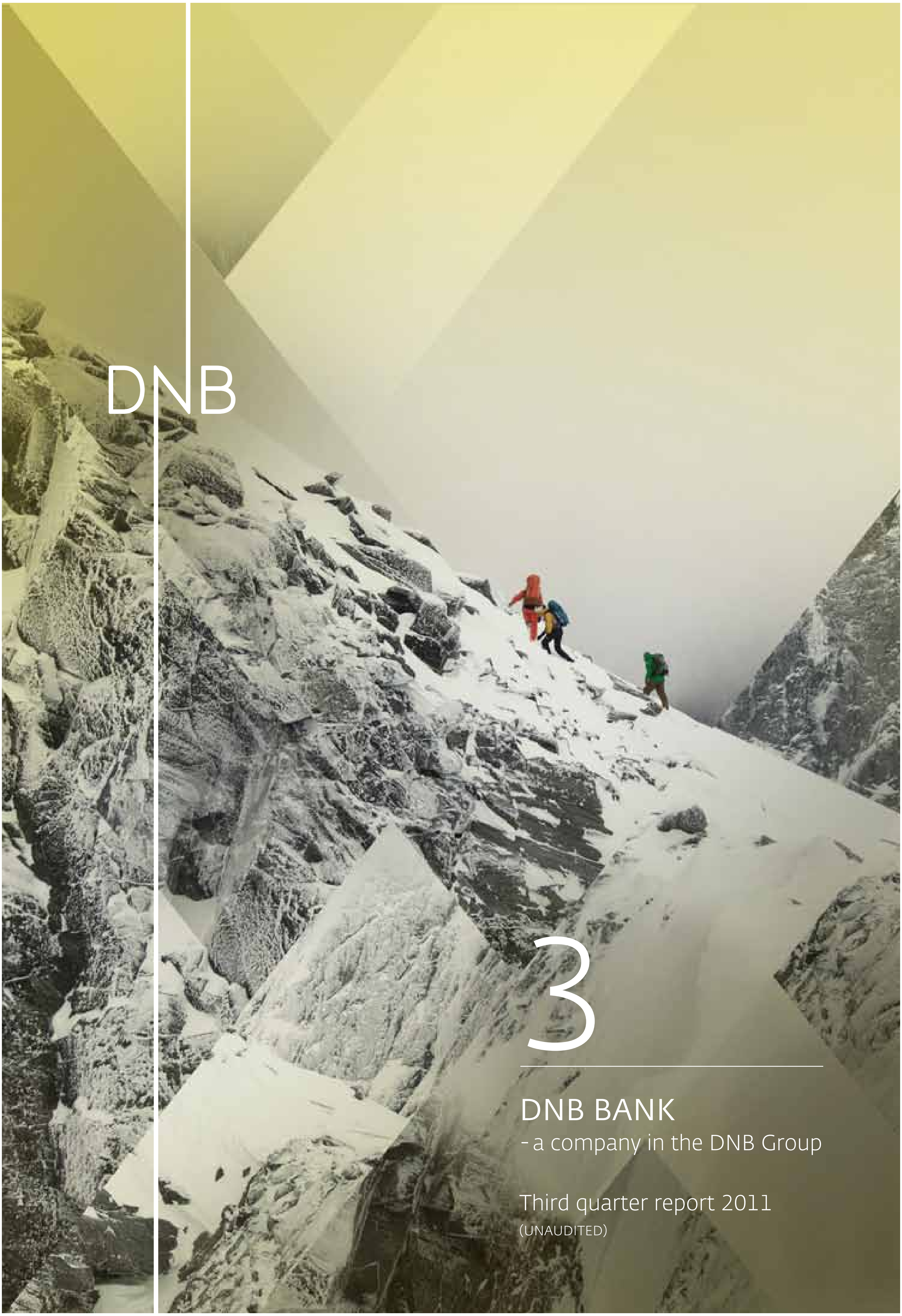

DNB

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DNB BANK

- a company in the DNB Group

Third quarter report 2011

(UNAUDITED)

Financial highlights

DNB Bank Group

Income statement *Amounts in NOK million*	3rd quarter 2012	3rd quarter 2011	January - September 2012	2011	Full year 2011
Net interest income	6 919	6 374	20 375	18 428	25 232
Net commissions and fees, core business [1]	*1 160*	*1 260*	*3 567*	*3 714*	*4 776*
Net financial items	*1 811*	*2 802*	*4 870*	*5 930*	*9 937*
Net other operating income, total	2 971	4 062	8 437	9 644	14 713
Ordinary operating expenses	4 770	4 519	14 248	13 471	18 328
Other expenses	85	0	85	0	380
Pre-tax operating profit before write-downs	5 035	5 917	14 480	14 601	21 237
Net gains on fixed and intangible assets	20	6	63	20	19
Write-downs on loans and guarantees	521	1 170	1 990	2 519	3 445
Pre-tax operating profit	4 534	4 754	12 553	12 102	17 811
Taxes	1 243	1 210	3 389	3 267	5 308
Profit from operations held for sale, after taxes	0	25	92	(5)	(5)
Profit for the period	**3 291**	**3 568**	**9 256**	**8 829**	**12 498**

Balance sheet *Amounts in NOK million*	30 Sept. 2012	31 Dec. 2011	30 Sept. 2011
Total assets	2 116 899	1 884 948	1 944 557
Lending to customers	1 319 229	1 291 660	1 260 993
Deposits from customers	850 652	750 102	773 334
Total equity	113 456	104 304	92 585
Average total assets	2 112 435	1 910 290	1 895 241

Key figures *Per cent*	3rd quarter 2012	3rd quarter 2011	January - September 2012	2011	Full year 2011
Combined weighted total average spread for lending and deposits	1.17	1.09	1.16	1.09	1.10
Cost/income ratio	48.2	43.3	49.4	48.0	45.9
Write-downs relative to average net lending to customers, annualised	0.16	0.39	0.20	0.28	0.28
Return on equity, annualised	11.7	15.6	11.4	13.0	13.5
Equity Tier 1 capital ratio at end of period [2]	10.0	7.8	10.0	7.8	9.3
Core (Tier 1) capital ratio at end of period [2]	10.6	8.5	10.6	8.5	9.9
Capital ratio at end of period [2]	12.3	10.2	12.3	10.2	11.5

1) *Includes commissions and fees related to money transfers and interbank transactions, asset management services, credit broking, real estate broking, custodial services and securities trading as well as sale of insurance products and other commissions and fees from banking services.*

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 DNB's Group Audit.

Third quarter report 2012

Accounts

Additional information

Directors' report

Introduction

Third quarter 2012

The DNB Bank Group[1)] recorded profits of NOK 3 291 million in the third quarter of 2012, down from NOK 3 568 million in the third quarter of 2011. Compared with the preceding quarters, there was an increase in net interest income, a reduction in write-downs and an improvement in capital adequacy. All business areas recorded a rise in profits. Mark-to-market adjustments of basis swaps [2)] had a negative effect on other operating income of NOK 566 million. Compared with the third quarter of 2011, such adjustments caused a NOK 1 964 million reduction in income.

Average lending volumes increased by 6.7 per cent from the third quarter of 2011. Lending growth slowed down, with a 1 per cent increase from the second to the third quarter of 2012. Lending spreads widened slightly, while deposit spreads narrowed somewhat from the preceding quarter. Overall, spreads remained stable. Long-term funding costs were relatively stable from the second to the third quarter. Total net interest income rose by 8.6 per cent compared with the third quarter of 2011 and by 2.7 per cent from the second quarter of 2012. Over a trailing 12-month period, there was a 10.7 per cent increase from the third quarter of 2011.

Adjusted for the accounting effect of basis swaps, the level of net other operating income was high in the third quarter, rising by 33 per cent from the third quarter of 2011. DNB Markets recorded a healthy level of trading income, which primarily reflected a rise in mark-to-market income, while customer-related revenues declined somewhat.

Adjusted for non-recurring costs and costs pertaining to non-core operations acquired by the banking group, operating expenses rose by 4.2 per cent from the third quarter of 2011, reflecting the establishment of new operations in Norway and internationally towards the end of 2011. The rise in expenses included higher costs in DNB Finans and DNB Eiendom which are directly related to an increase in income from these operations. The number of full-time positions, which increased through 2011, was reduced by 156 from end-June 2012.

Write-downs on loans and guarantees totalled NOK 521 million and were thus more than halved from the third quarter of 2011. There was a NOK 164 million reduction in write-downs from the second quarter of 2012. Overall, individual write-downs were on a level with the first two quarters of 2012, with lower write-downs in Retail Banking and a certain increase in write-downs within shipping.

Return on equity was 11.7 per cent, down from 15.6 per cent in the July through September period in 2011. Adjusted for changes in the value of basis swaps, return on equity was 13.7 per cent in the third quarter of 2012.

The DNB Bank Group is continuing its adaptations to the new liquidity and capital requirements which are expected to be introduced over the next few years. The common equity Tier 1 capital ratio, calculated according to the Basel II transitional rules, increased to 10.0 per cent at end-September 2012, including 50 per cent of interim profits. Based on full implementation of Basel II and excluding the effects of the limitations ensuing from the transitional rules, the common equity Tier 1 capital ratio would have been 11.6 per cent. The Board of Directors considers the banking group to be well capitalised in relation to the risk of operations and well prepared to meet future capital adequacy requirements.

The DNB Bank Group has entered into an agreement to sell the branch network in Poland. The sale is part of DNB's new strategy in Poland, where the banking group will primarily concentrate on corporate customer operations. The transaction is subject to the approval of the financial supervisory authority in Poland and must also be approved by a significant percentage of the Polish customers. The acquisition is scheduled to take place in the second quarter of 2013. It is expected that some 250 employees will be transferred to the new owner in connection with the transaction.

During the third quarter, the DNB Bank Group also entered into an agreement to sell its wholly-owned Swedish subsidiary SalusAnsvar AB, whereby 140 full-time positions will be transferred to the new owner. The sale is subject to approval by the supervisory authorities.

DNB's group management team and some of the business areas' operations were moved to the new head office in Bjørvika in Oslo at the end of September. The banking group's other employees in Oslo will move to Bjørvika by spring 2014 as and when the premises are completed. The move is expected to result in a streamlining of operations.

First three quarters 2012

The DNB Bank Group recorded profits of NOK 9 256 million in the January through September period in 2012, an increase from NOK 8 829 million in the corresponding period of 2011. Adjusted for the effects of basis swaps, profits for the period increased by NOK 2 503 million or 30.8 per cent from the year-earlier period.

There was a healthy trend in net interest income, which increased by 10.6 per cent from the first three quarters of 2011. Average lending volumes rose by 8.0 per cent, while lending spreads widened by 0.38 percentage points measured against the 3-month money market rate during the same period. Average deposit volumes rose 14.7 per cent, while deposit spreads contracted by 0.37 percentage points, primarily due to lower interest rate levels and stronger competition for deposits.

Other operating income, adjusted for mark-to-market adjustments of basis swaps, was up 19.3 per cent from the first three quarters of

1) DNB Bank ASA is a subsidiary of DNB ASA and part of the DNB Group. The DNB Bank Group, hereinafter called "the banking group", comprises the bank and the bank's subsidiaries. Other companies owned by DNB ASA, including DNB Livsforsikring, DNB Skadeforsikring and DNB Asset Management, are not part of the banking group. Operations in DNB ASA and the total DNB Group are not covered in this report but described in a separate report and presentation.

2) *Basis swaps are derivative contracts entered into by the bank when issuing senior bonds or raising other long-term funding in the international capital markets and converting the relevant currency to Norwegian kroner.*

2011, which mainly reflected a high level of income from foreign exchange and interest rate instruments and a greater profit contribution from associated companies.

Operating expenses, excluding impairment losses for goodwill and intangible assets, rose by 5.8 per cent from the January through September period in 2011, reflecting an increase in pension expenses due to lower interest rate levels, growth in the largest Norwegian cities and a higher level of activity at certain international offices.

At NOK 1 990 million, write-downs on loans and guarantees were NOK 529 million lower than in the first three quarters of 2011. There was a rise in write-downs in both Retail Banking and Large Corporates and International, while there was a significant reduction in write-downs in the Baltics and lower collective write-downs.

Return on equity was 11.4 per cent, down from 13.0 per cent in the January through September period in 2011. Adjusted for changes in the value of basis swaps, return on equity was 13.3 per cent in the January through September period in 2012.

DNB continued to climb on Ipsos MMI's Norwegian corporate reputation list. This year, the DNB Group achieved 23rd place, best among the banks. In addition, DNB improved its score from 66 to 70 in RepTrak's quarterly reputation survey.

DNB still qualified for inclusion in the Dow Jones Sustainability Index in 2012 and thus remains among the top 10 per cent companies within its industry group with respect to sustainability.

Income statement for the third quarter of 2012

Net interest income

Amounts in NOK million	3rd quarter 2012	Change	3rd quarter 2011
Net interest income	6 919	546	6 374
Lending and deposit volumes		364	
Lending and deposit spreads		605	
Exchange rate movements		75	
Amortisation effects in the international bond portfolio		(116)	
Long-term funding costs		(373)	
Other net interest income		(10)	

Net interest income showed a healthy trend, rising by NOK 546 million or 8.6 per cent from the third quarter of 2011. Lending spreads widened while deposit spreads narrowed. Parallel to this, there was a significant rise in long-term funding costs compared with the third quarter of 2011.These costs have stopped rising and were relatively stable from the second to the third quarter of 2012. Average lending volumes increased by 6.7 per cent from the year-earlier period, though the growth in lending was waning. Deposits increased by 17.1 per cent during the corresponding period.

Net other operating income

Amounts in NOK million	3rd quarter 2012	Change	3rd quarter 2011
Net other operating income	2 971	(1091)	4 062
Net other gains on foreign exchange and interest rate instruments [1]		554	
Profits from associated companies		325	
Net stock market-related income		38	
Real estate broking		11	
Net other commissions and fees		(70)	
Net gains on investment property		(89)	
Basis swaps		(1 964)	
Other operating income		104	

1) Excluding guarantees and basis swaps.

Net other operating income declined by NOK 1 091 million from the third quarter of 2011. Adjusted for the effect of basis swaps, there was a healthy level of other operating income for the quarter, increasing by NOK 873 million or 33 per cent from the third quarter of 2011.

There was a high level of income from foreign exchange and interest rate instruments, partly due to mark-to-market assessments. Profits from associated companies, primarily Eksportfinans, increased during the quarter.

Operating expenses

Amounts in NOK million	3rd quarter 2012	Change	3rd quarter 2011
Operating expenses	4 855	336	4 519
Costs for non-core operations		30	
Non-recurring costs:			
Impairment losses for goodwill and intangible assets		85	
Restructuring costs		35	
Total adjusted operating expenses	4 693	187	4 506
Income-related costs:			
Operational leasing		29	
Performance-based pay		(22)	
Expenses related to operations:			
Cost programme		(60)	
Wage and price inflation		147	
IT expenses		(69)	
Rise in pension expenses		82	
Other costs		80	

The banking group's operating expenses were up 7.4 per cent from the third quarter of 2011. Adjusted for costs for non-core operations acquired by the banking group and non-recurring costs, there was a NOK 187 million or 4.2 per cent rise in expenses compared with the third quarter of 2011.

IT expenses were reduced by NOK 69 million from the year-earlier period, primarily due to the reversal of costs related to the Baltics. Pension expenses were up NOK 82 million, mainly due to the low interest rate levels. The cost programme remained a key tool for the implementation of cost efficiency measures.

During 2011, the banking group expanded its operations both in Norway and internationally, while the number of full-time positions was reduced through the second and third quarter of 2012. Overall, the number of full-time positions was reduced by 23 from end-September 2011.

Write-downs on loans and guarantees

Write-downs on loans and guarantees totalled NOK 521 million, down 55.5 per cent from NOK 1 170 million in the third quarter of 2011. There was also a reduction of NOK 164 million from the second quarter of 2012.

At NOK 670 million, individual write-downs were relatively stable compared with the first and second quarter of 2012, but represented a lower share of average lending at 0.16 per cent in the third quarter. The level of write-downs was thus markedly lower than normalised losses. Individual write-downs in Retail Banking were reduced during the quarter, reflecting the strong Norwegian economy. There was also a decline in write-downs in most segments in Large Corporates and International, but an increase within shipping.

Total write-downs in the Baltics and Poland were reduced from 5.18 per cent of lending in the third quarter of 2011 to 0.43 per cent in the third quarter of 2012.

There were reversals on collective write-downs of NOK 148 million in the third quarter of 2012, compared with new collective write-downs of NOK 251 million in the year-earlier period. This mainly reflected improved portfolio quality.

Net non-performing and doubtful commitments totalled NOK 19.6 billion at end-September 2012, an increase from NOK 14.5 billion at end-September 2011, and a slight increase from NOK 19.3 billion at end-June 2012. Net non-performing and doubtful commitments represented 1.46 per cent of lending volume, up 0.34 percentage points from end-September 2011 and 0.01 percentage points from end-June 2012.

Taxes

The DNB Bank Group's tax charge for the third quarter of 2012 was NOK 1 243 million, up from NOK 1 210 million in the year-earlier period. Relative to pre-tax operating profits, the estimated tax charge was 27 per cent, up from 25 per cent in the third quarter of 2011, but on a level with the tax charge in the second quarter of 2012.

Business areas

Activities in the DNB Bank Group are organised in the business areas Retail Banking, Large Corporates and International and DNB Markets. The business areas operate as independent profit centres and have responsibility for serving all of the banking group's customers and for the total range of products and services. In addition, operations in DNB Baltics and Poland are reported as a separate profit centre.

Retail Banking

Retail Banking is responsible for serving the banking group's 2.1 million personal customers and some 220 000 corporate customers through the branch network in Norway. DNB aspires to be a local bank for the whole of Norway, while offering the expertise of a large bank. The aim is that coordinated service to these customer segments will make the services more accessible and give customers good personal financial advice.

Pre-tax operating profits totalled NOK 2 442 million in the third quarter of 2012, an increase of NOK 658 million from the year-earlier period. There was strong growth in both lending and deposits during the period, parallel to a satisfactory trend in non-performing commitments and write-downs.

	3rd quarter		Change	
Income statement in NOK million	2012	2011	NOK mill	%
Net interest income	4 219	3 519	699	19.9
Other operating income	1 047	997	50	5.0
Income attributable to product suppliers	242	380	(138)	(36.3)
Net other operating income	1 289	1 377	(88)	(6.4)
Total income	5 507	4 896	611	12.5
Other operating expenses	2 781	2 680	101	3.8
Costs attributable to product suppliers	125	177	(52)	(29.4)
Total operating expenses	2 906	2 858	48	1.7
Pre-tax operating profit before write-downs	2 601	2 038	563	27.6
Net gains on fixed assets	0	0	0	
Net write-downs on loans	154	250	(97)	(38.6)
Profit from repossessed operations	(5)	0	(5)	
Pre-tax operating profit	2 442	1 788	654	36.6
Average balance sheet items in NOK billion				
Net lending to customers	855.8	790.3	65.5	8.3
Deposits from customers	459.4	411.3	48.1	11.7
Key figures in per cent				
Lending spread [1)]	2.04	1.46		
Deposit spread [1)]	(0.12)	0.50		
Return on risk-adjusted capital [2)]	34.8	27.2		
Cost/income ratio	51.9	58.4		
Ratio of deposits to lending	53.7	52.0		
Number of full-time positions, end of period	4 909	5 001	(92)	(1.8)

1) Calculated relative to the 3-month money market rate.
2) Calculated on the basis of internal measurement of risk-adjusted capital.

There was continued brisk growth in home mortgages during the quarter. Average net lending increased by 8.3 per cent from the third quarter of 2011, parallel to brisk deposit growth at 11.7 per cent for the period. Along with customer deposits, covered bonds based on home mortgages in DNB Boligkreditt were key sources of funding. At end-September 2012, 94 per cent of lending volume in Retail Banking was funded by deposits and covered bonds.

Rising volumes and widening lending spreads relative to the 3-month money market rate contributed to the rise in net interest income from the third quarter of 2011. Deposit spreads narrowed due to lower interest rate levels and strong competition in the market. The volume-weighted interest rate spread was 1.29 per cent in the third quarter of 2012, an increase from 1.13 per cent in the year-earlier period.

Total other operating income was NOK 88 million lower than in the third quarter of 2011. Income from guarantee commissions, payment services and real estate broking showed a positive trend during the period, while there was a reduction in income from interest rate instruments.

Operating expenses were NOK 48 million higher than in the third quarter of 2011, which was mainly due to impairment losses for goodwill in connection with the agreement to sell SalusAnsvar AB. The number of full-time positions was 4 909 at end-September 2012, a reduction of 92 positions from end-September 2011. There were 4 583 full-time positions in the business area's units in Norway at end-September 2012.

The quality of the loan portfolio was sound, with relatively low write-downs in both the retail and corporate markets. On an annual basis, net write-downs on loans represented 0.07 per cent of net lending, down from 0.13 per cent in the third quarter of 2011. Net non-performing and doubtful commitments amounted to NOK 5 997 million at end-September 2012, down NOK 198 million from end-September 2011.

Nordlandsbanken was formally merged with DNB Bank ASA with effect from 1 October 2012, but will remain a separate brand in the banking group for a transitional period of up to two years. The banking group has entered into an agreement to sell the wholly-owned Swedish distribution company SalusAnsvar AB. The transaction is subject to approval by the supervisory authorities.

DNB's new insurance product for children and young adults, which can be bought online and includes an electronic medical history statement, was launched on 8 October. There will be continued focus on small companies in a start-up phase through the "Start-up" financing concept.

In spite of the financial market turmoil and the uncertain prospects for the global economy, the Norwegian mainland economy has shown a positive trend. Low interest rates combined with a marked increase in real income and a stable, low unemployment rate provide the basis for strong consumption growth. Retail Banking expects continued strong growth in home mortgages and more subdued growth in lending to small and medium-sized companies. The level of write-downs on loans to both personal and corporate customers is expected to remain low.

Large Corporates and International

Large Corporates and International serves the bank's largest Norwegian corporate customers and is responsible for DNB's international service concept. Operations are based on broad industry expertise and long-term customer relationships.

Pre-tax operating profits came to NOK 1 946 million in the third quarter of 2012, up NOK 209 million from the third quarter of 2011.

	3rd quarter		Change	
Income statement in NOK million	2012	2011	NOK mill	%
Net interest income	2 308	2 052	256	12.5
Other operating income	313	221	92	41.5
Income attributable to product suppliers	530	579	(50)	(8.6)
Net other operating income	842	800	42	5.3
Total income	3 150	2 852	298	10.4
Other operating expenses	652	588	64	10.8
Costs attributable to product suppliers	240	234	6	2.6
Total operating expenses	892	822	70	8.5
Pre-tax operating profit before write-downs	2 258	2 030	228	11.2
Net gains on fixed assets	0	0	0	
Net write-downs on loans	250	233	17	7.5
Profit from repossessed operations	(63)	(60)	(2)	
Pre-tax operating profit	1 946	1 737	209	12.0
Average balance sheet items in NOK billion				
Net lending to customers	399.5	371.2	28.3	7.6
Deposits from customers	294.7	228.1	66.6	29.2
Key figures in per cent				
Lending spread [1)]	1.95	1.68		
Deposit spread [1)]	(0.20)	0.01		
Return on risk-adjusted capital [2)]	21.4	22.8		
Cost/income ratio	28.3	28.8		
Ratio of deposits to lending	73.8	61.4		
Number of full-time positions, end of period	1 144	1 138	6	0.5

1) *Calculated relative to the 3-month money market rate.*
2) *Calculated on the basis of internal measurement of risk-adjusted capital.*

Average lending increased by 7.6 per cent from the third quarter of 2011, while there was a 0.8 per cent reduction from the second quarter of 2012. Adjusted for exchange rate movements, there was a 4.0 per cent rise in lending from the third quarter of 2011. Average deposits rose by 29.2 per cent from the third quarter of 2011. Adjusted for exchange rate movements, deposits increased by 26.2 per cent. There was a 2.2 per cent rise in deposits from the second quarter of 2012.

Relative to the 3-month money market rate, lending spreads showed a positive trend, widening by 0.28 percentage points from the third quarter of 2011 and 0.08 percentage points from the second quarter of 2012. The widening spreads helped compensate for higher long-term funding costs. The strong competition for deposits caused pressure on deposit spreads, which declined by 0.21 percentage points from the third quarter of 2011 and by 0.04 percentage points from the second quarter of 2012.

The rise in other operating income was mainly attributable to a positive development in the market value of equities and an increase in guarantee commissions.

Personnel expenses were higher in the third quarter of 2012 than in the year-earlier period, mainly due to a rise in staff numbers in strategic priority areas in 2011. The cost level reflected restructuring costs at the banking group's international units and a non-recurring cost item related to health insurance for the employees at the New York office. Adjusted for these items, costs rose by 4.5 and 3.3 per cent, respectively, from the third quarter of 2011 and the second quarter of 2012. At end-September 2012, staff in the business area represented 1 144 full-time positions, including 655 positions outside Norway. Large Corporates and International has started the process to pare down costs in order to reach the targets presented on the Capital Markets Day, and the number of full-time positions declined from end-June 2012.

There was a decline in write-downs on loans in most segments, though write-downs within shipping showed a certain increase. Net write-downs on loans represented 0.25 per cent of net lending to customers on an annual basis, while individual write-downs represented 0.35 per cent. In the third quarter of 2011, net write-downs came to 0.25 per cent of net lending, of which individual write-downs represented 0.13 per cent.

Net non-performing and doubtful commitments amounted to NOK 8 billion at end-September 2012, a slight increase from end-June 2012. The corresponding figure at end-September 2011 was NOK 1.4 billion.

The quality of the loan portfolios remained sound and, on average, showed a positive trend from the preceding quarters. However, portfolio quality deteriorated somewhat in the dry bulk and tanker segments due to the weak market situation. Close follow-up of customers and good preventive measures have reduced the need for write-downs.

DNB will give priority to strong, long-term and profitable customer relationships. Large Corporates and International aims to rebalance its portfolios by reducing its exposure somewhat within shipping and commercial real estate, while capitalising on the opportunities within sectors such as energy, offshore, telecom and healthcare. Average lending spreads are expected to increase somewhat, which is necessary to compensate for higher funding costs. It is anticipated that the strong competition for stable customer deposits and significant pressure on deposits spreads will continue.

DNB Markets

DNB Markets, Norway's largest provider of securities and investment services, recorded a satisfactory level of profits in the third quarter of 2012. Pre-tax operating profits totalled NOK 1 285 million, up NOK 318 million or 32.9 per cent compared with the year-earlier period. The third quarter of 2012 saw a low level of customer activity in most markets, while narrower credit margins ensured considerable capital gains on bonds.

Income statement in NOK million	3rd quarter 2012	3rd quarter 2011	Change NOK mill	Change %
FX, interest rate and commodity derivatives	358	433	(75)	(17.3)
Investment products	70	91	(21)	(22.7)
Corporate finance	177	227	(50)	(22.0)
Securities services	59	52	6	12.1
Total customer revenues	664	803	(139)	(17.3)
Net income from international bond portfolio	714	(1)	715	
Other market making/trading revenues	413	608	(195)	(32.1)
Total trading revenues	1 126	607	520	85.7
Interest income on allocated capital	36	44	(8)	(18.2)
Total income	1 826	1 454	373	25.6
Operating expenses	541	486	55	11.3
Pre-tax operating profit	1 285	967	318	32.9
Key figures in per cent				
Return on risk-adjusted capital [1)]	56.1	45.9		
Cost/income ratio	29.6	33.5		
Number of full-time positions, end of period	721	693	28	4.1

1) Calculated on the basis of internal measurement of risk-adjusted capital.

Customer-related revenues totalled NOK 664 million, down NOK 139 million from the third quarter of 2011. Due to the uncertain situation in Southern Europe and in the international economy in general, many investors adopted a waiting attitude. This resulted in a reduction in customer-related revenues, while income from arranging bond issues gave a strong income contribution in the third quarter of 2012.

The decline in customer-related income from foreign exchange and interest rate and commodity derivatives reflected a lower level of activity within interest rate hedging as a large number of customers have already entered into hedging contracts. The level of income from foreign exchange was unchanged from the third quarter of 2011, while income from commodity hedging showed healthy growth.

In consequence of lower income from equities brokerage, there was a reduction in customer-related income from the sale of securities and other investment products. A high level of activity within bond and commercial paper brokerage partly compensated for the reduction in income on equities.

Customer-related revenues from corporate finance services declined from the third quarter of 2011 in spite of a very high level of activity in arranging ordinary and high-yield bond issues. However, there was fierce competition among arrangers of such transactions, whereby a greater number of players had to share lower margins. There were sluggish market conditions for initial public offerings and share issues, while there was an increase in merger and acquisition advisory services during the quarter. A corporate finance unit was established in Stockholm during the third quarter.

Due to a high level of activity within both securities lending and securities services during the quarter, there was a rise in customer-related revenues from custodial and other securities services.

Market making and other proprietary trading generated revenues of NOK 1 126 million, an increase of NOK 520 million from the year-earlier period. The continued normalisation of the financial markets had a positive effect on income for the quarter, resulting in a significant reduction in credit margins and in turn in capital gains on DNB Markets' bond portfolios.

The cost/income ratio was 29.6 per cent in the third quarter of 2012, down from 33.5 per cent a year earlier.

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

DNB Baltics and Poland

DNB Baltics and Poland offers financial services to corporate and personal customers in Estonia, Latvia and Lithuania. The strategy in Poland has been changed, whereby future operations will focus on the corporate market within the DNB Bank Group's international priority areas. An agreement has been entered into on the sale of the branch network in Poland, including the appurtenant customer relationships with personal customers and small and medium-sized companies. The sale is subject to approval by the authorities and must also be approved by a significant percentage of the Polish customers.

DNB Baltics and Poland achieved pre-tax operating profits of NOK 78 million in the third quarter of 2012, representing an increase of NOK 559 million from the year-earlier period.

Income statement in NOK million	3rd quarter 2012	3rd quarter 2011	Change NOK mill	Change %
Net interest income	251	335	(84)	(25.1)
Other operating income	227	172	55	32.0
Total income	478	507	(29)	(5.8)
Operating expenses	342	294	48	16.3
Pre-tax operating profit before write-downs	136	213	(77)	(36.1)
Net gains on fixed assets	(1)	5	(6)	(118.8)
Net write-downs on loans	57	700	(643)	(91.8)
Pre-tax operating profit	78	(481)	559	(116.3)
Average balance sheet items in NOK billion				
Net lending to customers	52.8	53.7	(1.0)	(1.8)
Deposits from customers	29.1	22.7	6.5	28.5
Key figures in per cent				
Lending spread [1)]	1.97	1.80		
Deposit spread [1)]	0.31	1.10		
Return on risk-adjusted capital [2)]	6.9	(42.6)		
Cost/income ratio	71.5	57.9		
Ratio of deposits to lending	55.2	42.2		
Number of full-time positions, end of period	3 203	3 234	(31)	(1.0)

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

2) Calculated on the basis of internal measurement of risk-adjusted capital.

The macroeconomic situation in the Baltic region is gradually improving. However, credit demand remained low during the third quarter, and there was a continued decline in the banking group's lending volumes in the Baltics. Operations in Poland reflected DNB's change of strategy in this country. Average lending was reduced by 1.8 per cent from the third quarter of 2011. In spite of a 4.3 per cent decline in lending in the Baltics from year-end 2011, there was a rise in market share during the period. DNB Poland experienced a relatively strong increase in lending throughout 2011. However, the change of strategy has put a strong damper on lending growth, and there was a 3.8 per cent decline in lending from the second to the third quarter of 2012.

Average customer deposits showed a healthy trend and rose by 28.5 per cent from the year-earlier period. This demonstrates that customers in this region had faith in DNB Baltics and Poland as part of a sound Norwegian bank.

The reduction in net interest income from the third quarter of 2011 reflected a combination of rising funding costs, lower lending volumes and pressure on deposit spreads. There was a positive trend in lending spreads, measured against the 3-month money market rate, while deposit spreads narrowed, partly due to strong competition for deposits.

There was a further reduction in net write-downs on loans in the third quarter of 2012, and write-downs represented 0.43 per cent of average lending on an annual basis, down from 0.74 per cent in the second quarter of 2012. In the third quarter of 2011, write-downs represented 5.2 per cent of average lending.

Efforts to improve portfolio quality and cost efficiency will be high on the agenda. Write-downs on loans are expected to be significantly lower than in 2011. In the longer term, growth in the Baltics is expected to surpass average European levels. The banking group will work to improve operations and widen the product range in the region. Operations in Poland will be adapted to the amended strategy, concentrating on the corporate segment. Improved operations combined with lower write-down levels are expected to ensure improved profitability.

Funding, liquidity and balance sheet

The banking group had ample access to the short-term funding markets throughout the third quarter. The level of market uncertainty was gradually reduced, and investors showed a greater interest in funding with longer maturities than before. There was an increase in the number of banks to which investors were willing to lend money, though the markets remained selective. Banks with strong credit ratings had the best access to funding, and DNB was one of these banks.

The long-term funding markets were functioning almost as normal during the third quarter. There was a significant reduction in funding costs for both new covered bonds and senior bond debt. This reflected the need of investors to invest money while banks have less need for new funding in the short and medium term. In addition, measures launched by the European Central Bank, ECB, to purchase European sovereign debt had positive effects on the market. This resulted in less uncertainty, and the price level for new long-term funding was reduced, especially for financially strong banks. In spite of this, the banking group's funding costs were much higher than prior to the financial crisis. Experience shows that market conditions can change quickly, and highly volatile funding costs and varying access to capital must still be expected.

Conservative limits have been set for the refinancing of the banking group's short-term funding. The banking group stayed well within these limits during the third quarter of 2012. In order to keep the banking group's long-term liquidity risk at a low level, the majority of loans should be financed through stable sources, such as customer deposits, long-term securities, subordinated loan capital and equity. At end-September 2012, such financing represented 113.9 per cent of customer lending.

Total assets in the banking group's balance sheet were NOK 2 117 billion as at 30 September 2012 and NOK 1 945 billion a year earlier.

Measured in Norwegian kroner, net lending to customers increased by NOK 58 billion or 4.6 per cent from end-September 2011. Customer deposits increased by NOK 77 billion or 10 per cent during the same period.

The banking group's ratio of deposits to lending to customers increased from 61.3 per cent at end-September 2011 to 64.5 per cent. The ratio of deposits to lending in DNB Bank ASA rose from 104.6 per cent to 115.8 per cent during the same period.

The average remaining term to maturity for the portfolio of senior bond debt and covered bonds was 4.6 years at end-September 2012, compared with 4.4 years a year earlier.

Risk and capital adequacy

Various factors affected the risk picture in the third quarter. On the positive side, capital markets normalised, which implied lower credit risk premiums and reduced additional costs related to currency swap agreements, as well as generally better access for banks to short and long-term funding. On the negative side, growth forecasts for the global economy were once again adjusted downwards. Developments in both Europe and the US entail a high level of risk.

The banking group quantifies risk by measuring risk-adjusted capital requirements, which declined by NOK 2.0 billion in the third quarter of 2012, to NOK 68.3 billion. The table below shows developments in the risk-adjusted capital requirement [3].

Amounts in NOK billion	30 Sept. 2012	30 June 2012	31 Dec. 2011	30 Sept. 2011
Credit risk	59.5	62.0	64.5	68.0
Market risk	5.6	5.2	4.9	4.9
Operational risk	7.4	6.6	6.7	6.7
Business risk	4.0	3.8	4.0	4.0
Gross risk-adjusted capital requirement	76.5	77.6	80.1	83.5
Diversification effect [1]	(8.2)	(7.3)	(7.9)	(8.0)
Net risk-adjusted capital requirement	68.3	70.3	72.3	75.6
Diversification effect in per cent of gross risk-adjusted capital requirement [1]	10.7	9.5	9.8	9.5

1) The diversification effect refers to the effect achieved by the banking group in reducing risk by operating within several risk categories where unexpected losses are unlikely to occur at the same time.

The risk-adjusted capital requirement for credit declined by NOK 2.5 billion in the third quarter of 2012, reflecting a reduction in volumes within Large Corporates and International, partly due to the strengthening of the NOK rate relative to the US dollar and the euro. Overall, there was stable, sound credit quality. There was a certain improvement in the Baltics, while there was a weaker trend in the shipping sector. Other parts of the portfolio showed a positive trend. Tanker and dry bulk rates remained at record-low levels. For a number of segments, the rates did not cover running operating expenses. Even though the number of new ships on order is declining, the market situation for the tanker, dry bulk and container segments will probably worsen in the short term. In the Norwegian commercial property market, there was a positive development in rental prices in central areas due to strong employment growth. Nevertheless, property values showed a weak trend.

Market risk in operations remained relatively stable. There were no significant changes in market risk limits during the quarter. Due to the normalisation of credit spreads and margins on currency swaps, the bank recorded gains on its portfolio of fixed-income securities carried at fair market value, while there was an opposite effect on basis swaps.

The capital requirement for operational risk increased by NOK 0.8 billion from the second quarter of 2012. ICT crime, and

3) In the third quarter of 2012, significant changes were made in the calculation method for risk-adjusted capital for credit. The diversification effects were reduced, while the probability of default was adjusted upwards for some portfolios to ensure greater consistency between external capital adequacy calculations and internal risk measurement. In addition, risk-adjusted capital calculations for non-performing and doubtful commitments were introduced. These changes have thus far not been reflected in the allocation of capital to the business areas or in risk-adjusted profitability measurement. The changes will affect these calculations as from 1 January 2013. With respect to operational risk, the Group no longer uses an internal quality index to modify the risk-adjusted capital requirement. Figures for previous periods have been adjusted correspondingly.

Internet banking fraud in particular, is an increasing problem meaning that the bank must devote greater resources to ensuring that it is protected against such attacks. In addition, other business disruptions in the banking group's IT systems affected customers during the third quarter. Extensive resources have been mobilised in order to reduce the probability that customers will be negatively affected in the future.

Risk-weighted volume included in the calculation of the formal capital adequacy requirement declined by NOK 21 billion during the quarter, to NOK 997 billion. In 2012, risk-weighted volume cannot be less than 80 per cent of the corresponding figure calculated according to the Basel I regulations. Including 50 per cent of interim profits, the common equity Tier 1 capital ratio was 10.0 per cent, while the capital adequacy ratio was 12.3 per cent.

Calculations have also been made of full future implementation of the Basel II rules on all of the banking group's credit portfolios, excluding those in DNB Baltics and Poland, disregarding the limitations ensuing from the transitional rules. The calculations showed a pro forma risk-weighted volume of NOK 861 billion and a potential common equity Tier 1 capital ratio of 11.6 per cent.

Macroeconomic developments

Norway's major trading partners have experienced sluggish economic growth thus far in 2012. There are high and rising unemployment levels in most European countries. A number of countries are struggling with high sovereign debt levels and budget deficits. Parallel to this, the required fiscal policy tightening will contribute to lower future growth, which will make it more difficult to find a way out of the sovereign debt crisis. Thus, the weak growth in Europe could prevail for several years ahead. Economic growth has slowed in China, India and other emerging economies, which puts a further damper on growth in the rest of the world.

In order to stimulate growth, key policy rates in a number of countries are being kept close to zero. Central banks have also used so-called quantitative easing to stimulate their economies. This policy includes increasing central bank funding of banks as well as central banks' purchases of bonds to keep the long-term interest rate level down.

In consequence of the international economic downturn, the prices of many commodities and semi-manufactured goods which are important for traditional Norwegian exports, have shown a weak trend. The price of crude oil is an important exception which, after a fall, picked up during the summer. Along with new oil and gas discoveries, these developments have ensured a high level of optimism in the Norwegian petroleum industry. The industry was a key driving force underlying the Norwegian economic upturn through 2011 and 2012. The Norwegian economy will thus probably receive further stimuli from a rise in petroleum activity over the coming period. This will also affect much other economic activity in Norway and will probably contribute to low unemployment levels and a significant increase in household demand.

Norwegian industries exposed to competition, which do not receive positive impulses from the petroleum sector and have to compete in weak international markets, are experiencing stagnation, and some are experiencing a fall in production and employment levels. A strong Norwegian krone rate and a squeezed labour market also make the situation difficult for these companies.

Housing prices have continued to show a clear upward trend. High population growth, a moderate number of new residential properties, higher employment levels, a stable, low unemployment rate, strong wage growth and prospects of continuing low interest rate levels point towards a further increase in housing prices and reduce the risk of a short-term fall in prices. Relatively high housing prices and stricter equity requirements introduced by Finanstilsynet (the Financial Supervisory Authority of Norway) could put a damper on price growth. According to DNB's model for housing market developments, housing prices are not unnaturally high in a longer-term perspective in light of the basic factors which influence the housing market.

New regulatory framework

The Basel III regulatory framework, which introduces stricter capital adequacy and liquidity requirements, will be implemented in the EU/EEA in the form of a new capital requirements directive, CRD IV. There were plans to introduce the directive on 1 January 2013. Due to the pace of the political negotiations, however, the introduction will probably be postponed until spring 2013. The Norwegian Ministry of Finance has prepared draft legislation and a consultation paper for implementing CRD IV in Norway and aims to approve changes in regulations in 2013.

In 2011, the European Banking Authority, EBA, prepared a plan for further recapitalisation of banks. Several EU countries, including Sweden, have chosen to use the Internal Ratings Based, IRB, approach from the Basel II framework as a calculation base for this requirement. The Norwegian supervisory authorities, on the other hand, require that risk-weighted volume must represent minimum 80 per cent of risk-weighted volume measured according to standard risk weights under the Basel I rules. Thus, Norwegian financial institutions will be subject to a higher capital requirement than corresponding institutions in the Nordic region and the rest of Europe, which use the IRB approach.

The Nordic supervisory authorities have been invited by the Nordic Ministers of Finance to look into the possibility of arriving at a common understanding of the forthcoming liquidity and capital requirements and similar practices. The banking group supports this process and believes it is vital that equal framework conditions are established in the market, both in the Nordic region and in the rest of Europe.

For several years, the value of the Norwegian Banks' Guarantee Fund has exceeded the minimum requirement in the Guarantee Schemes Act. Thus, no ordinary levies have been collected from the banks during this period. The Ministry of Finance wishes to strengthen the Guarantee Fund's ability to handle banks' potential future problems and thus aims to present draft legislation proposing to remove the maximum limit on the Fund's capital. If this proposal is approved, the banks will subsequently have to pay an annual levy to the Guarantee Fund independent of the Fund's size.

Up until the new regulations are introduced, the DNB Bank Group will seek to gradually adapt to the expected new rules.

Future prospects

The DNB Group presented updated financial targets at its Capital Markets Day event in September. The targets for the 2012-2015 period are annual growth in net interest income above 6 per cent and maximum 2 per cent annual cost growth, including restructuring costs. In 2015, return on equity should be above 12 per cent, while the common equity Tier 1 capital ratio according to Basel III should be 12.0–12.5 per cent. The targets have been adjusted downwards somewhat compared with previous targets, mainly due to expectations of lower interest rate levels and a higher tax charge than previously assumed, as well as stricter capitalisation requirements from the authorities.

There are a number of key factors which make the DNB Group believe that these targets are attainable. In spite of a weak international economic trend, the Norwegian economy is expected to remain strong. Coupled with strict cost control, this will provide the basis for a healthy profit trend in the DNB Group's Norwegian operations. During the period up to 2015, Large Corporates and International will rebalance its large corporate portfolio by reducing its exposure within shipping and commercial real estate and increasing its initiatives within sectors such as energy, offshore and telecommunications. In addition, DNB will implement other measures to reduce the exposure to capital-intensive operations while focusing on operations which increase less capital-intensive income.

In the Retail Banking business area, rising lending volumes, slightly widening lending spreads, pressure on deposit spreads and a continued low level of write-downs on loans are expected. The Large Corporates and International business area will rebalance its portfolios. Wider lending spreads and pressure on deposit spreads are expected. With the exception of the shipping segment, a continued low level of write-downs on loans is anticipated. A high level of financial market volatility will have a positive impact on income in DNB Markets. On the other hand, prevailing price pressure and a lower level of activity, especially in the stock market, will negatively affect income. Operations in the Baltics are expected to show further improvement and to record lower write-downs, leading to a positive profit trend.

The DNB Bank Group will adhere to its customer-oriented strategy, which forms the basis for the banking group's operations and will retain its profit estimate for 2012, with write-downs on loans and guarantees roughly on a level with 2011.

Oslo, 24 October 2012
The Board of Directors of DNB Bank ASA

Anne Carine Tanum
(chairman)

Jarle Bergo
(vice-chairman)

Sverre Finstad

Kai Nyland

Torill Rambjør

Vigdis Mathisen

Rune Bjerke
(group chief executive)

Income statement

DNB Bank ASA

Amounts in NOK million	Note	3rd quarter 2012	3rd quarter 2011	January - September 2012	January - September 2011	Full year 2011
Total interest income	5	11 645	12 386	35 610	35 276	48 030
Total interest expenses	5	6 207	6 902	19 327	19 849	26 722
Net interest income	5	**5 437**	**5 483**	**16 284**	**15 427**	**21 308**
Commissions and fees receivable etc.	6	1 265	1 408	3 947	4 071	5 296
Commissions and fees payable etc.	6	494	503	1 507	1 423	1 935
Net gains on financial instruments at fair value	7	1 756	1 295	5 926	3 623	5 286
Other income	9	1 093	365	2 809	1 739	3 703
Net other operating income		**3 619**	**2 564**	**11 175**	**8 010**	**12 350**
Total income		**9 057**	**8 047**	**27 459**	**23 437**	**33 658**
Salaries and other personnel expenses	10, 11	2 121	1 929	6 202	5 553	7 490
Other expenses	10	1 454	1 464	4 326	4 464	6 104
Depreciation and write-downs of fixed and intangible assets	10	469	403	1 265	1 236	2 417
Total operating expenses	10	**4 045**	**3 795**	**11 793**	**11 253**	**16 011**
Net gains on fixed and intangible assets		0	0	(1)	4	35
Write-downs on loans and guarantees	12	521	466	2 009	1 240	2 029
Pre-tax operating profit		**4 491**	**3 786**	**13 656**	**10 949**	**15 653**
Taxes		1 260	1 170	3 824	3 175	5 020
Profit for the period		**3 231**	**2 617**	**9 832**	**7 774**	**10 633**

Comprehensive income statement

DNB Bank ASA

Amounts in NOK million	3rd quarter 2012	3rd quarter 2011	January - September 2012	January - September 2011	Full year 2011
Profit for the period	3 231	2 617	9 832	7 774	10 633
Exchange differences arising from the translation of foreign operations	(49)	85	(96)	(129)	(87)
Comprehensive income for the period	**3 182**	**2 702**	**9 737**	**7 645**	**10 547**

Balance sheet

Amounts in NOK million	Note	30 Sept. 2012	31 Dec. 2011	30 Sept. 2011
		DNB Bank ASA		
Assets				
Cash and deposits with central banks		364 635	220 721	273 298
Lending to and deposits with credit institutions		226 563	193 379	226 627
Lending to customers	13, 14	692 744	711 966	700 866
Commercial paper and bonds at fair value		215 804	211 335	211 477
Shareholdings		8 075	11 829	12 249
Financial derivatives		124 449	108 506	118 719
Commercial paper and bonds, held to maturity	15	104 704	96 042	98 858
Investments in associated companies		1 140	1 187	1 139
Investments in subsidiaries		43 471	35 763	33 111
Intangible assets	16	3 435	3 549	3 472
Deferred tax assets		3	3	529
Fixed assets		6 077	5 497	5 168
Other assets		19 320	15 389	8 696
Total assets		**1 810 420**	**1 615 166**	**1 694 209**
Liabilities and equity				
Loans and deposits from credit institutions		302 446	295 884	366 672
Deposits from customers		802 362	704 438	732 978
Financial derivatives		95 305	88 207	94 851
Debt securities issued	17	445 288	384 467	368 961
Payable taxes		3 416	228	2 345
Deferred taxes		2 768	3 455	57
Other liabilities		22 439	13 421	11 855
Provisions		555	676	441
Pension commitments		2 666	2 677	2 920
Subordinated loan capital	17	25 796	24 070	26 389
Total liabilities		**1 703 040**	**1 517 523**	**1 607 468**
Share capital		18 314	18 314	17 514
Share premium reserve		19 895	19 895	12 695
Other equity		69 170	59 433	56 532
Total equity		**107 380**	**97 643**	**86 741**
Total liabilities and equity		**1 810 420**	**1 615 166**	**1 694 209**
Off-balance sheet transactions, contingencies and post-balance sheet events	21			

Income statement

DNB Bank Group

Amounts in NOK million	Note	3rd quarter 2012	3rd quarter 2011	January - September 2012	January - September 2011	Full year 2011
Total interest income	5	16 045	15 550	48 453	44 439	60 563
Total interest expenses	5	9 126	9 176	28 078	26 011	35 331
Net interest income	5	**6 919**	**6 374**	**20 375**	**18 428**	**25 232**
Commissions and fees receivable etc.	6	1 522	1 641	4 688	4 772	6 233
Commissions and fees payable etc.	6	516	525	1 575	1 478	2 015
Net gains on financial instruments at fair value	7	933	2 265	2 551	4 259	7 628
Profit from companies accounted for by the equity method	8	246	(79)	612	(34)	77
Net gains on investment property		4	93	(324)	100	(32)
Other income	9	783	668	2 486	2 026	2 822
Net other operating income		**2 971**	**4 062**	**8 437**	**9 644**	**14 713**
Total income		**9 890**	**10 436**	**28 812**	**28 072**	**39 945**
Salaries and other personnel expenses	10, 11	2 563	2 329	7 527	6 811	9 171
Other expenses	10	1 771	1 778	5 409	5 442	7 475
Depreciation and write-downs of fixed and intangible assets	10	521	411	1 397	1 219	2 062
Total operating expenses	10	**4 855**	**4 519**	**14 333**	**13 471**	**18 708**
Net gains on fixed and intangible assets		20	6	63	20	19
Write-downs on loans and guarantees	12	521	1 170	1 990	2 519	3 445
Pre-tax operating profit		**4 534**	**4 754**	**12 553**	**12 102**	**17 811**
Taxes		1 243	1 210	3 389	3 267	5 308
Profit from operations held for sale, after taxes		0	25	92	(5)	(5)
Profit for the period		**3 291**	**3 568**	**9 256**	**8 829**	**12 498**

Comprehensive income statement

DNB Bank Group

Amounts in NOK million	3rd quarter 2012	3rd quarter 2011	January - September 2012	January - September 2011	Full year 2011
Profit for the period	3 291	3 568	9 256	8 829	12 498
Exchange differences arising from the translation of foreign operations	(64)	124	(104)	(102)	(52)
Comprehensive income for the period	**3 227**	**3 693**	**9 152**	**8 726**	**12 445**

Balance sheet

Amounts in NOK million	Note	30 Sept. 2012	31 Dec. 2011	30 Sept. 2011
		DNB Bank Group		
Assets				
Cash and deposits with central banks		367 409	224 581	276 593
Lending to and deposits with credit institutions		38 933	25 105	49 515
Lending to customers	13, 14	1 319 229	1 291 660	1 260 993
Commercial paper and bonds at fair value		137 013	106 000	105 993
Shareholdings		8 522	12 300	12 711
Financial derivatives		100 636	96 264	110 341
Commercial paper and bonds, held to maturity	15	104 704	96 042	98 858
Investment property		5 125	5 165	5 308
Investments in associated companies		2 778	2 173	2 034
Intangible assets	16	4 915	4 854	5 030
Deferred tax assets		624	636	408
Fixed assets		6 956	6 322	5 994
Assets held for sale		15	1 054	1 206
Other assets		20 040	12 792	9 574
Total assets		**2 116 899**	**1 884 948**	**1 944 557**
Liabilities and equity				
Loans and deposits from credit institutions		293 530	279 553	356 347
Deposits from customers		850 652	750 102	773 334
Financial derivatives		65 928	63 130	74 789
Debt securities issued	17	733 194	640 277	601 114
Payable taxes		2 944	400	2 507
Deferred taxes		4 080	4 531	205
Other liabilities		23 892	14 569	13 300
Liabilities held for sale		0	383	360
Provisions		631	750	504
Pension commitments		2 795	2 793	3 035
Subordinated loan capital	17	25 799	24 156	26 476
Total liabilities		**2 003 443**	**1 780 644**	**1 851 972**
Share capital		18 314	18 314	17 514
Share premium reserve		20 611	20 611	13 411
Other equity		74 531	65 378	61 659
Total equity		**113 456**	**104 304**	**92 585**
Total liabilities and equity		**2 116 899**	**1 884 948**	**1 944 557**
Off-balance sheet transactions, contingencies and post-balance sheet events	21			

Statement of changes in equity

DNB Bank ASA

Amounts in NOK million	Share capital	Share premium reserve	Other equity	Total equity
Balance sheet as at 31 December 2010	**17 514**	**12 695**	**48 887**	**79 096**
Profit for the period			7 774	7 774
Exchange differences arising from the translation of foreign operations			(129)	(129)
Comprehensive income for the period			7 645	7 645
Balance sheet as at 30 September 2011	**17 514**	**12 695**	**56 532**	**86 741**
Balance sheet as at 31 December 2011	**18 314**	**19 895**	**59 433**	**97 643**
Profit for the period			9 832	9 832
Exchange differences arising from the translation of foreign operations			(96)	(96)
Comprehensive income for the period			9 737	9 737
Balance sheet as at 30 September 2012	**18 314**	**19 895**	**69 170**	**107 380**
Of which currency translation reserve:				
Balance sheet as at 31 December 2010			(270)	(270)
Comprehensive income for the period			(129)	(129)
Balance sheet as at 30 September 2011			(398)	(398)
Balance sheet as at 31 December 2011			(356)	(356)
Comprehensive income for the period			(96)	(96)
Balance sheet as at 30 September 2012			(452)	(452)

DNB Bank Group

Amounts in NOK million	Share capital	Share premium reserve	Other equity	Total equity
Balance sheet as at 31 December 2010	**17 514**	**13 411**	**58 933**	**89 859**
Profit for the period			8 829	8 829
Exchange differences arising from the translation of foreign operations			(102)	(102)
Comprehensive income for the period			8 726	8 726
Group contribution for 2010 to DNB ASA			(6 000)	(6 000)
Balance sheet as at 30 September 2011	**17 514**	**13 411**	**61 659**	**92 585**
Balance sheet as at 31 December 2011	**18 314**	**20 611**	**65 378**	**104 304**
Profit for the period			9 256	9 256
Exchange differences arising from the translation of foreign operations			(104)	(104)
Comprehensive income for the period			9 152	9 152
Balance sheet as at 30 September 2012	**18 314**	**20 611**	**74 531**	**113 456**
Of which currency translation reserve:				
Balance sheet as at 31 December 2010			(438)	(438)
Comprehensive income for the period			(102)	(102)
Balance sheet as at 30 September 2011			(540)	(540)
Balance sheet as at 31 December 2011			(490)	(490)
Comprehensive income for the period			(104)	(104)
Accumulated currency translation reserve in Pres-Vac			2	2
Balance sheet as at 30 September 2012			(593)	(593)

Cash flow statement

Amounts in NOK million	DNB Bank ASA January - September 2012	January - September 2011	Full year 2011
Operating activities			
Net receipts/payments on loans to customers	4 187	(31 940)	(40 350)
Interest received from customers	24 961	23 565	32 647
Net receipts on deposits from customers	98 178	101 512	77 366
Interest payed to customers	(4 767)	(6 277)	(16 785)
Net receipts/payments on loans to credit institutions	(33 545)	90 695	51 021
Interest received from credit institutions	4 257	4 869	6 635
Interest paid to credit institutions	(2 403)	(3 460)	(4 737)
Net receipts/payments on the sale of financial assets for investment or trading	(2 057)	75 565	88 228
Interest received on bonds and commercial paper	5 771	6 842	8 275
Net receipts on commissions and fees	2 404	2 644	3 379
Payments to operations	(10 627)	(9 872)	(13 615)
Taxes paid	(122)	(2 416)	(2 790)
Other receipts/payments	5 430	(1 355)	(4 653)
Net cash flow from operating activities	**91 668**	**250 372**	**184 622**
Investment activities			
Net payments on the acquisition of fixed assets	(1 713)	(1 300)	(2 846)
Receipts on the sale of long-term investments in shares	0	85	85
Payments on the acquisition of long-term investments in shares	(8 465)	(10 164)	(12 819)
Dividends received on long-term investments in shares	97	105	105
Net cash flow from investment activities	**(10 080)**	**(11 274)**	**(15 475)**
Funding activities			
Receipts on issued bonds and commercial paper	311 411	213 562	250 582
Payments on redeemed bonds and commercial paper	(247 614)	(189 423)	(210 333)
Interest payment on issued bonds and commercial paper	(4 191)	(3 545)	(4 967)
Receipts on the raising of primary capital subordinated loan capital	5 531	0	0
Redemptions of subordinated loan capital	(3 883)	(7 524)	(9 806)
Interest paid on subordinated loan capital	(309)	(463)	(715)
Share issue	0	0	8 000
Group contributions payments/receipts	1 266	(4 524)	(4 524)
Net cash flow from funding activities	**62 212**	**8 083**	**28 237**
Effects of exchange rate changes on cash and cash equivalents	**(4 640)**	**6 949**	**1 019**
Net cash flow	**139 160**	**254 131**	**198 404**
Cash as at 1 January	230 580	32 176	32 176
Net receipts/payments of cash	139 160	254 131	198 404
Cash at end of period *)	369 741	286 307	230 580
**) Of which: Cash and deposits with central banks*	*364 635*	*273 298*	*220 721*
Deposits with credit institutions with no agreed period of notice [1)]	*5 106*	*13 009*	*9 859*

1) *Recorded under "Lending to and deposits with credit institutions" in the balance sheet.*

Cash flow statement (continued)

	DNB Bank Group		
	January - September		Full year
Amounts in NOK million	2012	2011	2011
Operating activities			
Net payments on loans to customers	(42 197)	(78 612)	(107 060)
Interest received from customers	42 699	38 702	52 883
Net receipts on deposits from customers	100 608	102 894	84 676
Interest payed to customers	(7 123)	(6 984)	(18 225)
Net receipts/payments on loans to credit institutions	(1 485)	84 286	36 618
Interest received from credit institutions	1 232	973	1 421
Interest paid to credit institutions	(2 372)	(3 468)	(4 719)
Net receipts/payments on the sale of financial assets for investment or trading	(30 247)	58 983	76 369
Interest received on bonds and commercial paper	3 926	7 029	8 511
Net receipts on commissions and fees	3 077	3 290	4 237
Payments to operations	(12 285)	(12 108)	(16 460)
Taxes paid	(226)	(5 663)	(6 036)
Other receipts/payments	3 561	7 697	(1 518)
Net cash flow from operating activities	**59 168**	**197 019**	**110 697**
Investment activities			
Net payments on the acquisition of fixed assets	(2 079)	(1 456)	(2 655)
Net payments, investment property	(329)	(493)	(688)
Receipts on the sale of long-term investments in shares	0	85	85
Dividends received on long-term investments in shares	97	105	105
Net cash flow from investment activities	**(2 311)**	**(1 759)**	**(3 153)**
Funding activities			
Receipts on issued bonds and commercial paper	388 616	304 473	364 876
Payments on redeemed bonds and commercial paper	(287 832)	(223 699)	(244 281)
Interest payment on issued bonds and commercial paper	(11 155)	(11 067)	(15 007)
Receipts on the raising of primary capital subordinated loan capital	5 531	0	0
Redemptions of subordinated loan capital	(3 968)	(7 524)	(9 806)
Interest paid on subordinated loan capital	(180)	(466)	(722)
Share issue	0	0	8 000
Group contributions payments	0	(6 000)	(6 000)
Net cash flow from funding activities	**91 012**	**55 717**	**97 060**
Effects of exchange rate changes on cash and cash equivalents	**(5 112)**	**7 081**	**967**
Net cash flow	**142 758**	**258 057**	**205 571**
Cash as at 1 January	229 031	23 460	23 460
Net receipts/payments of cash	142 758	258 057	205 571
Cash at end of period *)	371 789	281 517	229 031
**) Of which: Cash and deposits with central banks*	*367 409*	*276 593*	*224 581*
Deposits with credit institutions with no agreed period of notice [1)]	*4 380*	*4 924*	*4 450*

1) Recorded under "Lending to and deposits with 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.

During the fourth quarter of 2011, certain items in the cash flow statement were reclassified. Among other things, Net receipts/payments on loans to credit institutions and appurtenant interest were included in operating activities with effect from the fourth quarter of 2011. Prior to this, these items were included under funding activities. Comparable figures for previous period have been restated.

Note 1 Accounting principles

The third quarter accounts 2012 have been prepared according to IAS 34 Interim Financial Reporting. A description of the accounting principles applied by the banking group is found in the annual report for 2011. The annual and interim accounts for the banking group are prepared according to IFRS principles as endorsed by the EU. The statutory accounts of DNB Bank ASA have been prepared according to the Norwegian Ministry of Finance's regulations on annual accounts, Section 1-5, on the use of IFRS, which implies that recognition and measurements are in accordance with IFRS and that the presentation and note information are in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

The banking group's accounting principles and calculation methods are essentially the same as those described in the annual report for 2011. With effect from the first quarter of 2012, however, profits from repossessed operations which are fully consolidated in the DNB Bank Group are presented net under ”Profit from repossessed operations” in the company’s internal reporting of business areas. The repossessed operations are included in the Group Centre. The presentation in note 4 Segments has been adjusted correspondingly, including comparable figures. The changes are of significance only to the presentation of profits for the individual business areas and have no impact on the presentation of the banking group’s income statement.

No new or amended accounting standards or interpretations entered into force during the first three quarters of 2012, apart from the amendments to IAS 12 Income Taxes, described below, which have yet to be endorsed by the EU.

Amendments to IAS 12 Income Taxes

The amendments imply that deferred tax on investment property carried at fair value according to IAS 40 Investment Property, as a rule should be determined based on the presumption that the carrying amount of the asset will be recovered through sale rather than use. The amendments also apply to non-depreciable assets recorded at fair value according to the rules in IAS 16 Property, Plant and Equipment. The amendments to IAS 12 entered into force on 1 January 2012 and are expected to be endorsed by the EU in the fourth quarter of 2012. The amendments are not expected to have any significant impact on the banking group’s use of accounting principles.

Note 2 Important accounting estimates and discretionary assessments

When preparing the accounts of the bank and the banking group, management makes estimates and discretionary assessments and prepares assumptions that influence the effect of the accounting principles applied and thus the recorded values of assets, liabilities, income and expenses. A more detailed description of important estimates and assumptions is presented in note 1 Important accounting estimates and discretionary assessments in the annual report for 2011.

Note 3 Changes in group structure

Pres-Vac

Pres-Vac Engineering Aps and Valpress GmbH (Pres-Vac) develop and produce, among other things, tank valves for ships which transport liquid cargo. As part of the restructuring of the bank’s commitment with the companies, DNB Bank ASA took over all the shares in the companies. With effect from the first quarter of 2012, the companies are consolidated in the group accounts.

The companies were taken over at a price of DKK 1 and EUR 1, respectively. At the beginning of 2012, the Pres-Vac Group had a total negative equity of DKK 208 million. Prior to the acquisition, DNB Bank ASA had written down the commitment by approximately DKK 272 million. In the acquisition analysis, the remaining DKK 64 million was considered to represent the difference between fair value and recorded value of goodwill in Pres-Vac’s consolidated accounts.

During the first quarter of 2012, DKK 105 million of the company’s debt to the bank was converted to equity. Sales revenues for the first three quarters of 2012 were DKK 68 million, while operating expenses came to DKK 116 million (including impairment losses for goodwill of DKK 38 million). The company recorded an operating loss of DKK 50 million.

Bryggetorget Holding AS

After Faktor Eiendom ASA went into liquidation, Bryggetorget Holding AS, which is owned by DNB Bank ASA, took over Skurufjellet Eiendom AS, Trysiltunet Eiendom AS and Trysilfjell Apartment Eiendom AS from the estate in the first quarter of 2012. In addition, 31 holiday apartments in Uvdal organised as a housing cooperative were taken over. The properties were acquired at fair value. After the acquisition, the balance sheet value of the properties in Bryggetorget Holding was NOK 222 million.

SalusAnsvar

During the third quarter of 2012, DNB entered into an agreement to sell the wholly-owned subsidiary SalusAnsvar AB to the insurance company Folksam Sak AB at a price of approximately SEK 480 million. SalusAnsvar primarily offers non-life insurance and personal insurance in the Swedish market. The company’s staff represents 140 full-time positions. The sale is subject to approval by the supervisory authorities and has thus not been reflected in the accounts. In consequence of the agreement, the DNB Group recorded impairment losses for goodwill of SEK 55 million (corresponding to NOK 47 million) in the third quarter of 2012.

Note 4 Segments

Business areas

The operational structure of the DNB Bank Group includes three business areas and four staff and support units. The business areas are independent profit centres and have responsibility for serving all of the banking group's customers and for the total range of products. The DNB Bank Group's business areas comprise Retail Banking, Large Corporates and International and DNB Markets. In addition, operations in DNB Baltics and Poland are reported as a separate profit centre.

Retail Banking	-	offers a broad range of financial products and services through a wide distribution network. In cooperation with several of the banking group's product areas, customers are offered various financing and leasing, deposit and investment alternatives, insurance, as well as real estate broking and financial advisory services. In addition, extensive everyday banking services are provided through the internet bank, mobile banking, SMS services, branch offices, in-store banking outlets, in-store postal outlets and Norway Post. The ordinary home mortgage operations of DNB Boligkreditt AS are integrated in Retail Banking, while the company's debt capital funding is shown under the Group Centre.
Large Corporates and International	-	offers a broad range of financial products and services to large Norwegian and international customers in cooperation with several of the banking group's product areas, including various types of financing solutions, deposits and investments, insurance, e-commerce products, commercial property brokerage, foreign currency, interest rate products, trade finance and corporate finance services.
DNB Markets	-	is the banking group's investment bank with the key products foreign exchange, interest rate and commodity products, securities and other investment products, debt and equity financing in capital markets, research and advisory services, as well as custodial and other securities services.
DNB Baltics and Poland	-	offers financial services to corporate and personal customers in Estonia, Latvia and Lithuania. The strategy in Poland has been changed, whereby future operations will focus on the corporate market within the DNB Bank Group's international priority areas.

The income statement and balance sheet for the business areas have been prepared on the basis of internal financial reporting for the functional organisation of the DNB Bank Group into business areas, as reported to group management (highest decision-making body) for an assessment of current developments and the allocation of resources. Figures for the business areas are based on DNB's management model and accounting principles. The figures have been restated in accordance with the banking group's current principles for allocating costs and capital between business areas and are based on a number of assumptions, estimates and discretionary distribution. Internal transfer rates used between the business areas are determined based on observable market rates, e.g. NIBOR. Additional costs relating to the banking group's long-term funding are charged to the business areas. With effect from the first quarter of 2012, profits from repossessed operations which are fully consolidated in the DNB Bank Group are presented net under ”Profit from repossessed operations”. The repossessed operations are included in the Group Centre. See note 1 Accounting principles. Figures for previous periods have been restated.

The risk-adjusted capital requirement is a measure of the banking group's economic capital, based on its risk systems. It is used to measure the capital required to fund transactions and volumes. The banking group's actual equity is affected by external parameters and is not directly comparable with the risk-adjusted capital requirement. Returns in the table of key figures below are calculated based on the risk-adjusted capital requirement.

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

Note 4 Segments (continued)

Income statement, third quarter

DNB Bank Group

	Retail Banking		Large Corporates and International		DNB Markets		DNB Baltics and Poland		Other operations/ eliminations [1)]		DNB Bank Group	
	3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter	
Amounts in NOK million	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Net interest income - ordinary operations	4 107	3 379	2 163	1 890	111	236	248	321	291	548	6 919	6 374
Interest on allocated capital [2)]	111	141	145	162	36	44	3	15	(296)	(362)	0	0
Net interest income	4 219	3 519	2 308	2 052	147	280	251	335	(5)	187	6 919	6 374
Other operating income	1 047	997	313	221	1 679	1 173	227	172	(295)	1 500	2 971	4 062
Income attributable to product suppliers	242	380	530	579	0	0	0	0	(772)	(959)	0	0
Net other operating income	1 289	1 377	842	800	1 679	1 173	227	172	(1 066)	540	2 971	4 062
Total income	5 507	4 896	3 150	2 852	1 826	1 454	478	507	(1 072)	727	9 890	10 436
Other operating expenses	2 781	2 680	652	588	541	486	342	294	539	470	4 855	4 519
Cost attributable to product suppliers	125	177	240	234	0	0	0	0	(365)	(412)	0	0
Operating expenses	2 906	2 858	892	822	541	486	342	294	174	59	4 855	4 519
Pre-tax operating profit before write-downs	2 601	2 038	2 258	2 030	1 285	967	136	213	(1 245)	668	5 035	5 917
Net gains on fixed and intangible assets	0	0	0	0	0	0	(1)	5	20	1	20	6
Write-downs on loans and guarantees [3)]	154	250	250	232	0	0	57	700	60	(13)	521	1 170
Write-downs attributable to product suppliers	0	0	0	0	0	0	0	0	0	0	0	0
Profit from repossessed operations	(5)	0	(63)	(60)	0	0	0	0	68	60	0	0
Pre-tax operating profit	2 442	1 788	1 946	1 737	1 285	967	78	(481)	(1 218)	742	4 534	4 754

1) Other operations/eliminations:

	Elimination of income/ cost attributable to product suppliers		*Other eliminations*		*Group Centre *)*		*Total*	
	3rd quarter		*3rd quarter*		*3rd quarter*		*3rd quarter*	
Amounts in NOK million	*2012*	*2011*	*2012*	*2011*	*2012*	*2011*	*2012*	*2011*
Net interest income - ordinary operations	*0*	*0*	*0*	*0*	*291*	*548*	*291*	*548*
Interest on allocated capital [2)]	*0*	*0*	*0*	*0*	*(296)*	*(362)*	*(296)*	*(362)*
Net interest income	*0*	*0*	*0*	*0*	*(5)*	*187*	*(5)*	*187*
Other operating income	*0*	*0*	*(73)*	*(44)*	*(221)*	*1 544*	*(295)*	*1 500*
Income attributable to product suppliers	*(772)*	*(959)*	*0*	*0*	*0*	*0*	*(772)*	*(959)*
Net other operating income	*(772)*	*(959)*	*(73)*	*(44)*	*(221)*	*1 544*	*(1 066)*	*540*
Total income	*(772)*	*(959)*	*(73)*	*(44)*	*(226)*	*1 730*	*(1 072)*	*727*
Other operating expenses	*0*	*0*	*(73)*	*(44)*	*613*	*514*	*539*	*470*
Cost attributable to product suppliers	*(365)*	*(412)*	*0*	*0*	*0*	*0*	*(365)*	*(412)*
Operating expenses	*(365)*	*(412)*	*(73)*	*(44)*	*613*	*514*	*174*	*59*
Pre-tax operating profit before write-downs	*(406)*	*(548)*	*0*	*0*	*(839)*	*1 216*	*(1 245)*	*668*
Net gains on fixed and intangible assets	*0*	*0*	*0*	*0*	*20*	*1*	*20*	*1*
Write-downs on loans and guarantees [3)]	*0*	*0*	*0*	*0*	*60*	*(13)*	*60*	*(13)*
Write-downs attributable to product suppliers	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*(0)*
Profit from repossessed operations	*0*	*0*	*0*	*0*	*68*	*60*	*68*	*60*
Pre-tax operating profit	*(407)*	*(548)*	*0*	*0*	*(811)*	*1 290*	*(1 218)*	*742*

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

The Group Centre includes Operations, HR (Human Resources), IT, Group Finance and Risk Management, Marketing, Communications and eBusiness, Corporate Centre, Treasury, the partially owned company Eksportfinans and investments in IT infrastructure. In addition, the Group Centre includes that part of the banking group's equity that is not allocated to the business areas. With effect from the first quarter of 2012, profits from repossessed operations which are fully consolidated in the DNB Bank Group are presented net under "Profit from repossessed operations" in the business areas. The repossessed operations are included in the Group Centre. Figures for previous periods have been restated.

	3rd quarter	
**) Group Centre - pre-tax operating profit in NOK million*	*2012*	*2011*
+ Interest on unallocated equity etc.	*235*	*273*
+ Income from equities investments	*80*	*34*
+ Gains on fixed and intangible assets	*20*	*1*
+ Mark-to-market adjustments Treasury and fair value on lending	*(432)*	*101*
+ Basis swaps	*(566)*	*1 198*
+ Eksportfinans ASA	*232*	*(27)*
- Unallocated write-downs on loans and guarantees	*60*	*(13)*
- Uncallocated pension expenses	*76*	*14*
- Uncallocated IT expenses	*29*	*23*
- Funding costs on goodwill	*12*	*14*
- Operating expenses relating to the move to the new head office in Bjørvika	*57*	*0*
- Impairment losses for intangible assets	*38*	*0*
Other	*(107)*	*(252)*
Pre-tax operating profit	*(811)*	*1 290*

2) The interest is calculated on the basis of internal measurement of risk-adjusted capital requirement.

3) See note 12 Write-downs on loans and guarantees for an analysis of the gross change in write-downs for the banking group.

Note 4 Segments (continued)

Main average balance sheet items

DNB Bank Group

	Retail Banking		Large Corporates and International		DNB Markets		DNB Baltics and Poland		Other operations/ eliminations		DNB Bank Group	
	3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter	
Amounts in NOK billion	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Net lending to customers [1]	855.8	790.3	399.5	371.2	3.0	2.0	52.8	53.7	12.1	17.8	1 323.2	1 235.0
Deposits from customers [1]	459.4	411.3	294.7	228.1	57.3	36.5	29.1	22.7	1.0	19.8	841.6	718.3
Allocated capital [2]	20.1	18.8	26.0	21.8	6.6	6.0	3.6	3.6				

Key figures

DNB Bank Group

	Retail Banking		Large Corporates and International		DNB Markets		DNB Baltics and Poland		Other operations		DNB Bank Group	
	3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter	
Per cent	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Cost/income ratio [3]	51.9	58.4	28.3	28.8	29.6	33.5	71.5	57.9			48.2	43.3
Ratio of deposits to lending [1,4]	53.7	52.0	73.8	61.4			55.2	42.2			63.6	58.2
Return on allocated capital, annualised [2]	34.8	27.2	21.4	22.8	56.1	45.9	6.9	(42.6)				
Number of full-time positions as at 30 Sept. [5]	4 909	5 001	1 144	1 138	721	693	3 203	3 234	2 415	2 348	12 391	12 414

1) *Lending to customers includes accrued interest, write-downs and value adjustments. Lending to credit institutions is not included. Correspondingly, deposits from customers include accrued interest and value adjustments. Deposits from credit institutions are not included.*
2) *The allocated capital and return on allocated capital for the business areas are calculated on the basis of internal measurement of risk-adjusted capital requirement.*
3) *Total operating expenses relative to total income.*
4) *Deposits from customers relative to net lending to customers.*
5) *Historical figures for DNB Baltics and Poland do not include DnB NORD's operations and branches in Finland and Denmark which have been closed down or transferred to DNB in Oslo.*

Income statement, January-September

DNB Bank Group

	Retail Banking		Large Corporates and International		DNB Markets		DNB Baltics and Poland		Other operations/ eliminations		DNB Bank Group	
	Jan.-Sept.		Jan.-Sept.		Jan.-Sept.		Jan.-Sept.		Jan.-Sept.		Jan.-Sept.	
Amounts in NOK million	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Net interest income - ordinary operations	11 609	10 159	6 508	5 332	473	647	781	954	1 004	1 336	20 375	18 428
Interest on allocated capital	377	426	465	472	126	114	21	36	(989)	(1 048)	0	0
Net interest income	11 986	10 584	6 973	5 805	599	762	801	990	16	288	20 375	18 428
Other operating income	3 033	2 790	958	811	5 388	3 905	665	537	(1 607)	1 601	8 437	9 644
Income attributable to product suppliers	837	988	1 710	1 584	0	0	0	0	(2 547)	(2 572)	0	0
Net other operating income	3 871	3 778	2 668	2 395	5 388	3 905	665	537	(4 154)	(970)	8 437	9 644
Total income	15 857	14 362	9 641	8 199	5 987	4 667	1 466	1 527	(4 139)	(683)	28 812	28 072
Other operating expenses	8 178	7 906	1 929	1 758	1 657	1 516	1 050	914	1 518	1 377	14 333	13 471
Cost attributable to product suppliers	414	482	704	654	0	0	0	0	(1 118)	(1 136)	0	0
Operating expenses	8 592	8 388	2 633	2 412	1 657	1 516	1 050	914	400	242	14 333	13 471
Pre-tax operating profit before write-downs	7 264	5 974	7 008	5 788	4 330	3 151	416	613	(4 539)	(924)	14 480	14 601
Net gains on fixed and intangible assets	(1)	2	0	0	0	0	3	12	60	6	63	20
Write-downs on loans and guarantees	672	603	1 004	838	0	0	220	1 063	93	15	1 990	2 519
Write-downs attributable to product suppliers	0	0	0	2	0	0	0	0	0	(2)	0	0
Profit from repossessed operations	(12)	0	(146)	(60)	0	0	0	0	158	60	0	0
Pre-tax operating profit	6 579	5 372	5 859	4 888	4 330	3 151	199	(438)	(4 414)	(871)	12 553	12 102

Note 5 Net interest income

Amounts in NOK million	3rd quarter 2012	3rd quarter 2011	January - September 2012	January - September 2011	Full year 2011
DNB Bank ASA					
Interest on loans to and deposits with credit institutions	1 267	1 707	4 265	4 980	6 636
Interest on loans to customers	7 506	6 816	22 858	20 849	28 695
Interest on impaired commitments	142	108	428	330	441
Interest on commercial paper and bonds	1 680	2 580	5 869	7 287	9 681
Front-end fees etc.	79	56	216	187	271
Other interest income	971	1 119	1 974	1 643	2 304
Total interest income	**11 645**	**12 386**	**35 610**	**35 276**	**48 030**
Interest on loans and deposits from credit institutions	842	1 137	2 627	3 460	4 485
Interest on deposits from customers	3 720	3 596	11 388	9 849	13 716
Interest on debt securities issued	1 248	1 233	3 998	3 545	4 885
Interest on subordinated loan capital	178	154	532	463	612
Other interest expenses 1)	220	783	781	2 532	3 024
Total interest expenses	**6 207**	**6 902**	**19 327**	**19 849**	**26 722**
Net interest income	**5 437**	**5 483**	**16 284**	**15 427**	**21 308**

Amounts in NOK million	3rd quarter 2012	3rd quarter 2011	January - September 2012	January - September 2011	Full year 2011
DNB Bank Group					
Interest on loans to and deposits with credit institutions	327	247	1 304	1 085	1 349
Interest on loans to customers	13 290	12 151	40 264	35 678	49 192
Interest on impaired commitments	155	150	461	462	548
Interest on commercial paper and bonds	1 155	1 769	4 029	5 209	6 653
Front-end fees etc.	92	61	254	201	292
Other interest income	1 026	1 171	2 139	1 805	2 528
Total interest income	**16 045**	**15 550**	**48 453**	**44 439**	**60 563**
Interest on loans and deposits from credit institutions	831	1 115	2 591	3 468	4 426
Interest on deposits from customers	3 952	3 786	12 098	10 404	14 452
Interest on debt securities issued	3 257	3 095	10 167	8 802	12 118
Interest on subordinated loan capital	179	156	533	466	616
Other interest expenses 1)	906	1 023	2 688	2 871	3 719
Total interest expenses	**9 126**	**9 176**	**28 078**	**26 011**	**35 331**
Net interest income	**6 919**	**6 374**	**20 375**	**18 428**	**25 232**

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

Note 6 Net commissions and fees receivable

	DNB Bank ASA				
	3rd quarter	3rd quarter	January - September		Full year
Amounts in NOK million	2012	2011	2012	2011	2011
Money transfer fees receivable	775	731	2 229	2 076	2 784
Fees on asset management services	49	53	150	175	223
Fees on custodial services	81	70	242	238	310
Fees on securities broking	38	58	133	207	248
Corporate finance	47	75	232	205	295
Interbank fees	11	22	30	65	87
Credit broking commissions	59	188	296	449	480
Sales commissions on insurance products	66	71	202	204	267
Sundry commissions and fees receivable on banking services	140	139	433	452	602
Total commissions and fees receivable etc.	**1 265**	**1 408**	**3 947**	**4 071**	**5 296**
Money transfer fees payable	283	269	815	746	1 016
Commissions payable on fund management services	0	0	0	0	0
Fees on custodial services payable	30	28	105	94	122
Interbank fees	18	30	55	91	123
Credit broking commissions	31	28	93	88	125
Commissions payable on the sale of insurance products	0	0	0	0	0
Sundry commissions and fees payable on banking services	133	148	439	404	550
Total commissions and fees payable etc.	**494**	**503**	**1 507**	**1 423**	**1 935**
Net commissions and fees receivable	**770**	**905**	**2 440**	**2 648**	**3 361**

	DNB Bank Group				
	3rd quarter	3rd quarter	January - September		Full year
Amounts in NOK million	2012	2011	2012	2011	2011
Money transfer fees receivable	824	784	2 387	2 226	2 988
Fees on asset management services	63	57	171	185	237
Fees on custodial services	82	71	246	243	317
Fees on securities broking	40	59	139	217	254
Corporate finance	108	107	392	331	454
Interbank fees	12	24	32	69	92
Credit broking commissions	61	190	302	455	488
Sales commissions on insurance products	105	115	330	329	434
Sundry commissions and fees receivable on banking services	228	234	689	716	968
Total commissions and fees receivable etc.	**1 522**	**1 641**	**4 688**	**4 772**	**6 233**
Money transfer fees payable	290	277	839	771	1 049
Commissions payable on fund management services	0	0	1	0	0
Fees on custodial services payable	30	28	105	94	122
Interbank fees	19	32	58	96	130
Credit broking commissions	24	22	71	64	93
Commissions payable on the sale of insurance products	5	5	17	10	16
Sundry commissions and fees payable on banking services	147	162	485	443	605
Total commissions and fees payable etc.	**516**	**525**	**1 575**	**1 478**	**2 015**
Net commissions and fees receivable	**1 005**	**1 116**	**3 113**	**3 294**	**4 218**

Note 7 Net gains on financial instruments at fair value

					DNB Bank ASA
	3rd quarter	3rd quarter	January - September		Full year
Amounts in NOK million	2012	2011	2012	2011	2011
Dividends	68	99	330	434	495
Net gains on commercial paper and bonds [1)]	1 783	111	3 553	474	(117)
Net gains on shareholdings	63	(37)	(92)	(118)	(333)
Net gains on other financial instruments [2)]	(159)	1 121	2 136	2 832	5 241
Net gains on financial instruments at fair value	**1 756**	**1 295**	**5 926**	**3 623**	**5 286**

					DNB Bank Group
	3rd quarter	3rd quarter	January - September		Full year
Amounts in NOK million	2012	2011	2012	2011	2011
Dividends	69	104	338	453	514
Net gains on commercial paper and bonds	1 067	296	2 249	400	421
Net gains on shareholdings	62	5	(72)	(43)	(259)
Net gains on other financial instruments [2)]	(265)	1 860	36	3 449	6 953
Net gains on financial instruments at fair value	**933**	**2 265**	**2 551**	**4 259**	**7 628**

1) *Unrealised gains on DNB Bank ASA's investments in covered bonds issued by DNB Boligkreditt were NOK 717 million in the third quarter of 2012. Investments in such bonds totalled NOK 82.7 billion at 30 September 2012, of which NOK 82.3 billion have been used in the exchange scheme with the Norwegian government. See note 20 Information on related parties – stimulus packages.*

2) *Net losses on other financial instruments in the third quarter of 2012 mainly reflected mark-to-market adjustments of financial instruments used to convert funding to the preferred currency (basis swaps). Greater financial market instability resulted in unrealised losses on basis swaps of NOK 566 million. In the third quarter of 2011, unrealised gains came to NOK 1 398 million. Unrealised gains and losses will be reversed over the instruments' term to maturity.*

Note 8 Profit from companies accounted for by the equity method

Moody's and Standard & Poor's downgrades of Eksportfinans' credit rating in the fourth quarter of 2011 resulted in sizeable unrealised gains on the company's long-term funding. The effect of such unrealised gains on DNB's holding, after tax, represented NOK 11.8 billion in the fourth quarter of 2011. After reviewing the fair value of the company in connection with the closing of the annual accounts, DNB wrote down the value by an amount corresponding to unrealised gains on Eksportfinans' own debt in the fourth quarter. In 2012, the required rate of return in the market has been reduced, and Eksportfinans has sizeable unrealised losses on own debt. The write-down made by DNB in the fourth quarter of 2011 has been reversed by an amount corresponding to these unrealised losses. The reversal represented just under NOK 5.5 billion of DNB's holding after tax. The write-down in 2011 and the reversal in 2012 have been reported on the line "Profit from companies accounted for by the equity method" along with DNB's share of profits from the company.

Note 9 Other income

					DNB Bank ASA
	3rd quarter	3rd quarter	January - September		Full year
Amounts in NOK million	2012	2011	2012	2011	2011
Income from owned/leased premises	28	21	81	59	89
Group contributions and dividends from subsidiaries	0	0	0	0	1 715
Miscellaneous operating income	1 065	343	2 728	1 680	1 900
Total other income	**1 093**	**365**	**2 809**	**1 739**	**3 703**

					DNB Bank Group
	3rd quarter	3rd quarter	January - September		Full year
Amounts in NOK million	2012	2011	2012	2011	2011
Income from owned/leased premises	23	13	60	33	42
Income from investment properties	72	65	207	133	197
Fees on real estate broking	263	252	846	752	1 012
Miscellaneous operating income	426	338	1 373	1 108	1 570
Total other income	**783**	**668**	**2 486**	**2 026**	**2 822**

Note 10 Operating expenses

					DNB Bank ASA
	3rd quarter	3rd quarter	January - September		Full year
Amounts in NOK million	2012	2011	2012	2011	2011
Salaries	1 482	1 419	4 343	4 014	5 505
Employer's national insurance contributions	200	180	596	539	650
Pension expenses	267	187	796	574	747
Restructuring expenses	14	1	19	4	16
Other personnel expenses	159	140	449	422	571
Total salaries and other personnel expenses	**2 121**	**1 929**	**6 202**	**5 553**	**7 490**
Fees [1)]	271	390	786	1 081	1 577
IT expenses [1)]	422	368	1 246	1 100	1 445
Postage and telecommunications	68	69	208	208	288
Office supplies	11	11	36	35	58
Marketing and public relations	130	130	412	446	609
Travel expenses	33	41	128	134	206
Reimbursement to Norway Post for transactions executed	39	43	104	128	167
Training expenses	7	7	34	39	57
Operating expenses on properties and premises	340	271	883	828	1 100
Operating expenses on machinery, vehicles and office equipment	25	24	73	75	99
Other operating expenses	109	110	417	390	497
Total other expenses	**1 454**	**1 464**	**4 326**	**4 464**	**6 104**
Depreciation and write-downs of fixed and intangible assets	469	403	1 265	1 236	2 417
Total depreciation and write-downs of fixed and intangible assets	**469**	**403**	**1 265**	**1 236**	**2 417**
Total operating expenses	**4 045**	**3 795**	**11 793**	**11 253**	**16 011**

Note 10 Operating expenses (continued)

	DNB Bank Group				
	3rd quarter	3rd quarter	January - September		Full year
Amounts in NOK million	2012	2011	2012	2011	2011
Salaries	1 807	1 733	5 357	5 006	6 804
Employer's national insurance contributions	252	233	766	696	867
Pension expenses	293	210	864	643	847
Restructuring expenses	33	2	39	5	17
Other personnel expenses	178	152	501	460	637
Total salaries and other personnel expenses	**2 563**	**2 329**	**7 527**	**6 811**	**9 171**
Fees [1]	301	424	867	1 198	1 702
IT expenses [1]	446	430	1 406	1 257	1 670
Postage and telecommunications	80	83	248	254	344
Office supplies	18	20	62	62	97
Marketing and public relations	216	211	686	688	938
Travel expenses	40	48	156	160	246
Reimbursement to Norway Post for transactions executed	39	43	104	128	167
Training expenses	9	9	40	44	68
Operating expenses on properties and premises	423	318	1 085	994	1 338
Operating expenses on machinery, vehicles and office equipment	35	35	105	106	143
Other operating expenses	165	158	649	551	763
Total other expenses	**1 771**	**1 778**	**5 409**	**5 442**	**7 475**
Impairment losses for goodwill [2]	85	0	85	0	190
Depreciation and write-downs of fixed and intangible assets	436	411	1 312	1 219	1 872
Total depreciation and write-downs of fixed and intangible assets	**521**	**411**	**1 397**	**1 219**	**2 062**
Total operating expenses	**4 855**	**4 519**	**14 333**	**13 471**	**18 708**

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

2) *Impairment losses for goodwill of NOK 47 million relating to SalusAnsvar and NOK 38 million to Pres-Vac were recorded in the third quarter of 2012. Impairment losses for goodwill of NOK 190 million relating to Poland were recorded in the fourth quarter of 2011.*

Note 11 Number of employees/full-time positions

	DNB Bank ASA				
	3rd quarter	3rd quarter	January - September		Full year
	2012	2011	2012	2011	2011
Number of employees at end of period	8 129	8 145	8 129	8 145	8 232
- of which number of employees abroad	752	705	752	705	736
Number of employees calculated on a full-time basis at end of period	7 843	7 870	7 843	7 870	7 944
- of which number of employees calculated on a full-time basis abroad	730	692	730	692	722
Average number of employees	8 151	8 030	8 196	7 912	7 985
Average number of employees calculated on a full-time basis	7 869	7 762	7 907	7 651	7 719

	DNB Bank Group				
	3rd quarter	3rd quarter	January - September		Full year
	2012	2011	2012	2011	2011
Number of employees at end of period	12 780	12 787	12 780	12 787	12 982
- of which number of employees abroad	4 440	4 460	4 440	4 460	4 583
Number of employees calculated on a full-time basis at end of period	12 391	12 414	12 391	12 414	12 560
- of which number of employees calculated on a full-time basis abroad	4 360	4 378	4 360	4 378	4 471
Average number of employees	12 900	12 625	12 961	12 443	12 557
Average number of employees calculated on a full-time basis	12 499	12 263	12 549	12 095	12 197

Note 12 Write-downs on loans and guarantees

					DNB Bank ASA
	3rd quarter	3rd quarter	January - September		Full year
Amounts in NOK million	2012	2011	2012	2011	2011
Write-offs	51	41	124	409	492
New individual write-downs	696	512	2 289	1 422	2 357
Total new individual write-downs	747	553	2 413	1 831	2 849
Reassessed individual write-downs	58	26	294	376	461
Recoveries on commitments previously written off	96	88	279	302	415
Net individual write-downs	593	439	1 840	1 154	1 973
Change in collective write-downs on loans	(71)	28	169	86	56
Write-downs on loans and guarantees [1)]	**521**	**466**	**2 009**	**1 240**	**2 029**
Write-offs covered by individual write-downs made in previous years	204	180	1 274	933	1 464
1) Of which indvidual write-downs on guarantees	*(1)*	*3*	*59*	*0*	*41*

					DNB Bank Group
	3rd quarter	3rd quarter	January - September		Full year
Amounts in NOK million	2012	2011	2012	2011	2011
Write-offs	56	53	200	447	550
New individual write-downs	920	1 118	2 730	2 855	4 120
Total new individual write-downs	976	1 171	2 930	3 302	4 670
Reassessed individual write-downs	200	157	660	788	1 015
Recoveries on commitments previously written off	107	94	304	318	437
Net individual write-downs	670	919	1 966	2 197	3 217
Change in collective write-downs on loans	(148)	251	23	322	227
Write-downs on loans and guarantees [1)]	**521**	**1 170**	**1 990**	**2 519**	**3 445**
Write-offs covered by individual write-downs made in previous years	422	485	1 900	1 983	2 753
1) Of which indvidual write-downs on guarantees	*4*	*(16)*	*63*	*(14)*	*26*

Note 13 Lending to customers

DNB Bank ASA				DNB Bank Group		
30 Sept. 2011	31 Dec. 2011	30 Sept. 2012	*Amounts in NOK million*	30 Sept. 2012	31 Dec. 2011	30 Sept. 2011
642 337	653 927	634 150	Lending to customers, nominal amount	1 190 531	1 192 164	1 175 961
3 995	4 883	5 587	Individual write-downs	9 450	9 521	9 266
638 342	649 044	628 563	Lending to customers, after individual write-downs	1 181 081	1 182 644	1 166 695
878	400	1 001	+ Accrued interest and amortisation	2 713	2 265	2 323
549	525	538	- Individual write-downs of accrued interest and amortisation	699	710	726
1 440	1 424	1 566	- Collective write-downs	2 104	2 119	2 204
637 231	647 495	627 459	Lending to customers, at amortised cost	1 180 991	1 182 080	1 166 089
63 194	64 045	64 861	Lending to customers, nominal amount	136 233	108 488	93 788
433	433	346	+ Accrued interest	531	559	519
10	(6)	78	+ Adjustment to fair value	1 473	533	597
63 636	64 472	65 285	Lending to customers, at fair value [1)]	138 238	109 580	94 904
700 866	**711 966**	**692 744**	**Lending to customers**	**1 319 229**	**1 291 660**	**1 260 993**

1) *The fair value of loans in Norwegian kroner increased by NOK 91 million from 31 December 2011 due to narrowing margin requirement.*

Note 14 Net impaired loans and guarantees for principal customer groups [1)]

DNB Bank ASA				DNB Bank Group		
30 Sept. 2011	31 Dec. 2011	30 Sept. 2012	*Amounts in NOK million*	30 Sept. 2012	31 Dec. 2011	30 Sept. 2011
1 487	1 530	1 341	Private individuals	3 501	3 771	3 793
232	3 504	4 945	Transportation by sea and pipelines and vessel construction	4 988	3 551	279
2 258	3 059	2 266	Real estate	3 395	3 575	2 724
1 393	1 448	1 474	Manufacturing	1 889	2 072	2 246
377	323	433	Services	660	572	1 100
143	434	132	Trade	469	854	511
0	0	42	Oil and gas	42	0	0
139	98	361	Transportation and communication	606	334	412
159	256	847	Building and construction	1 252	647	618
0	0	2	Power and water supply	2	0	2
53	60	65	Seafood	69	67	60
89	77	66	Hotels and restaurants	208	298	318
104	104	141	Agriculture and forestry	292	260	284
0	0	0	Central and local government	0	0	0
16	14	44	Other sectors	58	22	17
6 450	10 907	12 159	Total customers	17 431	16 023	12 364
0	21	0	Credit institutions	0	21	0
6 450	10 928	12 159	Total net impaired loans and guarantees	17 431	16 043	12 364
711	1 895	937	Non-performing loans and guarantees not subject to write-downs	2 195	3 422	2 102
7 161	12 823	13 096	Total net non-performing and doubtful loans and guarantees	19 626	19 465	14 466

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

Note 15 Commercial paper and bonds, held to maturity

	DNB Bank Group		
	30 Sept.	31 Dec.	30 Sept.
Amounts in NOK million	2012	2011	2011
DNB Markets	75 557	95 062	97 871
Other units [1)]	29 147	980	987
Commercial paper and bonds, held to maturity	**104 704**	**96 042**	**98 858**

1) The increase in the third quarter 2012 refers to investments in Treasury bills with short maturities.

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

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

Measurement of the reclassified bond portfolio

The reclassification in accordance with IAS 39 Financial Instruments: Recognition and Measurements requires that the value of the portfolio based on the principles applied before the reclassification must be reported. In a normal market situation, the portfolio would have been recorded at external observable prices before the reclassification. Due to the financial turmoil, there were no such observable prices in the market in 2008. In order to meet the disclosure requirement at end-September 2012, the portfolio has been measured at fair value according to models used for financial instruments not traded in an active market. The model applied is based on a regression analysis whereby historical market data (explanatory variables) which have been observable even during the financial turmoil are used to explain historical changes in value in the portfolio. During the period from the fourth quarter of 2006 up to and including the second quarter of 2008, the model shows a high level of correlation between changes in given market data and changes in value in the portfolio, which at the time was priced in an active market or through broker quotes which were believed to be fairly reliable. If the model had been applied to the portfolio in the third quarter 2012, there would have been a NOK 592 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 2012 was NOK 1.4 billion higher than if the previous valuation principle had been retained. On the reclassification date, the book value of the portfolio was NOK 88.0 billion, compared with NOK 28.5 billion at end-September 2012. The average term to maturity of the portfolio was 4.5 years, and the change in value resulting from an interest rate adjustment of one basis point was NOK 13 million at end-September 2012.

Effects on profits of the reclassification					**DNB Bank Group**
	3rd quarter	3rd quarter	January - September		Full year
Amounts in NOK million	2012	2011	2012	2011	2011
Recorded amortisation effect	28	110	134	267	329
Net gain, if valued at fair value	621	(1 476)	855	(1 248)	(1 181)
Effects of reclassification on profits	(592)	1 586	(721)	1 515	1 510

Effects on the balanse sheet of the reclassification			**DNB Bank Group**
	30 Sept.	31 Dec.	30 Sept.
Amounts in NOK million	2012	2011	2011
Recorded, unrealised losses	771	905	967
Unrealised losses, if valued at fair value	2 193	3 048	3 116
Effects of reclassification on the balance sheet	1 422	2 144	2 149

Development in the portfolio after the reclassification			**DNB Bank Group**
	30 Sept.	31 Dec.	30 Sept.
Amounts in NOK million	2012	2011	2011
Reclassified portfolio, recorded value	28 545	39 825	42 367
Reclassified portfolio, if valued at fair value	27 123	37 682	40 218
Effects of reclassification on the balance sheet	1 422	2 144	2 149

Note 15 Commercial paper and bonds, held to maturity (continued)

DNB Markets' international bond portfolio

After the reclassification date, DNB Markets has chosen to increase its investments in held-to-maturity securities. According to new proposed liquidity requirements for banks, in order for the securities to be classified as liquid funds, they must qualify for immediate sale. New investments in the currency bond portfolio as from 2011 mainly represent covered bonds carried at fair value. As at 30 September 2012, DNB Markets' international bond portfolio represented NOK 115.4 billion. 86.0 per cent of the securities in the portfolio had an AAA rating, while 8.3 per cent were rated AA. There were no synthetic securities in the portfolio and no investments in US sub-prime bonds or Collateralised Debt Obligations, CDOs. Nor were any investments made in Treasury bills in Portugal, Italy, Ireland, Greece or Spain. The structure of DNB Markets' international bond portfolio is shown below.

		DNB Bank Group
	Per cent 30 Sept. 2012	NOK million 30 Sept. 2012
Asset class		
Consumer credit	0.2	209
Residential mortgages	39.2	45 521
Corporate loans	0.9	1 022
Government related	27.2	31 579
Covered bonds	32.6	37 853
Total international bond portfolio DNB Markets, nominal values	100.0	116 185
Accrued interest, amortisation effects and fair value adjustments		(819)
Total international bond portfolio DNB Markets		115 367
Total international bond portfolio DNB Markets, held to maturity		75 557
Of which reclassified portfolio		28 545

The average term to maturity of DNB Markets' international bond portfolio is 3.1 years, and the change in value resulting from an interest rate adjustment of one basis point was NOK 18 million at end-September 2012.

Note 16 Intangible assets

DNB Bank ASA						**DNB Bank Group**
30 Sept. 2011	31 Dec. 2011	30 Sept. 2012	*Amounts in NOK million*	30 Sept. 2012	31 Dec. 2011	30 Sept. 2011
2 409	2 419	2 438	Goodwill [1)]	3 217	3 267	3 422
739	819	699	IT systems development [1)]	1 383	1 271	1 303
324	310	298	Other intangible assets	315	316	305
3 472	**3 549**	**3 435**	**Total intangible assets**	**4 915**	**4 854**	**5 030**

1) *Impairment losses for goodwill related to SalusAnsvar AB of SEK 55 million were recorded in the third quarter of 2012 after an agreement on the sale of the company had been concluded. The sale is subject to approval by the supervisory authorities and has thus not been reflected in the accounts. The impairment losses correspond to the agreed sales price for the company. Impairment losses for goodwill related to Pres-Vac Engineering Aps of DKK 38 million were recorded in the third quarter of 2012 due to market developments for the company, which, among other things, produces tank valves for ships which transport liquid cargo. There has not been identified any other impairment losses of goodwill or IT systems development. The valuations are based on reported figures for the third quarter compared with approved plans for the various cash-generating units.*

Note 17 Debt securities issued and subordinated loan capital

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

Debt securities issued

Amounts in NOK million	30 Sept. 2012	31 Dec. 2011	30 Sept. 2011
			DNB Bank ASA
Commercial paper issued, nominal amount	270 080	228 415	205 582
Bond debt, nominal amount	165 914	149 165	157 223
Adjustments	9 294	6 887	6 156
Total debt securities issued	**445 288**	**384 467**	**368 961**

Changes in debt securities issued

DNB Bank ASA

Amounts in NOK million	Balance sheet 30 Sept. 2012	Issued 2012	Matured/ redeemed 2012	Exchange rate movements 2012	Other adjustments 2012	Balance sheet 31 Dec. 2011
Commercial paper issued, nominal amount	270 080	270 023	228 358			228 415
Bond debt, nominal amount	165 914	41 388	19 256	(5 384)		149 165
Adjustments	9 294				2 408	6 887
Total debt securities issued	**445 288**	**311 411**	**247 614**	**(5 384)**	**2 408**	**384 467**

Changes in subordinated loan capital and perpetual subordinated loan capital securities

DNB Bank ASA

Amounts in NOK million	Balance sheet 30 Sept. 2012	Issued 2012	Matured/ redeemed 2012	Exchange rate movements 2012	Other adjustments 2012	Balance sheet 31 Dec. 2011
Term subordinated loan capital, nominal amount	14 366	5 531	3 883	(55)		12 773
Perpetual subordinated loan capital, nominal amount	3 966			(191)		4 158
Perpetual subordinated loan capital securities, nominal amount [1]	5 812			(161)		5 973
Adjustments	1 651				485	1 166
Total subordinated loan capital and perpetual subordinated loan capital securities	**25 796**	**5 531**	**3 883**	**(407)**	**485**	**24 070**

Debt securities issued

DNB Bank Group

Amounts in NOK million	30 Sept. 2012	31 Dec. 2011	30 Sept. 2011
Commercial paper issued, nominal amount	270 085	228 430	205 599
Bond debt, nominal amount [2]	434 812	391 326	377 829
Adjustments	28 297	20 521	17 686
Total debt securities issued	**733 194**	**640 277**	**601 114**

Changes in debt securities issued

DNB Bank Group

Amounts in NOK million	Balance sheet 30 Sept. 2012	Issued 2012	Matured/ redeemed 2012	Exchange rate movements 2012	Other adjustments 2012	Balance sheet 31 Dec. 2011
Commercial paper issued, nominal amount	270 085	270 027	228 373	1		228 430
Bond debt, nominal amount [2]	434 812	118 588	59 459	(15 643)		391 326
Adjustments	28 297				7 776	20 521
Total debt securities issued	**733 194**	**388 616**	**287 832**	**(15 642)**	**7 776**	**640 277**

Changes in subordinated loan capital and perpetual subordinated loan capital securities

DNB Bank Group

Amounts in NOK million	Balance sheet 30 Sept. 2012	Issued 2012	Matured/ redeemed 2012	Exchange rate movements 2012	Other adjustments 2012	Balance sheet 31 Dec. 2011
Term subordinated loan capital, nominal amount	14 367	5 531	3 968	(54)		12 859
Perpetual subordinated loan capital, nominal amount	3 966			(191)		4 158
Perpetual subordinated loan capital securities, nominal amount [1]	5 812			(161)		5 973
Adjustments	1 653				486	1 167
Total subordinated loan capital and perpetual subordinated loan capital securities	**25 799**	**5 531**	**3 968**	**(406)**	**486**	**24 156**

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

2) Minus own bonds. Outstanding covered bonds in DNB Boligkreditt totalled NOK 351.5 billion as at 30 September 2012. The cover pool represented NOK 507.2 billion.

Note 18 Capital adequacy

The DNB Bank Group follows the Basel II regulations for capital adequacy calculations. Valuation rules used in the statutory accounts form the basis for the consolidation, which is subject to special consolidation rules governed by the Consolidation Regulations.

DNB Bank ASA		**Primary capital**	**DNB Bank Group**	
31 Dec. 2011	30 Sept. 2012	*Amounts in NOK million*	30 Sept. 2012	31 Dec. 2011
18 314	18 314	Share capital	18 314	18 314
79 328	79 233	Other equity	85 886	85 990
97 643	97 547	Total equity	104 200	104 304
		Deductions		
0	0	Pension funds above pension commitments	(20)	(22)
(2 419)	(2 438)	Goodwill	(3 722)	(3 834)
(3)	(3)	Deferred tax assets	(632)	(644)
(1 130)	(997)	Other intangible assets	(1 731)	(2 028)
0	0	Group contribution, payable	0	0
0	0	Unrealised gains on fixed assets	(30)	(30)
(1 022)	(981)	50 per cent of investments in other financial institutions	(1 130)	(1 022)
(648)	(753)	50 per cent of expected losses exceeding actual losses, IRB portfolios	(958)	(835)
(24)	(24)	Adjustments for unrealised losses/(gains) on liabilites recorded at fair value	(713)	(713)
92 396	92 350	Equity Tier 1 capital	95 265	95 177
5 973	5 812	Perpetual subordinated loan capital securities [1) 2)]	5 997	6 159
98 370	98 162	Tier 1 capital	101 262	101 336
4 153	3 966	Perpetual subordinated loan capital	3 966	4 153
12 773	14 366	Term subordinated loan capital [2)]	14 720	13 230
		Deductions		
(1 022)	(981)	50 per cent of investments in other financial institutions	(1 130)	(1 022)
(648)	(753)	50 per cent of expected losses exceeding actual losses, IRB portfolios	(958)	(835)
		Additions		
0	0	45 per cent of unrealised gains on fixed assets	18	18
15 256	16 598	Tier 2 capital	16 616	15 544
113 625	114 760	Total eligible primary capital [3)]	117 878	116 879
874 786	831 166	Risk-weighted volume	997 151	1 018 586
69 983	66 493	Minimum capital requirement	79 772	81 487
10.6	11.1	Equity Tier 1 capital ratio (%)	9.6	9.3
11.2	11.8	Tier 1 capital ratio (%)	10.2	9.9
13.0	13.8	Capital ratio (%)	11.8	11.5
-	11.7	Equity Tier 1 capital ratio including 50 per cent of profit for the period (%)	10.0	-
-	12.4	Tier 1 capital ratio including 50 per cent of profit for the period (%)	10.6	-
-	14.4	Capital ratio including 50 per cent of profit for the period (%)	12.3	-

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

2) As at 30 September 2012, calculations of capital adequacy for the banking group included a total of NOK 537 million in subordinated loan capital in associated companies.

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

Note 18 Capital adequacy (continued)

Specification of risk-weighted volume and capital requirements — DNB Bank ASA

Amounts in NOK million	Nominal exposure 30 Sept. 2012	EAD [1] 30 Sept. 2012	Risk-weighted volume 30 Sept. 2012	Capital requirements 30 Sept, 2012	Capital requirements 31 Dec. 2011
IRB approach					
Corporate	817 649	683 034	368 447	29 476	30 291
Specialised Lending (SL)	4 498	4 439	2 246	180	286
Retail - mortgage loans	63 948	63 948	16 206	1 296	1 477
Retail - other exposures	96 263	79 164	24 996	2 000	1 891
Securitisation	75 557	75 557	10 663	853	752
Total credit risk, IRB approach	1 057 915	906 141	422 558	33 805	34 697
Standardised approach					
Central government	81 087	78 499	96	8	6
Institutions	403 657	349 910	67 110	5 369	5 795
Corporate	211 076	178 125	173 538	13 883	16 807
Retail - mortgage loans	3 754	3 254	2 454	196	180
Retail - other exposures	64 353	22 071	16 734	1 339	1 358
Equity positions	46 967	46 967	47 176	3 774	3 229
Other assets	5 655	5 655	5 655	452	310
Total credit risk, standardised approach	816 549	684 481	312 763	25 021	27 686
Total credit risk	1 874 465	1 590 623	735 322	58 826	62 383
Market risk					
Position risk, debt instruments			38 947	3 116	3 057
Position risk, equity instruments			1 221	98	95
Currency risk			0	0	0
Total market risk			40 168	3 213	3 151
Operational risk			57 705	4 616	4 616
Deductions			(2 030)	(162)	(168)
Total risk-weighted volume and capital requirements before transitional rule			831 166	66 493	69 983
Additional capital requirements according to transitional rules [2]			0	0	0
Total risk-weighted volume and capital requirements			831 166	66 493	69 983

1) EAD, exposure at default.

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

Note 18 Capital adequacy (continued)

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

Amounts in NOK million	Nominal exposure 30 Sept. 2012	EAD [1)] 30 Sept. 2012	Risk-weighted volume 30 Sept. 2012	Capital requirements 30 Sept. 2012	Capital requirements 31 Dec. 2011
IRB approach					
Corporate	826 416	691 812	373 263	29 861	30 453
Specialised Lending (SL)	4 498	4 439	2 246	180	286
Retail - mortgage loans	572 659	572 659	70 360	5 629	5 515
Retail - other exposures	96 263	79 164	24 996	2 000	1 891
Securitisation	75 557	75 557	10 663	853	752
Total credit risk, IRB approach	1 575 393	1 423 631	481 529	38 522	38 898
Standardised approach					
Central government	88 430	100 571	118	9	10
Institutions	152 733	115 082	25 610	2 049	2 081
Corporate	333 351	259 477	246 132	19 691	22 576
Retail - mortgage loans	42 749	40 763	22 730	1 818	1 674
Retail - other exposures	98 751	52 103	34 760	2 781	2 857
Equity positions	3 702	3 702	3 910	313	276
Securitisation	6 258	6 258	1 180	94	143
Other assets	14 049	14 049	14 049	1 124	920
Total credit risk, standardised approach	740 022	592 003	348 490	27 879	30 537
Total credit risk	2 315 415	2 015 634	830 018	66 401	69 435
Market risk					
Position risk, debt instruments			38 384	3 071	2 833
Position risk, equity instruments			1 221	98	95
Currency risk			0	0	0
Total market risk			39 606	3 168	2 928
Operational risk			66 365	5 309	5 309
Deductions			(2 754)	(220)	(214)
Total risk-weighted volume and capital requirements before transitional rule			933 235	74 659	77 459
Additional capital requirements according to transitional rules [2)]			63 916	5 113	4 029
Total risk-weighted volume and capital requirements			997 151	79 772	81 487

1) *EAD, exposure at default.*

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

Note 18 Capital adequacy (continued)

Basel II implementation

Further progress

A major reduction in risk-weighted assets is expected upon full implementation of the IRB system. The IRB system is defined as the models, work processes, decision-making processes, control mechanisms, IT systems and internal guidelines and routines used to classify and quantify credit risk. Status and a time schedule for the implementation of the different reporting methods used for the banking group's portfolios are shown below.

	Reporting methods for credit risk in capital adequacy calculations	
Portfolios	30 Sept. 2012	31 Dec. 2012 1)
Retail:		
- mortgage loans, DNB Bank and DNB Boligkreditt	IRB 2)	IRB 2)
- qualifying revolving retail exposures, DNB Bank 3)	IRB 2)	IRB 2)
- mortgage loans, Nordlandsbanken	Standardised	IRB 2)
- loans in Norway, DNB Finans, DNB Bank	IRB 2)	IRB 2)
Corporates:		
- small and medium-sized corporates, DNB Bank	Advanced IRB	Advanced IRB
- large corporate clients (scorecard models), DNB Bank	Advanced IRB	Advanced IRB
- large corporate clients (simulation models), DNB Bank	Standardised	Advanced IRB
- corporate clients, Nordlandsbanken	Standardised	Advanced IRB
- leasing, DNB Bank	Advanced IRB	Advanced IRB
- corporate clients, DNB Næringskreditt	Standardised	Advanced IRB
Securitisation positions:		
- international bond portfolio, DNB Markets	IRB 2)	IRB 2)
Institutions:		
- banks and financial institutions, DNB Bank	Standardised	Advanced IRB
Exceptions:		
- approved exceptions: government and municipalities, equity positions	Standardised	Standardised
- temporary exceptions: DNB Baltics and Poland, DNB Luxembourg, JSC DNB Bank and various other small portfolios	Standardised	Standardised

1) *As according to implementation plan. The conversion is, however, subject to final approval from the Norwegian FSA.*
2) *There is only one IRB approach for retail exposures and securitisation positions.*
3) *Reported according to the IRB category Retail - other exposures.*

Note 19 Liquidity risk

Liquidity risk is the risk that the DNB Bank Group will be unable to meet its payment obligations. Overall liquidity management in the banking 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 contingency plan has been established to handle market events. In addition, limits have been approved for structural liquidity risk, which implies that lending to customers should largely be financed through customer deposits, subordinated capital and long-term funding. Senior bond debt and covered bonds are the major sources of long-term funding. The banking group's ratio of deposits to lending was 64.5 per cent at end-September 2012, up from 61.3 per cent a year earlier. The ratio of deposits to lending in DNB Bank ASA was 115.8 per cent at end-September 2012.

There was a lower level of uncertainty in the third quarter than in the preceding quarters. DNB had ample access to short-term funding, and investors showed increasing interest in longer maturities. The markets remain selective, and banks with strong credit ratings have the best access to funding. DNB is one of these banks.

The long-term funding markets were functioning almost as normal during the third quarter. There was a significant reduction in funding costs for both new covered bonds and new senior bond debt. This reflects that investors need to invest their money while bond issuers have less need for new funding in the short and medium term. In addition, measures launched by the European Central Bank, ECB, to purchase sovereign debt in the countries which apply for support from the bailout fund, had positive effects on the market. This resulted in less uncertainty, and the price level for new long-term funding was reduced, especially for financially strong banks. In spite of this, the banking group’s funding costs are generally much higher than prior to the financial crisis. Experience shows that market conditions can change quickly. Depending on developments in the Eurozone, highly volatile funding costs and varying access to funding must still be expected.

The average remaining term to maturity for the portfolio of senior bond debt was 4.6 years at end-September 2012, compared with 4.4 years a year earlier. The banking group aims to achieve a sound and stable maturity structure for funding.

Note 20 Information on related parties

Major transactions and agreements with related parties:

Eksportfinans

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

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

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

DNB Boligkreditt

DNB Boligkreditt AS (Boligkreditt) is 100 per cent owned by DNB Bank ASA (the bank). As part of ordinary business transactions, a large number of banking transactions are entered into between Boligkreditt and the bank, including loans, deposits and financial derivatives used in currency and interest rate risk management. Transactions are carried out on market terms and are regulated in the ”Agreement relating to transfer of loan portfolio between DNB Bank ASA and DNB Boligkreditt AS” (the transfer agreement) and the ”Contract between DNB Bank ASA and DNB Boligkreditt AS concerning purchase of management services” (the servicing agreement).

The transfer agreement regulates the transfer of loan portfolios qualifying as collateral for the issue of covered bonds. In 2008, 2009, 2010 and 2011, portfolios representing NOK 93.6 billion, NOK 88.5 billion, NOK 36.2 billion, and NOK 30.1 billion respectively, were transferred from the bank to Boligkreditt. Transfers of NOK 28.9 billion were made in the period January through September 2012. The transfers are based on market terms.

Pursuant to the management agreement, Boligkreditt purchases services from the bank, including administration, bank production, distribution, customer contact, IT operations and financial and liquidity management. Boligkreditt pays an annual management fee for these services. The fee paid for the period January through September 2012 totalled NOK 1.5 billion.

At end-September 2012 the bank had invested NOK 82.7 billion in covered bonds issued by Boligkreditt. The bank has used bonds issued by Boligkreditt as security for Treasury bills purchased from Norges Bank as part of the stimulus package for the Norwegian financial services industry.

DNB Næringskreditt

DNB Næringskreditt AS (Næringskreditt) is 100 per cent owned by the bank. The mortgage institution was established to issue covered bonds secured by a cover pool comprising commercial property.

The company started operations in the third quarter of 2009. At end-September 2012, commitments with a total value of NOK 22.5 billion had been transferred from the bank to Næringskreditt. The portfolio is diversified with respect to property types, sizes and locations. The transfers are made in agreement with the customers and are based on market terms. Like Boligkreditt, Næringskreditt purchases management and administrative services from the bank. In addition, administrative services relating to the company's operations are purchased from Boligkreditt. The fee paid to the bank and Boligkreditt for the period January through September 2012 totalled NOK 52.0 million.

Nordlandsbanken

Nordlandsbanken ASA (Nordlandsbanken) is 100 per cent owned by the bank. Nordlandsbanken will be formally merged with the bank 1 October 2012.

Boligkreditt has acquired residential mortgages from Nordlandsbanken. The transfer and management of mortgages are regulated in the "Agreement relating to transfer of loan portfolio between Nordlandsbanken ASA and DNB Boligkreditt AS" (the transfer agreement) and the "Contract concerning purchase of management services" (the servicing agreement). The transfer agreement regulates the transfer of loan portfolios qualifying as collateral for the issue of covered bonds. In the period January through September 2012, portfolios of NOK 1.5 billion were transferred from Nordlandsbanken to Boligkreditt.

Pursuant to the servicing agreement, Boligkreditt purchases services from Nordlandsbanken, including administration, bank production, distribution, customer contact and IT operations. Boligkreditt pays a monthly management fee for these services based on the lending volume under management and the achieved lending spread. The management fee paid was NOK 24.1 million in the period January through September 2012.

Note 20 Information on related parties (continued)

DNB Livsforsikring

As part of the company's ordinary investment activity DNB Livsforsikring has subscribed for covered bonds issued by Boligkreditt. DNB Livsforsikring's investments in Boligkreditt are limited to listed covered bonds. DNB Livsforsikring's holding of Boligkreditt bonds was valued at NOK 5.3 billion at end-September 2012.

The bank has sold foreign currency loans guaranteed by GIEK, the Norwegian Guarantee Institute for Export Credits, to DNB Livsforsikring. At end-September 2012, the recorded value of these loans was NOK 255 million. In connection with the sale, interest rate and currency swaps were entered into, protecting DNB Livsforsikring against currency risk and providing a total return based on Norwegian interest rates. The bank still carries interest rate, settlement and credit risk associated with the relevant loans. According to the IFRS regulations, the loans have therefore not been removed from the balance sheet. The set-offs to the loans are recorded as deposits from customers.

DNB Livsforsikring has entered into an agreement to purchase three buildings in Bjørvika in Oslo which will become DNB's new head office. One building has been completed, while the two others are scheduled for completion in 2013 and 2014, respectively.

DNB has entered into an agreement to lease the three buildings as and when they are completed. The lease agreement will run for 15 years after the completion of the buildings. After the first lease period, DNB has the right to extend the contract period for five years and for another five years after the expiry of the first extension period.

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

Stimulus packages

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

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

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

In practice, the swap agreements imply that the bank purchases Treasury bills from Norges Bank. These are initially recorded as investments in Treasury bills. The obligation to repurchase the bonds at a price corresponding to the value of the Treasury bills is recorded as funding from Norges Bank. At end-September 2012, this funding represented NOK 56.1 billion. At end-September 2012, the bank's investments in Treasury bills used in the swap agreements represented NOK 36.9 billion.

Capitalisation and valuation of subsidiaries

During the first quarter of 2012, DNB Bank ASA took over the shares in AS DNB Pank (former AS DNB Liising) in Estonia at a price of EUR 10.5 million, while the shares in AS DNB Baltics IT were taken over at a price of EUR 2.8 million in the second quarter of 2012. Both companies were acquired from Bank DNB A/S in Copenhagen. The transactions are part of the integration of operations in the former DnB NORD into the DNB Bank Group.

During the second quarter of 2012, AS DNB Pank in Estonia received a capital injection of just over EUR 90 million, while the Polish subsidiary of Bank DNB A/S received a capital injection of PLN 487 million. During the third quarter of 2012, the share capital of DNB Baltic IT was increased by DKK 660 million.

Note 21 Off-balance sheet transactions, contingencies and post-balance sheet events

Off-balance sheet transactions and additional information

DNB Bank ASA				DNB Bank Group		
30 Sept. 2011	31 Dec. 2011	30 Sept. 2012	*Amounts in NOK million*	30 Sept. 2012	31 Dec. 2011	30 Sept. 2011
49 577	46 188	42 943	Performance guarantees	44 273	47 530	51 060
21 736	21 880	22 735	Payment guarantees	24 106	23 439	23 264
16 818	20 022	20 967	Loan guarantees [1)]	18 679	17 666	14 293
5 222	5 592	6 436	Guarantees for taxes etc.	6 508	5 645	5 272
2 024	1 982	2 163	Other guarantee commitments	2 525	2 285	2 320
95 378	95 664	95 244	Total guarantee commitments	96 091	96 565	96 209
0	0	0	Support agreements	10 551	10 237	9 457
95 378	95 664	95 244	Total guarantee commitments etc. [*)]	106 642	106 802	105 666
517 341	526 711	458 732	Unutilised credit lines and loan offers	499 838	519 143	511 726
3 362	2 486	2 197	Documentary credit commitments	2 365	2 594	3 523
191	185	149	Other commitments	279	234	247
520 894	529 381	461 078	Total commitments	502 482	521 971	515 496
616 272	625 045	556 322	Total guarantee and off-balance commitments	609 124	628 773	621 162
81 421	90 524	95 038	Pledged securities	95 038	90 524	81 421
11	*10*	*1 228*	**) Of which counter-guaranteed by financial institutions*	*1 237*	*19*	*20*

1) DNB Bank ASA carries loans in its balance sheet that subject to legal agreement have been transferred to Eksportfinans and for which the bank has issued guarantees. According to the agreement, DNB Bank still carries interest rate risk and credit risk for the transferred portfolio. Customer loans in the portfolio totalling NOK 4 900 million were recorded in the balance sheet as at 30 September 2012. These loans are not included under guarantees in the table.

Contingencies

Due to its extensive operations in Norway and abroad, the DNB Bank 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 banking group's financial position.

Ivar Petter Røeggen has instituted legal proceedings against DNB Bank ASA, claiming that two investment agreements for structured products be declared null and void. The Borgarting Court of Appeal found in favour of the bank on 30 September 2011. The disputed amount only applies to the civil action in question, which must be evaluated as a separate case. The judgment has been appealed to the Supreme Court, and the court proceedings are scheduled for 23 October 2012.

In addition to the civil action brought by Ivar Petter Røeggen, a group action against DNB Bank ASA with 19 plaintiffs has been described in previous quarterly reports, relating to the sale of the same structured products as the action brought by Røeggen. The group action has been dismissed in a final judgment. Several of the plaintiffs from the original multi-party action, together with some of the other plaintiffs, have submitted a civil action against DNB Bank ASA in accordance with the rules on joinder of parties. The action has been halted by the Oslo District Court awaiting a final decision in the civil action from Røeggen. Other units in the DNB Bank Group are also involved in legal disputes relating to structured products. The DNB Bank Group contests the claims.

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

Post-balance sheet events

No information has come to light about important circumstances which had occurred on the balance sheet date on 30 September 2012 and up till the Board of Directors' final consideration of the accounts on 24 October 2012.

Key figures

		DNB Bank Group				
		3rd quarter 2012	3rd quarter 2011	January - September 2012	January - September 2011	Full year 2011
Interest rate analyses						
1.	Combined weighted total average spread for lending and deposits (%)	1.17	1.09	1.16	1.09	1.10
2.	Average spread for ordinary lending to customers (%)	2.00	1.53	1.93	1.55	1.57
3.	Average spread for deposits from customers (%)	(0.12)	0.33	(0.07)	0.30	0.29
Rate of return/profitability						
4.	Net other operating income, per cent of total income	30.0	38.9	29.3	34.4	36.8
5.	Cost/income ratio (%)	48.2	43.3	49.4	48.0	45.9
6.	Return on equity, annualised (%)	11.7	15.6	11.4	13.0	13.5
Financial strength						
7.	Equity Tier 1 capital ratio at end of period (%)	9.6	7.8	9.6	7.8	9.3
8.	Equity Tier 1 capital ratio incl. 50 per cent of profit for the period (%)	10.0	7.8	10.0	7.8	-
9.	Tier 1 capital ratio at end of period (%)	10.2	8.5	10.2	8.5	9.9
10.	Tier 1 capital ratio incl. 50 per cent of profit for the period (%)	10.6	8.5	10.6	8.5	-
11.	Capital ratio at end of period (%)	11.8	10.2	11.8	10.2	11.5
12.	Capital ratio incl. 50 per cent of profit for the period (%)	12.3	10.2	12.3	10.2	-
13.	Tier 1 capital at end of period (NOK million)	101 262	85 478	101 262	85 478	101 336
14.	Risk-weighted volume at end of period (NOK million)	997 151	1 010 928	997 151	1 010 928	1 018 586
Loan portfolio and write-downs						
15.	Individual write-downs relative to average net lending to customers, annualised (%)	0.20	0.31	0.20	0.24	0.26
16.	Write-downs relative to average net lending to customers, annualised (%)	0.16	0.39	0.20	0.28	0.28
17.	Net non-performing and net doubtful commitments, per cent of net lending	1.46	1.12	1.46	1.12	1.49
18.	Net non-performing and net doubtful commitments at end of period (NOK million)	19 626	14 466	19 626	14 466	19 465
Liquidity						
19.	Ratio of customer deposits to net lending to customers at end of period (%)	64.5	61.3	64.5	61.3	58.1
Staff						
20.	Number of full-time positions at end of period	12 391	12 414	12 391	12 414	12 560

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.

Profit and balance sheet trends

Income statement					**DNB Bank ASA**
Amounts in NOK million	3rd quarter 2012	2nd quarter 2012	1st quarter 2012	4th quarter 2011	3rd quarter 2011
Total interest income	11 645	11 852	12 114	12 754	12 386
Total interest expenses	6 207	6 580	6 539	6 873	6 902
Net interest income	**5 437**	**5 272**	**5 574**	**5 880**	**5 483**
Commissions and fees receivable etc.	1 265	1 395	1 288	1 225	1 408
Commissions and fees payable etc.	494	500	513	512	503
Net gains on financial instruments at fair value	1 756	2 071	2 100	1 663	1 295
Other income	1 093	1 005	711	1 964	365
Net other operating income	**3 619**	**3 970**	**3 586**	**4 340**	**2 564**
Total income	**9 057**	**9 242**	**9 161**	**10 220**	**8 047**
Salaries and other personnel expenses	2 121	2 071	2 010	1 937	1 929
Other expenses	1 454	1 431	1 441	1 640	1 464
Depreciation and write-downs of fixed and intangible assets	469	433	363	1 181	403
Total operating expenses	**4 045**	**3 935**	**3 814**	**4 758**	**3 795**
Net gains on fixed and intangible assets	0	(1)	0	31	0
Write-downs on loans and guarantees	521	699	789	789	466
Pre-tax operating profit	**4 491**	**4 607**	**4 558**	**4 704**	**3 786**
Taxes	1 260	1 288	1 276	1 845	1 170
Profit for the period	**3 231**	**3 319**	**3 282**	**2 859**	**2 617**

Balance sheet					**DNB Bank ASA**
Amounts in NOK million	30 Sept. 2012	30 June 2012	31 March 2012	31 Dec. 2011	30 Sept. 2011
Assets					
Cash and deposits with central banks	364 635	407 558	430 421	220 721	273 298
Lending to and deposits with credit institutions	226 563	200 305	198 090	193 379	226 627
Lending to customers	692 744	709 236	701 645	711 966	700 866
Commercial paper and bonds at fair value	215 804	216 090	210 515	211 335	211 477
Shareholdings	8 075	9 506	10 465	11 829	12 249
Financial derivatives	124 449	110 972	99 396	108 506	118 719
Commercial paper and bonds, held to maturity	104 704	85 129	88 136	96 042	98 858
Investments in associated companies	1 140	1 145	1 180	1 187	1 139
Investements in subsidiaries	43 471	39 227	38 638	35 763	33 111
Intangible assets	3 435	3 501	3 479	3 549	3 472
Deferred tax assets	3	7	3	3	529
Fixed assets	6 077	5 938	5 698	5 497	5 168
Other assets	19 320	20 608	27 418	15 389	8 696
Total assets	**1 810 420**	**1 809 223**	**1 815 083**	**1 615 166**	**1 694 209**
Liabilities and equity					
Loans and deposits from credit institutions	302 446	306 098	364 474	295 884	366 672
Deposits from customers	802 362	812 121	767 401	704 438	732 978
Financial derivatives	95 305	88 688	80 044	88 207	94 851
Debt securities issued	445 288	436 806	437 806	384 467	368 961
Payable taxes	3 416	1 893	742	228	2 345
Deferred taxes	2 768	2 775	3 448	3 455	57
Other liabilities	22 439	27 471	28 203	13 421	11 855
Provisions	555	525	444	676	441
Pension commitments	2 666	2 681	2 680	2 677	2 920
Subordinated loan capital	25 796	25 968	29 021	24 070	26 389
Total liabilities	**1 703 040**	**1 705 025**	**1 714 263**	**1 517 523**	**1 607 468**
Share capital	18 314	18 314	18 314	18 314	17 514
Share premium reserve	19 895	19 895	19 895	19 895	12 695
Other equity	69 170	65 988	62 610	59 433	56 532
Total equity	**107 380**	**104 197**	**100 820**	**97 643**	**86 741**
Total liabilities and equity	**1 810 420**	**1 809 223**	**1 815 083**	**1 615 166**	**1 694 209**

Profit and balance sheet trends (continued)

Income statement

DNB Bank Group

Amounts in NOK million	3rd quarter 2012	2nd quarter 2012	1st quarter 2012	4th quarter 2011	3rd quarter 2011
Total interest income	16 045	16 221	16 187	16 124	15 550
Total interest expenses	9 126	9 486	9 466	9 319	9 176
Net interest income	**6 919**	**6 736**	**6 720**	**6 804**	**6 374**
Commissions and fees receivable etc.	1 522	1 638	1 528	1 461	1 641
Commissions and fees payable etc.	516	518	541	536	525
Net gains on financial instruments at fair value	933	2 627	(1 009)	3 369	2 265
Profit from companies accounted for by the equity method	246	141	225	111	(79)
Net gains on investment property	4	(184)	(144)	(132)	93
Other income	783	905	798	795	668
Net other operating income	**2 971**	**4 608**	**858**	**5 068**	**4 062**
Total income	**9 890**	**11 344**	**7 578**	**11 873**	**10 436**
Salaries and other personnel expenses	2 563	2 512	2 451	2 361	2 329
Other expenses	1 771	1 826	1 812	2 033	1 778
Depreciation and write-downs of fixed and intangible assets	521	470	406	843	411
Total operating expenses	**4 855**	**4 808**	**4 669**	**5 236**	**4 519**
Net gains on fixed and intangible assets	20	37	7	(1)	6
Write-downs on loans and guarantees	521	685	784	926	1 170
Pre-tax operating profit	**4 534**	**5 888**	**2 131**	**5 709**	**4 754**
Taxes	1 243	1 571	575	2 040	1 210
Profit from operations held for sale, after taxes	0	92	0	0	25
Profit for the period	**3 291**	**4 409**	**1 556**	**3 669**	**3 568**

Balance sheet

DNB Bank Group

Amounts in NOK million	30 Sept. 2012	30 June 2012	31 March 2012	31 Dec. 2011	30 Sept. 2011
Assets					
Cash and deposits with central banks	367 409	410 135	433 396	224 581	276 593
Lending to and deposits with credit institutions	38 933	28 746	29 847	25 105	49 515
Lending to customers	1 319 229	1 320 587	1 296 842	1 291 660	1 260 993
Commercial paper and bonds at fair value	137 013	138 056	133 707	106 000	105 993
Shareholdings	8 522	9 963	10 920	12 300	12 711
Financial derivatives	100 636	89 859	80 805	96 264	110 341
Commercial paper and bonds, held to maturity	104 704	85 129	88 136	96 042	98 858
Investment property	5 125	5 177	5 285	5 165	5 308
Investments in associated companies	2 778	2 536	2 391	2 173	2 034
Intangible assets	4 915	4 995	4 913	4 854	5 030
Deferred tax assets	624	626	633	636	408
Fixed assets	6 956	6 769	6 557	6 322	5 994
Assets held for sale	15	9	1 092	1 054	1 206
Other assets	20 040	21 508	25 025	12 792	9 574
Total assets	**2 116 899**	**2 124 094**	**2 119 548**	**1 884 948**	**1 944 557**
Liabilities and equity					
Loans and deposits from credit institutions	293 530	294 126	353 396	279 553	356 347
Deposits from customers	850 652	861 104	815 244	750 102	773 334
Financial derivatives	65 928	60 292	55 352	63 130	74 789
Debt securities issued	733 194	734 868	722 773	640 277	601 114
Payable taxes	2 944	1 385	152	400	2 507
Deferred taxes	4 080	4 137	4 622	4 531	205
Other liabilities	23 892	28 592	29 555	14 569	13 300
Liabilities held for sale	0	0	361	383	360
Provisions	631	585	506	750	504
Pension commitments	2 795	2 808	2 821	2 793	3 035
Subordinated loan capital	25 799	25 968	29 021	24 156	26 476
Total liabilities	**2 003 443**	**2 013 865**	**2 013 804**	**1 780 644**	**1 851 972**
Share capital	18 314	18 314	18 314	18 314	17 514
Share premium reserve	20 611	20 611	20 611	20 611	13 411
Other equity	74 531	71 304	66 819	65 378	61 659
Total equity	**113 456**	**110 229**	**105 745**	**104 304**	**92 585**
Total liabilities and equity	**2 116 899**	**2 124 094**	**2 119 548**	**1 884 948**	**1 944 557**

Information about the DNB Bank Group

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DNB Bank ASA

Organisation number	Register of Business Enterprises NO 984 851 006 MVA

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Anne Carine Tanum, chairman
Jarle Bergo, vice-chairman
Sverre Finstad
Vigdis Mathisen
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Financial calendar 2013

Preliminary results 2012 and fourth quarter 2012	7 February
First quarter 2013	26 April
Second quarter 2013	11 July
Third quarter 2013	24 October

Other sources of information

Annual and quarterly reports

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

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

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