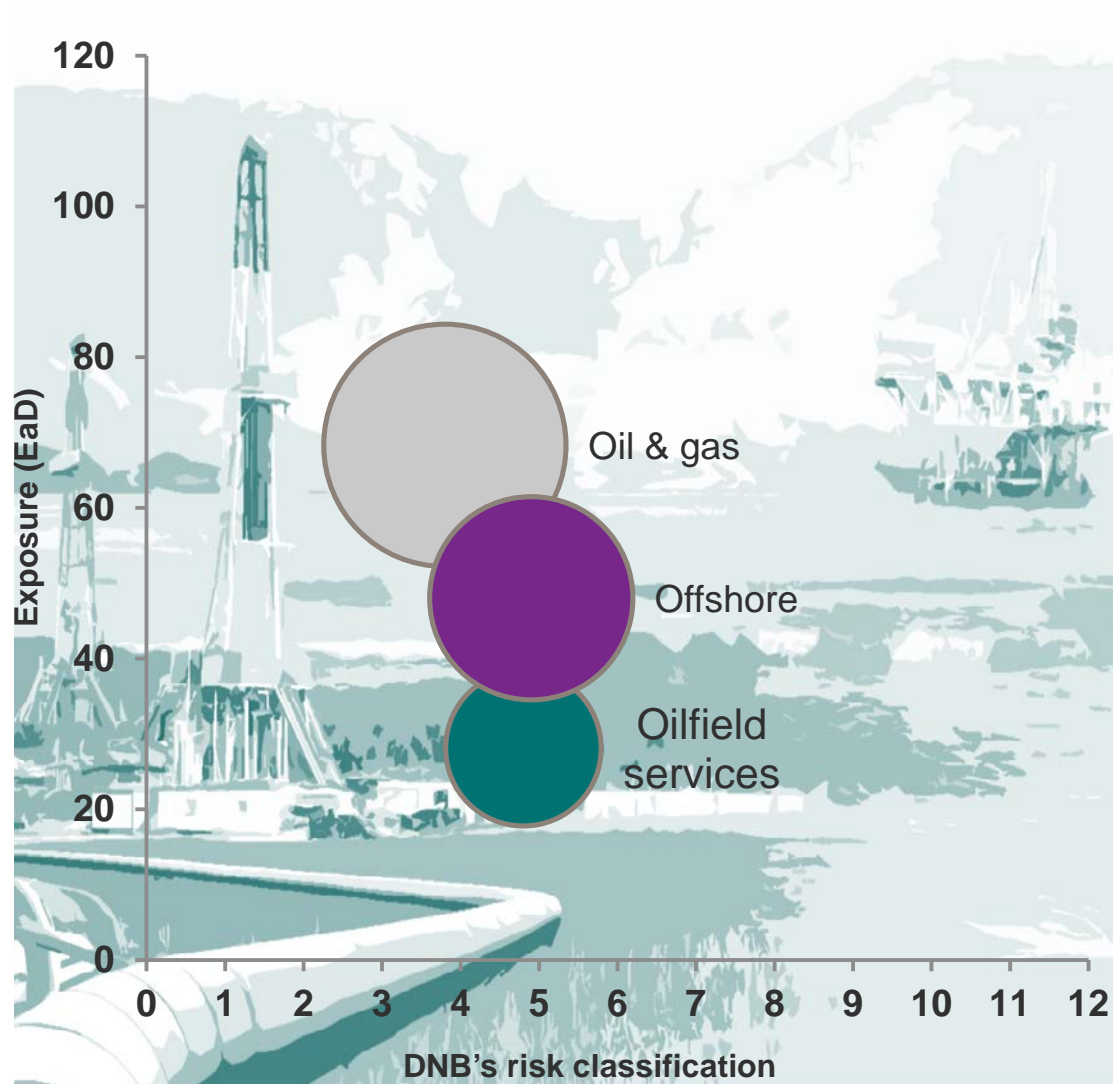


# Development in commissions and fees for the year to date

NOK million



# Robust oil and energy portfolio



- This oil price drop has been expected and planned for
- Oil and offshore related products and services represent less than 10 per cent of EaD
- DNB approves loans on the basis of customers' future cash flows
- The relevant portfolio has been stress tested at prices below USD 60 per barrel

# Income statement

Amounts in NOK million	3Q14	2Q14	1Q14	4Q13	January - September		
					3Q13	2014	2013
Net interest income	<b>8 228</b>	7 867	7 691	7 940	<b>7 915</b>	23 787	22 252
<i>Net commissions and fees</i>	<b>2 229</b>	2 242	2 185	2 147	<b>2 182</b>	6 656	6 390
<i>Net gains on financial instruments at fair value</i>	<b>1 817</b>	1 132	2 089	1 342	<b>1 264</b>	5 038	3 690
<i>Net financial and risk result, DNB Livsforsikring</i>	<b>136</b>	183	105	365	<b>205</b>	424	656
<i>Net insurance result, DNB Skadeforsikring</i>	<b>121</b>	139	102	122	<b>102</b>	362	296
<i>Other operating income</i>	<b>256</b>	391	397	343	<b>364</b>	1 044	1 077
Net other operating income, total	<b>4 560</b>	4 087	4 877	4 318	<b>4 117</b>	13 525	12 109
Total income	<b>12 788</b>	11 954	12 569	12 258	<b>12 032</b>	37 311	34 361
Operating expenses	<b>5 088</b>	5 150	5 168	5 163	<b>4 987</b>	15 406	15 023
Restructuring costs and non-recurring effects	<b>74</b>	83	24	(212)	<b>236</b>	181	895
Expenses relating to debt-financed structured products	<b>0</b>	0	0	0	<b>0</b>	0	450
Impairment losses for goodwill and intangible assets	<b>0</b>	0	0	557	<b>0</b>	0	0
Pre-tax operating profit before impairment	<b>7 626</b>	6 722	7 377	6 750	<b>6 809</b>	21 724	17 993
Net gains on fixed and intangible assets	<b>13</b>	(3)	0	153	<b>2</b>	11	(3)
Impairment of loans and guarantees	<b>183</b>	554	80	36	<b>475</b>	817	2 149
Pre-tax operating profit	<b>7 456</b>	6 165	7 297	6 868	<b>6 337</b>	20 918	15 842
Tax expense	<b>1 762</b>	1 499	1 758	1 212	<b>1 448</b>	5 019	3 976
Profit from operations held for sale, after taxes	<b>(8)</b>	(11)	(19)	9	<b>(7)</b>	(39)	(5)
Profit for the period	<b>5 686</b>	4 654	5 519	5 665	<b>4 881</b>	15 859	11 861

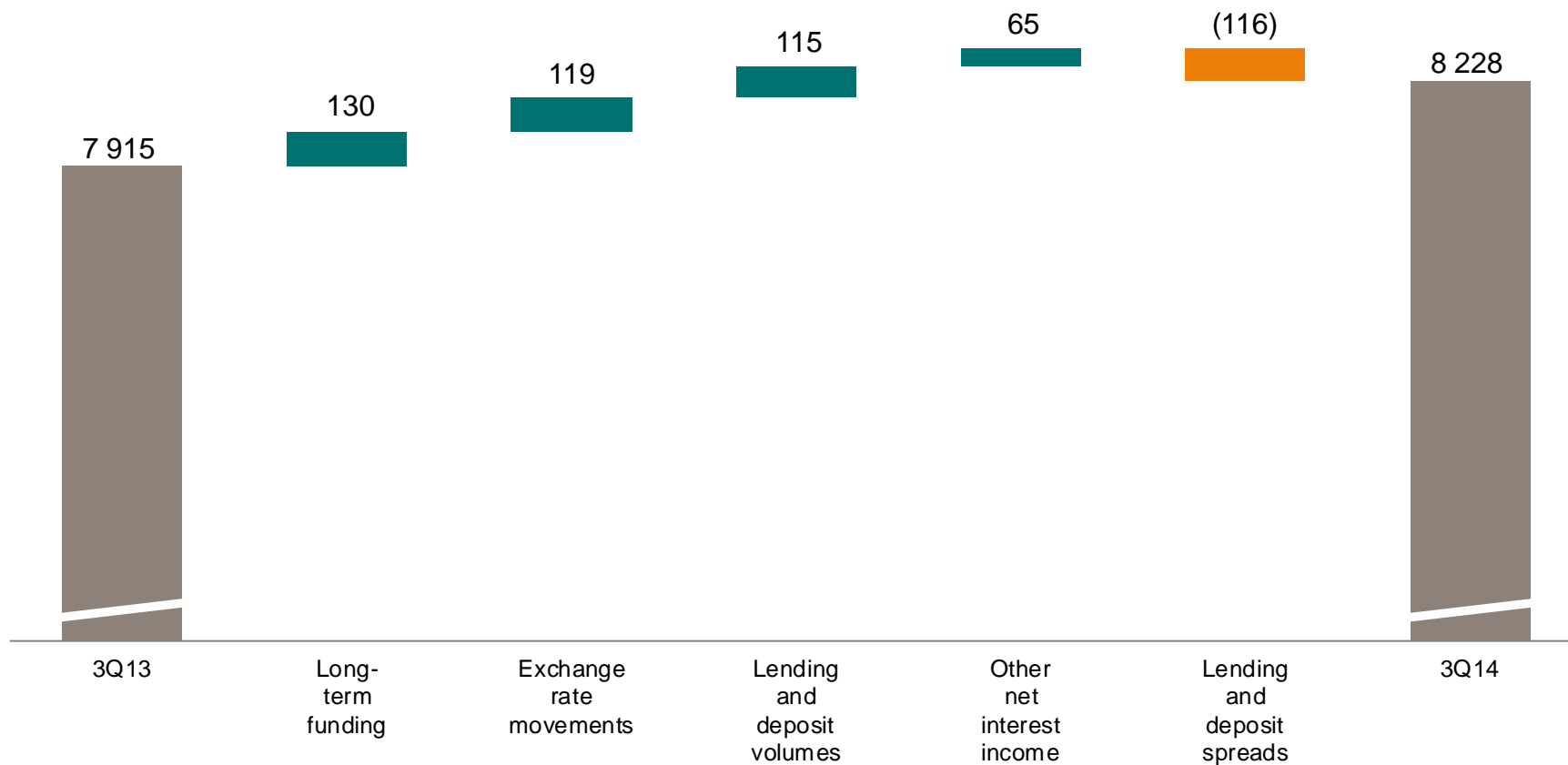
## Special items

Amounts in NOK million	3Q14	2Q14	1Q14	4Q13	3Q13	January - September	
						2014	2013
Mark-to-market adjustments - basis swaps	<b>449</b>	33	(596)	(819)	<b>(223)</b>	(114)	(544)
Net mark-to-market adjustments - other items	<b>(118)</b>	(44)	(143)	(51)	<b>83</b>	(304)	48
Impairment losses for goodwill and intangible assets	<b>0</b>	0	0	557	<b>0</b>	0	0
Expenses relating to debt-financed structured products	<b>0</b>	0	0	0	<b>0</b>	0	450
Effect on pre-tax operating profit before impairment	<b>331</b>	(10)	(739)	(1 428)	<b>(140)</b>	(418)	(946)

# Changes in net interest income

NOK million

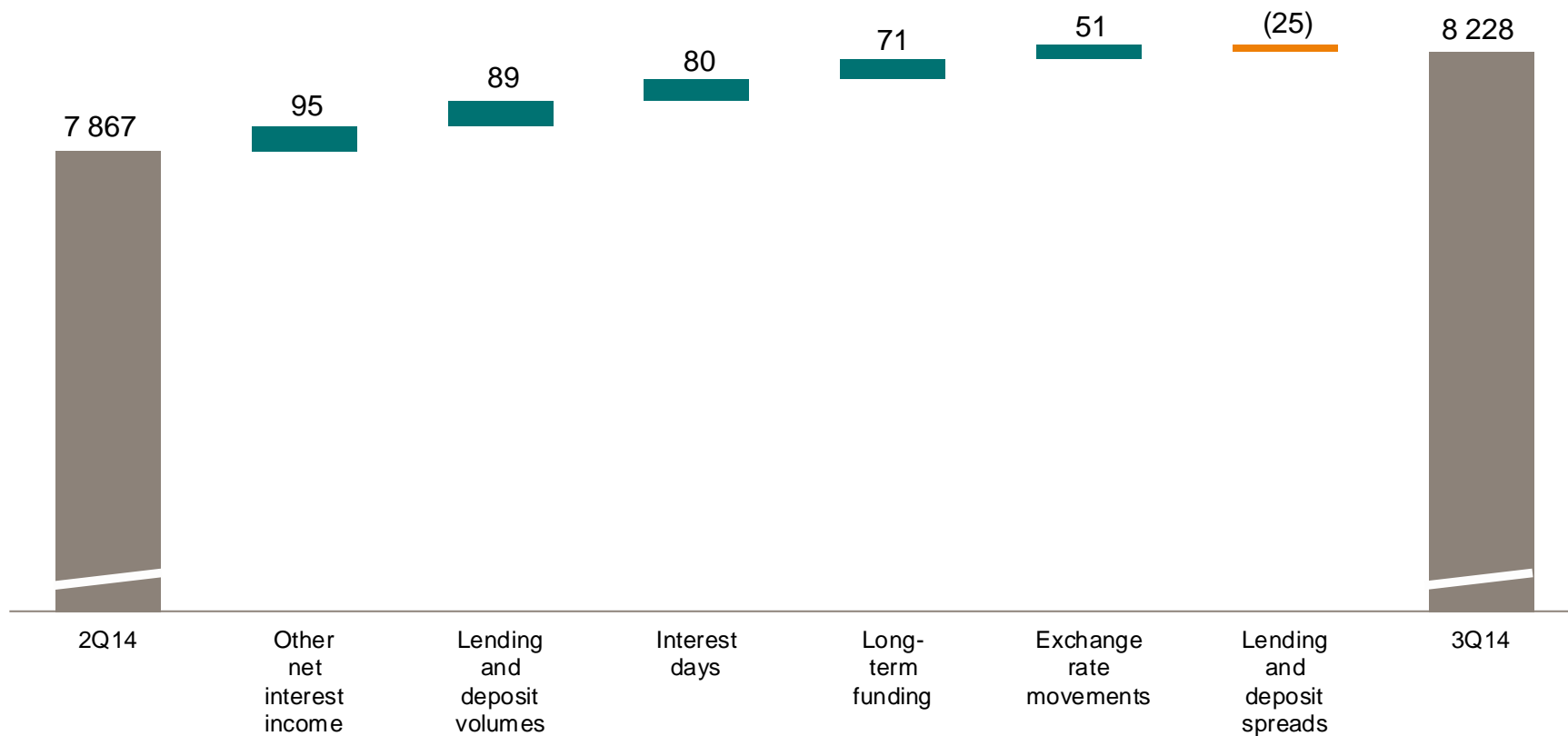
From 3rd quarter 2013 to 3rd quarter 2014



# Changes in net interest income

NOK million

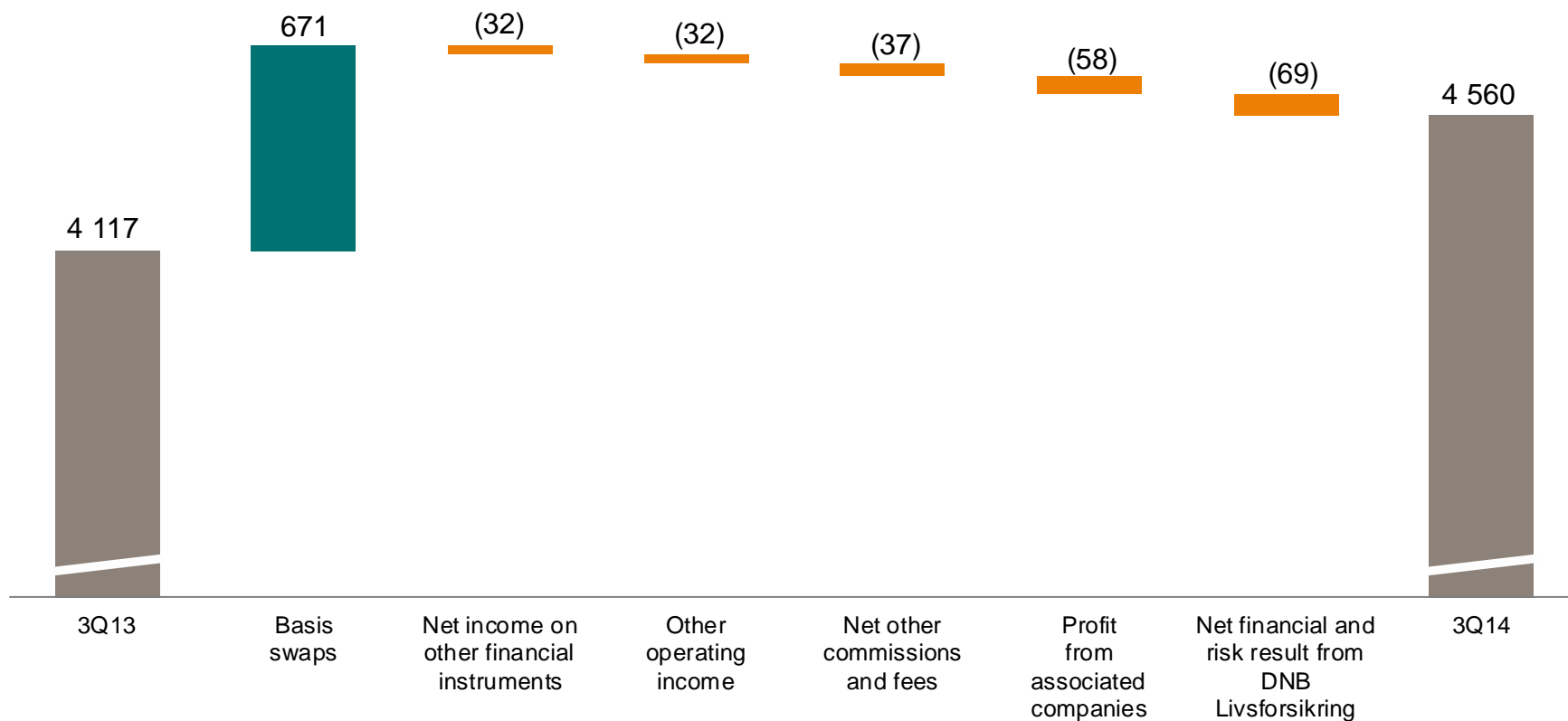
From 2nd quarter 2014 to 3rd quarter 2014



# Changes in net other operating income

NOK million

From 3rd quarter 2013 to 3rd quarter 2014





# Changes in net other operating income

NOK million

From 2nd quarter 2014 to 3rd quarter 2014



## Changes in operating expenses

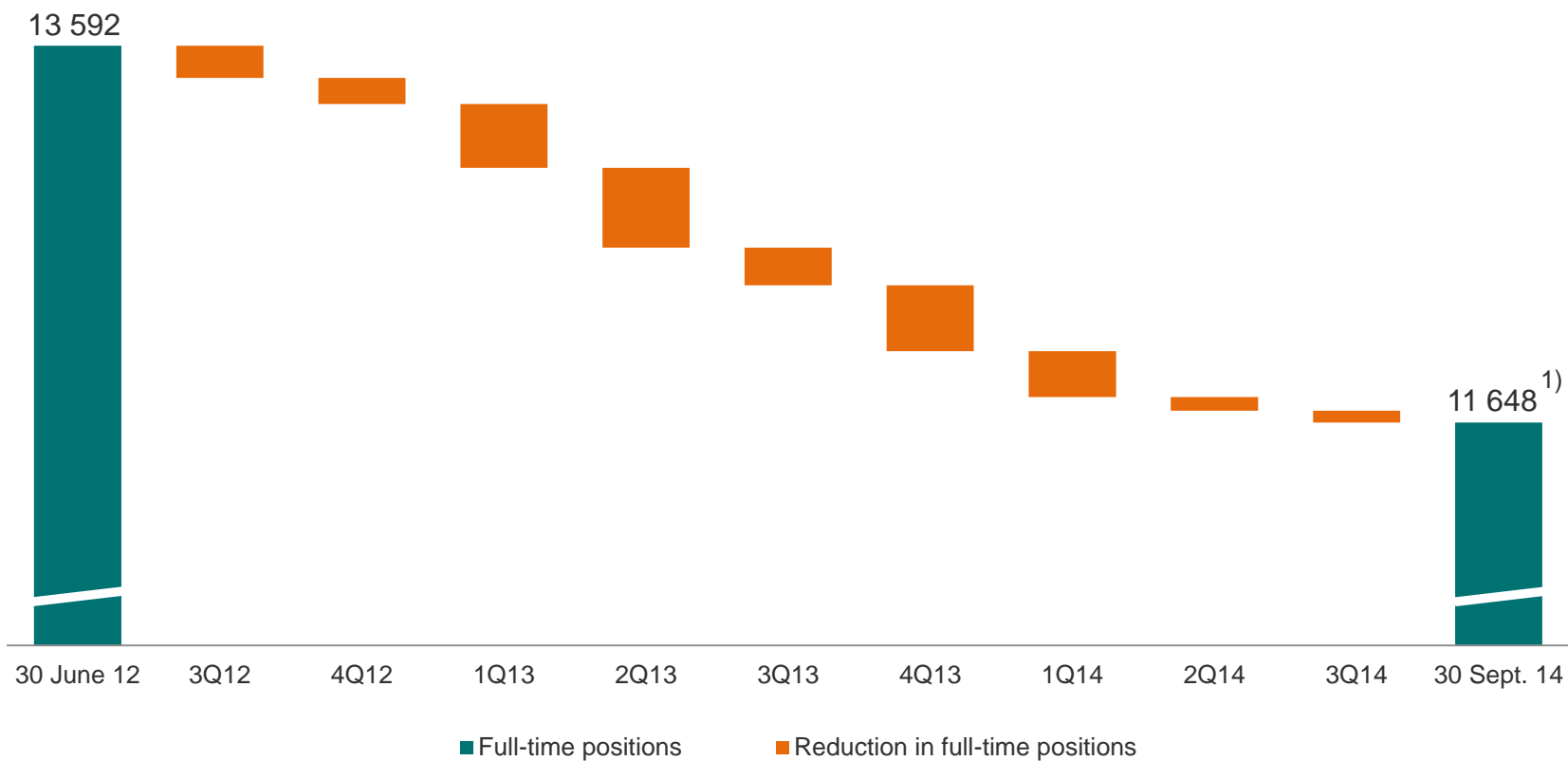
Amounts in NOK million	3Q14	Change	3Q13	Change in per cent
<b>Total adjusted operating expenses</b>	<b>5 088</b>	<b>101</b>	<b>4 987</b>	<b>2.0</b>
<b>Income-related costs</b>				
Ordinary depreciation on operational leasing		15		
<b>Expenses directly related to operations</b>				
IT expenses		33		
Pension expenses		49		
External distribution costs		29		
Other costs		(25)		
<b>Non-recurring effects</b>	<b>74</b>	<b>(162)</b>	<b>236</b>	
Restructuring costs - employees	33	(39)	72	
Other restructuring costs and non-recurring effects	41	(122)	164	
<b>Operating expenses</b>	<b>5 162</b>	<b>(61)</b>	<b>5 223</b>	<b>(1.2)</b>

## Changes in operating expenses

Amounts in NOK million	3Q14	Change	2Q14	Change in per cent
<b>Total adjusted operating expenses</b>	<b>5 088</b>	<b>(62)</b>	<b>5 150</b>	<b>(1.2)</b>
<b>Expenses directly related to operations</b>				
Marketing		(49)		
Travel and training expenses		(19)		
Other costs		7		
<b>Non-recurring effects</b>	<b>74</b>	<b>(9)</b>	<b>83</b>	
Restructuring costs - employees	33	(42)	75	
Other restructuring costs and non-recurring effects	41	33	8	
<b>Operating expenses</b>	<b>5 162</b>	<b>(70)</b>	<b>5 233</b>	<b>(1.3)</b>

# Development in staff levels

Full-time positions



1) The estimate presented on the CMD 2012 was 12 000 full-time positions at year-end 2014.

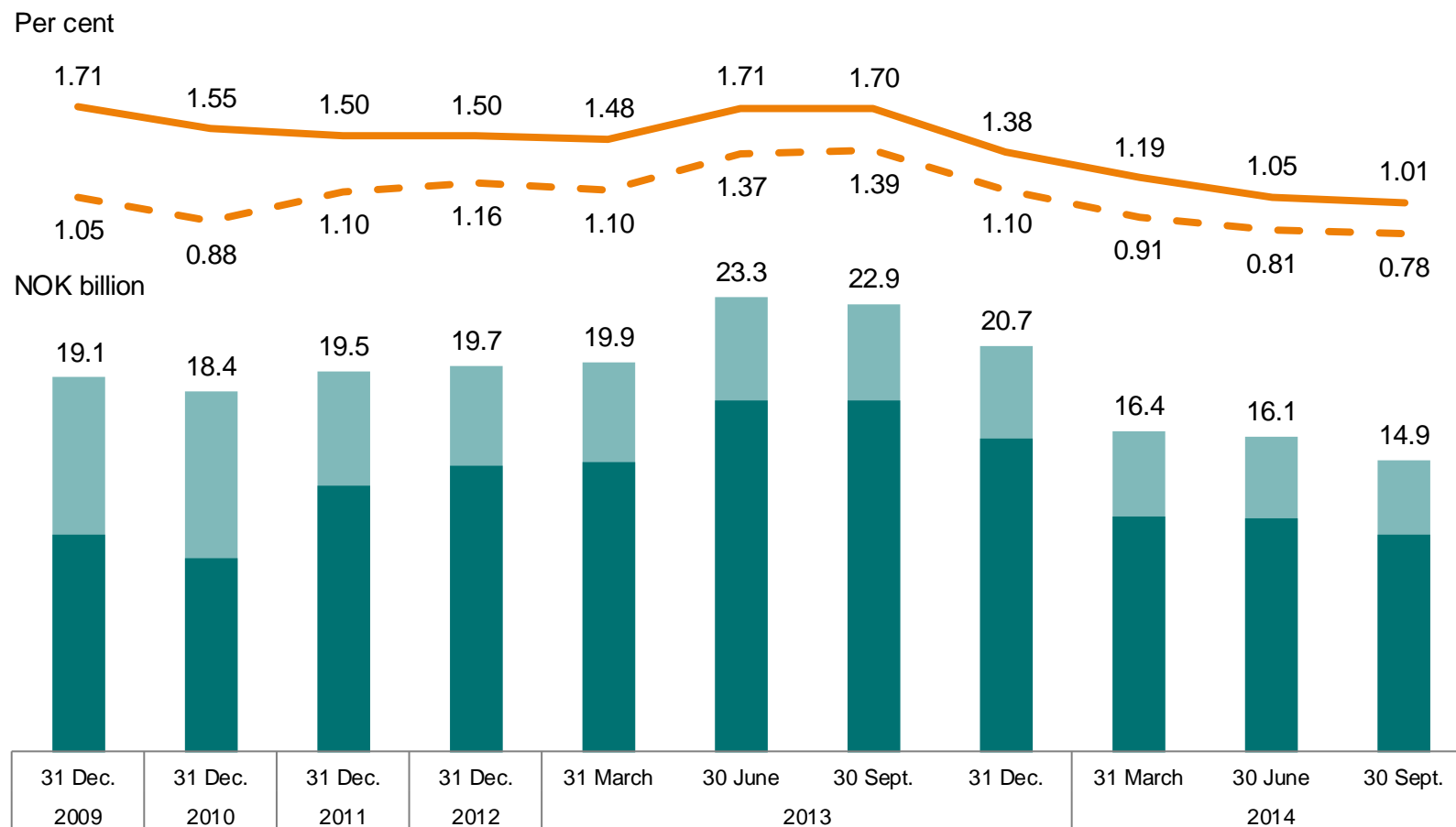
# Impairment of loans and guarantees

		January - September					
Amounts in NOK million	3Q14	2Q14	1Q14	4Q13	3Q13	2014	2013
<i>Individual impairment:</i>							
<b>Personal customers</b>							
- Mortgage loans	33	(5)	(16)	36	15	12	41
- Consumer finance	56	61	66	37	38	183	248
<b>Small and medium-sized enterprises</b>	<b>167</b>	162	73	207	<b>119</b>	402	357
<b>Large corporates and international customers</b>							
- Nordic Corporates Division	(3)	97	(56)	67	32	37	69
- International Corporates Division	86	(17)	56	86	51	125	142
- Shipping, Offshore and Logistics Division	(116)	152	152	(271)	225	188	770
- Energy Division	5	(2)	24	(17)	2	26	69
- Baltics, Russia and Poland	39	53	31	93	189	123	378
- Other units	1	1	3	(3)	1	4	7
Total individual impairment	267	502	332	236	674	1 101	2 082
<i>Collective impairment:</i>							
DNB excl. Baltics, Russia and Poland	(79)	71	(227)	(171)	(174)	(235)	158
Baltics, Russia and Poland	(5)	(19)	(25)	(29)	(25)	(49)	(90)
Total collective impairment of loans	(84)	52	(252)	(200)	(199)	(284)	67
Impairment of loans and guarantees	183	554	80	36	475	817	2 149

## Impairment in per cent of loans

Per cent	3Q14	2Q14	1Q14	4Q13	3Q13	January - September	
						2014	2013
Total impairment in relation to average volumes (annual basis)	<b>0.05</b>	0.16	0.02	0.01	<b>0.14</b>	0.08	0.22
- DNB excl. Baltics and Poland	<b>0.04</b>	0.16	0.02	(0.01)	<b>0.10</b>	0.08	0.20
- Baltics and Poland	<b>0.24</b>	0.25	0.03	0.44	<b>1.18</b>	0.17	0.72

# Net non-performing and net doubtful loans and guarantees <sup>1)</sup>



1) Includes non-performing commitments and commitments 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

## Balance sheets

	DNB Group		DNB Bank ASA	
	30 Sept. 2014	31 Dec. 2013	30 Sept. 2014	31 Dec. 2013
Amounts in NOK billion				
Deposits with central banks	213	167	211	163
Due from credit institutions	112	181	362	399
Loans to customers	1 388	1 341	698	680
Other assets	710	716	519	583
<b>Total assets</b>	<b>2 423</b>	<b>2 405</b>	<b>1 790</b>	<b>1 826</b>
Due to credit institutions	187	234	239	281
Deposits from customers	888	868	855	849
Short-term debt securities issued	192	184	192	184
Long-term debt securities issued	533	528	148	169
Other liabilities and provisions	470	449	230	228
Equity	153	142	126	115
<b>Total liabilities and equity</b>	<b>2 423</b>	<b>2 405</b>	<b>1 790</b>	<b>1 826</b>
Ratio of deposits to net loans (%)	64.0	64.7	122.6	124.9
Adjusted ratio of deposits to net loans (%) <sup>1)</sup>	63.9	63.7	122.5	122.9
Total combined assets	2 691	2 656	1 790	1 826
Currency-adjusted loans to customers	1 385		696	
Currency-adjusted deposits from customers	884		851	

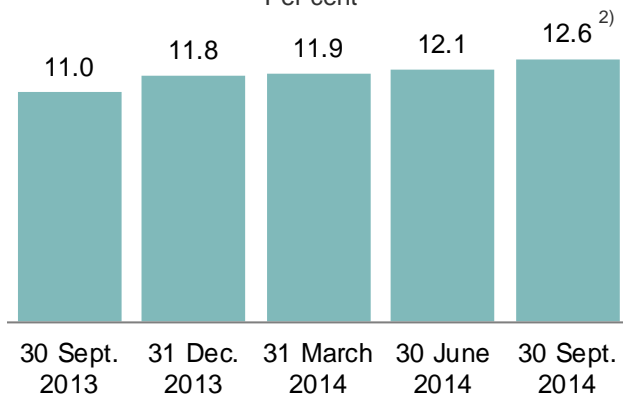
1) Excluding short-term money market deposits



# Common equity Tier 1 capital ratio, CRD IV from third quarter 1)

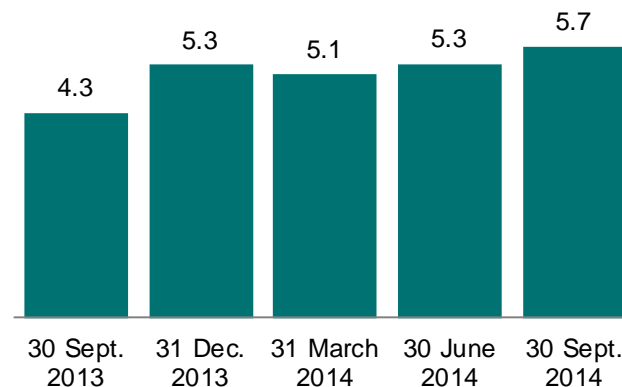
## Transitional rules

Per cent



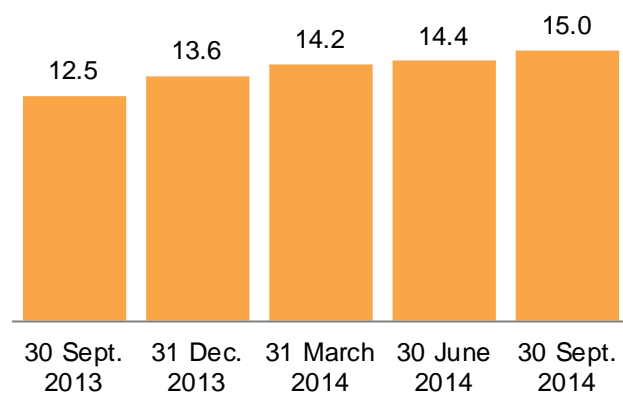
## Leverage ratio

Per cent



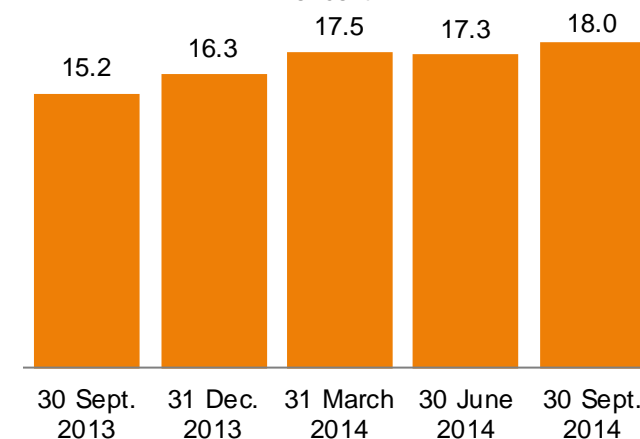
## Estimate full IRB

Per cent



## Estimate applying average weights used by Swedish banks<sup>3)</sup>

Per cent



1) Common equity Tier 1 capital includes 50 per cent of interim profits in all quarters, apart from the Leverage Ratio figures.

Annual figures are exclusive of dividend payments

2) 13.0 per cent including 75 per cent of interim profits

3) Average weights used by Swedish banks on corporate loans and loans secured by real estate



DNB

WELCOME TO DNB'S CAPITAL  
MARKETS DAY IN LONDON  
ON 27 NOVEMBER 2014