ANNUAL REPORT
2015

DNB

DNB Næringskreditt

A company in the DNB Group

Financial highlights

Statement of comprehensive income					**DNB Næringskreditt AS**
Amounts in NOK million	2015	2014	2013	2012	2011
Net interest income	329	364	317	335	320
Net other operating income	45	(8)	(10)	1	1
Operating expenses	(108)	(116)	(90)	(77)	(65)
Impairment of loans and guarantees	1	(0)	(2)	3	(2)
Pre-tax operating profit	266	240	215	262	254
Tax expense	(71)	(65)	(60)	(73)	(71)
Profit for the year	**195**	**175**	**155**	**189**	**183**

Balance sheet *Amounts in NOK million*	31 Dec. 2015	31 Dec. 2014	31 Dec. 2013	31 Dec. 2012	31 Dec. 2011
Total assets	26 807	26 088	23 742	21 452	23 035
Loans to customers	26 659	25 905	23 165	21 294	22 559
Debt securitites issued	2 102	4 561	4 417	2 415	2 421
Total equity	5 562	5 541	5 521	5 555	5 549

Key figures *Per cent*	2015	2014	2013	2012	2011
Return on equity	3.5	3.2	3.7	3.2	3.4
Combined weighted total average spread for lending [1)]	0.86	0.90	0.77	0.59	0.38
Net non-performing and impaired loans, per cent of net loans	0.00	0.00	0.00	(0.02)	0.01
Common equity Tier 1 capital ratio, transitional rules, at end of year	25.4	25.9	28.8	31.5	23.1
Capital ratio, transitional rules, at end of year	25.4	25.9	28.8	31.5	23.1

1) Based on nominal values excluding impaired loans, measured against actual funding cost.

Contents

Directors' report 2015

In accordance with the provisions of the Norwegian Accounting Act, the Board of Directors confirms that the accounts have been prepared on a going concern basis, and that the going concern assumption applies. Pursuant to Section 3-9 of the Norwegian Accounting Act, DNB Næringskreditt prepares annual accounts in accordance with IFRS, International Financial Reporting Standards, approved by the EU.

DNB Næringskreditt AS is the DNB Group's vehicle for the issue of covered bonds based on commercial mortgages. The company's offices are located in Oslo. DNB Næringskreditt is a wholly-owned subsidiary of DNB Bank ASA and is reported partly under the Corporate Banking Norway business area, and partly under the Large Corporates and International business area in the consolidated accounts of DNB Bank ASA. The rating agencies' assessments are of significance to the company's funding terms. DNB Næringskreditt's covered bonds are rated Aaa by Moody's.

Operations in 2015

DNB Næringskreditt recorded a profit of NOK 195 million in 2015, compared with a profit of NOK 175 million in 2014. Loans to customers increased by NOK 0.8 billion in 2015, but narrowing interest rate spreads gave a decline in net interest income

The recorded gains on financial instruments reflect the effects of unrealised changes in the market value of the company's covered bonds.

The company's commercial mortgage portfolio totalled NOK 26.7 billion at year-end 2015, rising by NOK 0.8 billion or 2.9 per cent over the preceding 12 months. Debt securities issued in the form of covered bonds decreased from NOK 4.6 billion in 2014 to NOK 2.1 billion at year-end 2015 after a large covered bond issue reaching maturity.

Strategy

DNB Næringskreditt is a tool for DNB Bank to offer commercial mortgages on competitive terms. The issue of covered bonds secured by the company's cover pool will contribute to favourable funding for the banking group. The bonds are offered in Norwegian kroner primarily in the domestic market.

DNB Næringskreditt's assets comprise loans secured by commercial property within 60 per cent of the property's appraised value. New mortgages are provided through the bank's distribution channels. The bank is responsible for customer relations and all customer contact, marketing and product development. The company follows the bank's credit policy, credit strategy and credit process.

The quality and risk profile of the mortgages included in the cover pool shall ensure that the company's Aaa rating target for its covered bonds is met.

The target group for covered bonds is national financial institutions and other investors.

Corporate governance and internal control

DNB Næringskreditt's corporate governance principles are based on the DNB Group's corporate governance policy. The Group's policy follows the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance.

DNB's policy for corporate social responsibility sets the standards for all of the Group's work on both the observance and the further development of corporate social responsibility. In addition, the Group has guidelines, business models and fora that aim to ensure that corporate social responsibility is an integral part of daily operations. Read more about DNB's corporate social responsibility on dnb.no/en/about-us/corporate-social-responsibility.

The Board of Directors of DNB Næringskreditt reviews the financial reporting process. The company follows the DNB Group's policy for financial governance, which includes requirements for quality assurance of financial reporting processes to ensure relevant, timely and uniform reporting to internal stakeholders, regulators and capital market participants.

DNB Næringskreditt has no employees, but purchases administrative services from DNB Boligkreditt. DNB Boligkreditt has a management team which is adapted to its organisation and operations. The team reviews the process of internal control over financial reporting, and implements adequate and effective internal processes in accordance with established requirements. This encompasses DNB Næringskreditt. Processes include control measures to ensure that the financial reporting is of high quality. Every year, the team makes an evaluation of compliance with external and internal regulations and prepares a plan to implement any required improvements.

The Board of Directors approves management's proposed annual accounts for DNB Næringskreditt.

Review of the annual accounts

DNB Næringskreditt recorded a profit of NOK 195 million in 2015, compared with a profit of NOK 175 million in 2014.

Total income

Income totalled NOK 374 million in 2015, up from NOK 356 million in 2014.

Amounts in NOK million	2015	Change	2014
Total income	374	18	356
Net interest income		(35)	
Net commission and fee income		1	
Net gains on financial instruments at fair value		52	

Interest rate spreads narrowed in 2015, while average net loans to customers increased. The net effect was a decrease in net interest income.

The effect from financial instruments was positive in 2015 and negative in 2014.

Operating expenses and impairment of loans

Operating expenses are volatile due to the management fee paid to DNB Bank. The cooperation with DNB Bank is formalised through an extensive servicing agreement that ensures DNB Næringskreditt sound competence in key areas and cost-effective operations. The management fee calculation is based primarily on lending volume and the spreads achieved. The size of the management fee is related to net interest income. The management fee for 2015 was NOK 93 million, down from NOK 107 million in 2014.

The company has recorded no individual impairment losses in previous years. Collective impairment losses of NOK 1 million were recorded in 2015. The Board of Directors considers the level of impairment to be satisfactory relative to the high quality of the loan portfolio.

Funding, liquidity and balance sheet

Balance sheet

At year-end 2015, DNB Næringskreditt had total assets of NOK 26.8 billion, an increase of NOK 0.7 billion or 2.8 per cent from year-end 2014.

Amounts in NOK million	31 Dec. 2015	Change	31 Dec. 2014
Total assets	26 807	719	26 088
Loans to customers		753	
Financial derivatives		0	
Other assets		(34)	
Total liabilities	21 245	699	20 546
Due to credit institutions		3 160	
Financial derivatives		0	
Debt securities issued		(2 459)	
Other liabilities		(2)	

The increase in loans to customers originates from the acquisition of commercial mortgage portfolios from DNB Bank and the sale of new loans through the bank's distribution network.

The company did not issue covered bonds in 2015, while a covered bond issue with nominal value of NOK 2.4 billion matured during the year. Total debt securities issued amounted to NOK 2.1 billion at year-end 2015.

Risk and capital adequacy

The company has established guidelines and limits for management and control of the different types of risk.

The company is not exposed to currency risk. Interest rate and liquidity risk is managed in accordance with stipulations concerning covered bonds in the Financial Institutions Act and guidelines and limits approved by the Board of Directors. The company's overall financial risk is considered to be low.

Changes in the market values of the company's bonds due to credit risk are monitored on a daily basis.

The servicing agreement with DNB Bank comprises administration, bank production, IT operations and financial and liquidity management. The fee structure in the servicing agreement shall ensure a stable return on equity, but does not take the effects of unrealised gains or losses on financial instruments into consideration. Operational risk is assessed to be low.

Negative developments in the commercial property market affect the company. A decline in prices of commercial properties will reduce the value of the company's cover pool relative to the statutory asset coverage requirement. Quarterly stress tests are carried out to estimate the effects of a negative development in commercial property prices. A short-term measure to meet a significant fall in commercial property prices will be to supply DNB Næringskreditt with more substitute collateral. The Board of Directors considers the company's total risk exposure to be low.

At year-end 2015, the company's equity totalled NOK 5.6 billion, of which NOK 5.4 billion represented Tier 1 capital. The company has no primary capital in excess of equity. The company's capital adequacy and Tier 1 capital ratios were both 25.4 per cent. The Board of Directors considers the company to be adequately capitalised relative to the risk level in the loan portfolios and other operations.

New regulatory framework

Agreement on European supervisory authorities

Due to a stipulation in the Norwegian Constitution on limited access to transfer powers to international organisations, it has not been possible to incorporate the EU regulations establishing the European supervisory authorities, CRR/CRD IV, and a number of other legislative acts into the EEA agreement and Norwegian legislation. In the autumn of 2014, Norway and the EU agreed on a solution, but it has proved time-consuming to implement the specific technical adaptations to the EU legislation. The government aims to submit a proposition to Stortinget, the Norwegian parliament, on the European supervisory authorities and some important related legislative acts for consideration in the spring of 2016. The required legislative amendments will probably enter into force on 1 July 2016. Parallel to this, the government is working to incorporate the remaining legislation on financial services in the course of 2016.

New capital and liquidity requirements

Norway introduced new capital requirements as of 1 July 2013 as the first step in the adaptation to the EU capital requirements regulations, CRR/CRD IV. The capital requirements in Norway imply a gradual increase in the formal capital requirements up till 1 July 2016. As of 1 July 2015, the minimum Tier 1 capital requirement, including the buffer requirements, is 13.5 per cent for the three banks which the Norwegian authorities have defined as systemically important (O-SIIs). The requirement also applies to DNB Næringskreditt. As of 1 July 2016, this minimum requirement will increase to 15.0 per cent for the SIBs and to 13.0 per cent for the other banks.

The capital adequacy requirements for banks consist of two pillars. Pillar 1 encompasses minimum requirements and buffer requirements determined by the political authorities. Finanstilsynet's expectations in the form of Pillar 2 requirements come in addition to this and will reflect institution-specific capital requirements relating to risks which are not covered or only partly covered by Pillar 1. The Pillar 2 requirement for DNB Næringskreditt has been set at 1.5 per cent. The total Tier 1 capital requirement for DNB Næringskreditt will thus be 16.5 per cent at year-end 2016. DNB Næringskreditt is well capitalised to meet the new requirements.

In order to be prepared for a possible implementation of future new EU regulations, the Ministry of Finance has asked Finanstilsynet to prepare prospective rules on a non-risk based capital requirement in Norway, including definitions of the numerator and the denominator in the capital equation. Finanstilsynet has also been asked to consider the most appropriate capital level for Norwegian banks, mortgage institutions and parent companies in financial undertakings, including whether such levels should be differentiated, given that a non-risk based capital requirement will be introduced without replacing other capital requirements. Finanstilsynet's deadline is 31 March 2016.

The EU capital requirements regulations include stipulations on the LCR. In Norway, the Ministry of Finance has decided to introduce the Liquidity Coverage Ratio ahead of the EU schedule. DNB Næringskreditt is required to meet the 100 per cent LCR requirement as from 30 June 2016.

New crisis management regulations

On 1 January 2015, the EU introduced regulations for the winding-up and restructuring of banks, the Bank Recovery and Resolution Directive, BRRD. The directive will also apply to Norway through the EEA agreement. The purpose of the BRRD is to facilitate the winding-up of even the largest banks without an injection of government funds. The continuity of systemically important functions will be ensured through the recapitalisation of the entire or parts of a bank by writing down or converting into share capital the bank's subordinated loans and unsecured senior debt (bail-in).

Under the BRRD, each country will establish a national resolution fund. In accordance with the revised Deposit Guarantee Directive, each country must also have a deposit guarantee fund. Norway already has one of the best capitalised deposit guarantee funds in Europe, with funds that are well above the combined EU requirements for the deposit guarantee fund and the resolution fund of 1.8 per cent of guaranteed deposits.

The implementation of the BRRD and the revised deposit guarantee directive will require extensive changes in the Norwegian crisis solution system, including the rules on public administration and the role of the Norwegian Banks' Guarantee Fund. The Banking Law Commission is considering how the directives can be implemented in Norwegian law. This process and the work on draft legislation will probably be finalised in the course of the first half of 2016.

Employees and working environment

DNB Næringskreditt has no employees and purchases administrative services from DNB Boligkreditt. In the opinion of the Board of Directors, the company's activities do not pollute the external environment.

The Board of Directors has five members, including two women.

Macroeconomic developments

Economic growth in the industrialised countries was 1.8 per cent in 2015, which was approximately on a level with 2014. While GDP rose by 2.5 per cent in the United States and the United Kingdom, it increased by only 0.75 and 1.5 per cent in Japan and the eurozone, respectively. Growth rates in smaller countries ranged from zero in Finland to well over 3 per cent in Sweden and 6 per cent in Ireland.

Unemployment in the United States and the United Kingdom is close to record low levels, while many countries in the eurozone still have high unemployment rates. The Federal Reserve has started its planned interest rate hike cycle, and the Bank of England is expected to follow suit later this year. It will probably be several years before the European Central Bank (ECB) raises interest rates.

2015 was an eventful year for China. Growth dropped to just below 7 per cent, the stock market bubble burst, capital flowed out of the country, and the exchange rate depreciated. However, the feared economic hard landing did not materialise. The service industry remained stable and household consumption expenditure was not significantly affected by the financial turmoil. Even though the situation is expected to remain relatively unchanged in 2016, there will still be considerable uncertainty surrounding developments in China, and this has influenced the financial markets since the start of 2016.

During the second half of 2015, the situation in Brazil worsened. On an annual basis, GDP is expected to decline by almost 4 per cent. Unemployment levels are rising rapidly, inflation is escalating, and real wages are falling. Government finances have deteriorated considerably, and the political situation is very challenging. GDP may fall as much in 2016 as in 2015.

The drop in oil prices and the sanctions resulting from the Ukraine crisis have had a serious negative impact on Russia. Export and government revenues have fallen, the rouble has plunged and inflation has spiralled. Rising interest rates, reduced purchasing power and a negative economic outlook have reduced domestic demand, particularly investment. GDP has dropped for five consecutive quarters. The recession in Russia has also had a negative impact on the Baltic States, where GDP growth decreased sharply in 2015. The effects are probably temporary. Exporters are already looking towards new markets, while sound fundamental conditions are bolstering domestic demand. In addition, government finances are solid.

Growth in the Norwegian economy was almost halved in 2015, primarily due to lower demand from the petroleum sector. The fall in the price of oil has exacerbated the decline in petroleum investments, dampened the rise in costs in the supplier industry, curbed optimism among companies and households, and reduced government and private revenues. Unemployment rose to 4.6 per cent in 2015, but with large regional and occupational variations. Even if oil prices recover in 2016, further reductions in oil investments are expected. Moreover, lower activity in countries such as Brazil is affecting suppliers. However, the Norwegian economy has buffers that limit the negative economic impact. Budget policy has become more expansionary, and there is still ample manoeuvrability. With respect to monetary policy, interest rates have been lowered and the Norwegian krone has depreciated. Further interest rate cuts are expected. The employers' and employees' organisations cooperate well and have succeeded in taking many different considerations into account. Mainland growth in 2016 is forecast at 1.2 per cent, roughly on a level with 2015.

Housing prices rose by 7.2 per cent in 2015, with slightly slower growth throughout the year. Oil-intensive areas, such as Stavanger, experienced a fall in housing prices, whereas housing prices in Oslo rose by 11 per cent. Increasing unemployment and lower income growth will put pressure on housing prices in several regions in Norway. Lower interest rates, reduced housebuilding activity and rising population growth will contribute to sustaining housing prices.

Future prospects

Economic forecasts for 2016 indicate moderate global economic growth. In particular, it looks as though the United States will experience renewed growth, followed by the United Kingdom. In Norway, reduced petroleum activity in consequence of the falling oil prices will dampen investment activity in a number of mainland companies, make households more cautious and contribute to moderate wage settlements. Nevertheless, slight economic growth is expected in Norway. A weaker Norwegian krone will be positive for Norwegian export sectors, while budget policy has become more expansionary.

Stable volume-weighted spreads are anticipated in 2016, while lending volumes are expected to increase at an annual rate of 2 to 3 per cent. Average impairment losses are expected to be roughly at normalised levels during the 2016-2019 period. However, impairment losses will vary from year to year and from quarter to quarter and may be somewhat above the normalised level at the start of the period. The tax rate is expected to be 24 per cent in 2016 and 2017 and 21 per cent in 2018.

The loan portfolio of DNB Næringskreditt is expected to increase in the period ahead as a result of further transfers of loans from DNB Bank ASA.

Covered bonds have gained a leading position as a funding vehicle for Norwegian banks. Norwegian covered bonds still seem to be regarded as attractive investments with relatively low credit and market risk.

Dividends and the allocation of profits

The profit for 2015 was NOK 195 million. The Board of Directors proposes that NOK 162 million be allocated as a group contribution to DNB Bank ASA and that NOK 33 million be transferred to other equity.

Oslo, 17 March 2016
The Board of Directors of DNB Næringskreditt AS

Bjørn Erik Næss
(chairman)

Jørn E. Pedersen

Eva-Lill Strandskogen

Per Sagbakken
(chief executive officer)

Comprehensive income statement

Amounts in NOK million	Note	DNB Næringskreditt AS 2015	 2014
Total interest income	9	727	863
Total interest expenses	9	(398)	(499)
Net interest income	9	**329**	**364**
Commission and fee income		1	1
Commission and fee expenses		(0)	(0)
Net gains on financial instruments at fair value	10	44	(8)
Net other operating income		**45**	**(8)**
Total income		**374**	**356**
Other expenses	17	(108)	(116)
Total operating expenses		**(108)**	**(116)**
Impairments of loans and commitments	5	1	(0)
Pre-tax operating profit		**266**	**240**
Tax expense	11	(71)	(65)
Profit for the year		**195**	**175**
Other comprehensive income			
Comprehensive income for the year		**195**	**175**

Balance sheet

Amounts in NOK million	Note	DNB Næringskreditt AS 31 Dec. 2015	 31 Dec. 2014
Assets			
Due from credit institutions	8, 12, 13	28	56
Loans to customers	4, 5, 8, 12, 13	26 659	25 905
Financial derivatives	7, 12, 14, 17	120	120
Deferred tax assets	11		5
Other assets	8, 12	1	1
Total assets		**26 807**	**26 088**
Liabilities and equity			
Due to credit institutions	8, 12, 13, 17	19 068	15 908
Debt securities issued	8, 12, 13, 14, 15, 17	2 102	4 561
Payable taxes		60	67
Deferred taxes	11	6	
Other liabilities	8, 12, 17	9	10
Total liabilities		**21 245**	**20 546**
Share capital		550	550
Share premium		4 604	4 604
Other equity		408	387
Total equity		**5 562**	**5 541**
Total liabilities and equity		**26 807**	**26 088**

Oslo, 17 March 2016
The Board of Directors of DNB Næringskreditt AS

Bjørn Erik Næss
(chairman)

Jørn E. Pedersen

Eva-Lill Strandskogen

Per Sagbakken
(chief executive officer)

Statement of changes in equity

DNB Næringskreditt AS				
Amounts in NOK million	Share capital	Share premium	Other equity	Total equity
Balance sheet as at 31 December 2013	550	4 604	367	5 521
Profit for the year			175	175
Comprehensive income for the year			175	175
Group contribution paid			(155)	(155)
Balance sheet as at 31 December 2014	**550**	**4 604**	**387**	**5 541**
Profit for the year			195	195
Comprehensive income for the year			195	195
Group contribution paid			(174)	(174)
Balance sheet as at 31 December 2015	**550**	**4 604**	**408**	**5 562**

Share capital

All of the company’s shares and voting rights are held by DNB Bank ASA. Share capital at the beginning of 2015 was NOK 550 million (550 000 shares at NOK 1 000).

Cash flow statement

Amounts in NOK million	DNB Næringskreditt AS 2015	2014
Operating activities		
Net receipts on loans to customers	6 256	3 739
Interest received from customers	751	845
Net receipts on loans from credit institutions	3 195	2 699
Interest received from credit institutions	3	7
Interest paid to credit institutions	(333)	(390)
Payments for operating expenses	(111)	(121)
Taxes paid	(67)	
Net cash flow relating to operating activities	**9 694**	**6 780**
Investment activities		
Net purchase of loan portfolio	(7 034)	(6 469)
Net cash flow from investment activities	**(7 034)**	**(6 469)**
Funding activities		
Payments on redeemed bonds and commercial paper	(2 400)	
Interest payments on issued bonds and commercial paper	(90)	(102)
Group contribution paid	(174)	(215)
Net cash flow from funding activities	**(2 664)**	**(317)**
Net cash flow	**(4)**	**(7)**
Cash at beginning of period	4	11
Net payments of cash	(4)	(7)
Cash at end of year	0	4

The cash flow statement shows receips and payments of cash and cash equivalents during the year. The statement has been prepared in accordance with the direct method. Cash and cash equivalents are defined as cash and deposits with central banks and deposits with credit institutions with no agreed period of notice.

Note 1 Accounting principles

Corporate information

DNB Næringskreditt AS is a wholly owned subsidiary of DNB Bank ASA. The ultimate parent of the group is DNB ASA. Both the group's and DNB Næringskreditt AS' registered offices, are in Oslo, Norway. DNB Næringskreditt is the DNB Group's vehicle for the issue of covered bonds based on commercial mortgages.

The annual financial statements for the year ended 31 December 2015 were authorised for issue by the Board of Directors on 17 March 2016.

Basis for preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and endorsed by the European Union (EU).

The financial statements have been prepared on a historical cost basis, except for derivative financial instruments and financial assets and liabilities designated as at fair value through profit or loss, which have all been measured at fair value. The carrying values of liabilities that are hedged items in fair value hedges, and otherwise carried at amortised cost, are adjusted to reflect changes in fair value attributable to the risk that are being hedged.

DNB Næringskreditt AS' functional currency and presentation currency is Norwegian kroner. Unless otherwise specified values are rounded to the nearest NOK thousands.The balance sheet is presented mainly in order of liquidity of the assets and liabilities.

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet only when there is a legally enforceable right to offset the recognised amount and there is an intention to settle on a net basis.

Conversion of transactions in foreign currency

All transactions in foreign currencies are initially recognised in the statement of comprehensive income or the balance sheet at the transaction date and translated into Norwegian kroner at the foreign exchange rate from that date. Subsequently all monetary items nominated in foreign currencies are translated into Norwegian kroner based on the reporting date foreign exchange rate. Movements in the exchange rates between transaction date and reporting date or settlement date, are recognised in the statement of comprehensive income.

Recognition of income and expenses

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Expenses are recognised as they incur, normally when the services are rendered or the goods purchased are delivered.

Interest income and expenses are recognised using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument to the net carrying amount of the financial asset or liability. The calculation of the effective interest includes fees or incremental costs that are directly attributable to the financial instrument.

Interest income and expenses are recognised in the statement of comprehensive income as "Total interest income" and "Total interest expenses" respectively. This applies to interest related to all loans and borrowings, both those carried at amortised cost and those carried at fair value.

Interest on loans that have been written down due to impairment losses, are recognised using the interest rate used to discount the future cash flows for the purpose of measuring the impairment. For fixed rate loans, this will be the originally calculated effective interest rate. For floating rate loans this will be the effective interest rate applied at the time of calculating the impairment loss.

Commissions are recognised in the statement of comprehensive income when earned as income or incurred as expenses. Fees for services are recognised as income as rendered.

Financial instruments

Recognition and derecognition of assets and liabilities:

Assets and liabilities are recognised in the balance sheet on trade date, i.e. the date that the company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the rights to receive cash flows from the asset have expired. Financial liabilities are derecognised when the obligation under the liability is settled or expired.

Initial measurement

The classification of financial instruments at initial recognition depends on the purpose and the management's intentions for which the financial instruments were acquired and their characteristics. All financial instruments are measured initially at their fair value.

Classification and presentation of financial instruments

On initial recognition financial assets and liabilities are classified in one of the following categories:

- Financial derivatives
- Financial derivatives classified as hedging instruments
- Financial assets and financial liabilities designated as at fair value through profit or loss
- Loans and receivables
- Other financial liabilities

Financial derivatives

The company uses derivatives such as interest rate swaps and these derivatives are accounting for as trading instruments. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. Fair value changes from changes in interest rates are recognised in the statement of comprehensive income as "Total interest expenses". Other fair value changes are recognised as "Net gains/(losses) on financial instruments".

Note 1 Accounting principles (continued)

Financial assets and financial liabilities designated as at fair value through profit or loss

Issued bonds with fixed interest rate and nominated in Norwegian kroner, are on initial recognition designated as at fair value through profit or loss (fair value option). The bonds are issued at fixed interest rates, but swapped to floating rates by the use of interest rate swaps. To reduce measurement inconsistency that would have arisen from measuring bonds at amortised cost while the derivatives are measured at fair value, the bonds are designated as at fair value through profit or loss.

The interest income and expenses are calculated and recognised as described under “Recognition of income and expenses” above. The fair value adjustments are presented in the statement of comprehensive income within the line item "Net gains / (losses) on financial instruments.

The loans are presented in the balance sheet as “Loans to customers” and the bonds as “Debt securities issued”.

Loans and receivables

Loans and bonds with floating interest rates are carried at amortised cost. Amortised cost is the present value of contractual cash flows discounted by the effective interest rate. The effective interest rate method is described under “Recognition of income and expenses” above.

At the end of each reporting period, the company considers whether any objective evidence of impairment exists. If an impairment loss is calculated, the book value of the loan is reduced and the impairment amount is recognised in the statement of comprehensive income as “Impairment on loans and commitments”. Impairment of loans is described below.

Loans are presented in the balance sheet within the line item “Loans to customers”.

Other financial liabilities

This category comprises balances due to banks and short term payables. Other financial liabilities are carried at amortised cost and interest is recognised using the effective interest rate method. The effective interest rate method is described under “Recognition of income and expenses” above.

Subsequent measurement of financial instruments measured at fair value

Fair value is the price that would be received by selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date..

With respect to instruments traded in an active market (level 1), quoted prices are used. A market is considered active if it is possible to obtain external, observable prices, exchange rates or interest rates and these prices represent actual and frequent market transactions. DNB Næringskreditt has currently no financial instrument traded in active markets.

Fair values of financial instruments not traded in active markets are determined by using valuation techniques. As far as practicable, the input to the valuations is based on observable market data. The extent of observable market data included in the valuation, places the valuations in the valuation hierarchy either in level 2 or level 3. In all valuations of financial instruments in DNB Næringskreditt, observable market data input are used to some degree. If a valuation includes one or more input parameters that are based on unobservable inputs and these inputs may significantly change the value of the instrument, the valuation is presented in level 3 in the valuation hierarchy. For financial instruments with input significantly based on observable market data (level 2), fair values are mainly determined based on;

- recently observed transactions in the relevant instrument between informed, willing and independent parties;
- quoted prices for instruments traded in an active market which are substantially similar to the instrument that is valued
- other valuation techniques where key parameters are based on observable market data

For financial instruments whose valuations include significant unobservable input (level 3), fair values are determined based on discounted estimated cash flows.

Impairment of loans carried at amortised cost

At the end of each reporting period, the company considers whether any objective evidence of impairment exists. Objective evidences that indicate a loss event include significant financial difficulties of the borrower, breaches of contract such as defaulted payments of interest or principal, renegotiations of terms due to financial difficulties, it is becoming probable that the borrower will enter bankruptcy or financial renegotiations or national or local events that indicate that certain groups of borrowers will enter financial difficulties.

If objective evidence of a loss event exists, the impairment loss is calculated as the difference between the value of the loan recognised in the balance sheet and the present value of estimated future cash flows discounted by the effective interest rate.

The effective interest rate used is the loan’s effective interest rate at the time objective evidence of impairment was identified. The effective interest rate is not adjusted to reflect changes in the credit risk and terms of the loan due to objective indications of impairment being identified.

All individually significant loans are assessed individually for impairment. All other loans, including individually significant loans to which there are not recognised any impairment adjustment, are collectively assessed for impairment. The collective assessment is done for groups of loans with similar characteristics related to sec-tor, risk classification and credit risk. The impairment amount is calculated per group based on estimates of the general economic situation and historical loss experiences for each group.

As for individual impairment calculations, collective impairments are based on discounted future cash flows. The cash flows are discounted on the basis of statistics derived from the individual impairment calculations.

The estimated impairment loss reduces the value of the loans recognised in the balance sheet. The change in impairment for the period is recognised in the statement of comprehensive income within the line item “Impairment on loans and commitments”.

Note 1 Accounting principles (continued)

Income taxes

Taxes for the year comprise payable taxes for the financial year, any payable taxes for previous years and changes in deferred taxes. Deferred taxes are calculated on temporary differences. Temporary differences are differences between the recognised value of an asset or liability and the taxable value of the asset or liability. Deferred taxes are calculated on the basis of tax rates and tax rules that apply on the balance sheet date or are highly likely to be approved and are expected to be applicable when the deferred tax asset is realised or the deferred tax liability settled. The most significant temporary differences refer to financial derivatives and revaluations of certain financial assets and liabilities.

Deferred tax assets are recognised in the balance sheet to the extent that it is probable that future taxable income will be available against which they can be utilized. Deferred taxes and deferred tax assets are recognised net in the company's balance sheet.

Cash flow statements

The cash flows are presented as operating activities, investment activities or funding activities. Cash is defined as cash, deposits with banks and deposits with credit institutions with no agreed period of notice. The cash flow statement has been prepared in accordance with the direct method.

Approved standards and interpretations that have not entered into force

The IASB has published a number of amendments to current regulations which have not entered into force. Below is a description of the amendments which may affect the company's future reporting.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the new standard for financial instruments IFRS 9 Financial Instruments which will replace the current IAS 39. The new standard introduces a business model oriented approach for classification of financial assets, an expected loss model for impairment and a new general hedge accounting model
IASB is still working on a new requirements related to macro hedge accounting. This work has been established as a separate project and is expected to be finalized as a new standard at a later point in time.

IFRS 9 is effective from 1 January 2018 but earlier application is permitted. The standard has not yet been adopted by the EU but it is expected that this will be done during 2016. DNB Næringskreditt AS will not utilise the opportunity for early adoption.

The preliminary expectation is that the implementation of IFRS 9 will result in an increase in impairment losses due to the change from an incurred loss model to an expected loss model. DNB Næringskreditt AS has started working with the implementation process, but it is still too early to give an estimate of the expected impact on DNB Næringskreditt AS's financial statements.

Important accounting estimates, judgments and assumptions

When preparing the consolidated financial statements, management makes estimates, judgment and assumptions that affect the application of the accounting principles and the carrying amount of assets, liabilities, income and expenses. Estimates and assumptions are subject to continual evaluation and are based on historical experience and other factors, including expectations of future events that are believed to be probable on the balance sheet date.

Impairment of loans

Estimates of future cash flows are based on empirical data and management's judgement of future macroeconomic developments and developments in the performance of the actual loans, based on the situation at the balance sheet date. When considering impairment of loans, there will be several elements of uncertainty with respect to the objective identification of impairment, the estimation of amounts and the timing of future cash flows, including the valuation of collateral.

<u>Individual impairment</u>

When estimating impairment on individual loans both the current and the future financial position of the customer is considered. This includes the probability of potential restructuring, refinancing and settlement of the pledged asset. An overall assessment of these factors forms the basis for estimating future cash flows. The discount period is estimated on an individual basis or based on empirical data about the period it normally takes to reach a solution to the problems that caused the objective indication of impairment.

<u>Collective impairment</u>

The expected future cash flow is estimated on the basis of expected losses and the anticipated economic situation for the respective group of loans. Expected losses are based on historical loss experiences for the relevant group. The economic situation is assessed by means of economic indicators for each group based on external information about the markets. Various parameters are used depending on the group in question. Key parameters are house prices and production gaps, which give an indication of capacity utilisation in the economy and housing prices.

Fair value of financial derivatives and bonds

The fair value of financial instruments that are not traded in an active market is determined by using different valuation techniques. The company considers and chooses techniques and assumptions that as far as possible are based on observable market data representing the market conditions on the balance sheet date. When measuring financial instruments for which observable market data are not available, the company makes assumptions regarding what market participants would use as the basis for valuing similar financial instruments. The valuations require application of significant judgment when calculating liquidity risk, credit risk and volatility among others. Changes in these factors would affect the estimated fair value of the company's financial instruments. For more information see note 14 Financial instruments at fair value.

Note 2 Capitalisation policy and capital adequacy

DNB Næringskreditt is the DNB Group's vehicle for the issue of covered bonds based on commercial mortgages. The primary objectives of the company's capital management policy are to ensure that the company complies with externally imposed capital ratios and that the company maintains strong credit ratings and healthy capital ratios in order to support its business. The new EU capital requirements regulations, called the CRR/CRD IV regulations, entered into force on 1 January 2014. The CRR/CRD IV regulations entail significantly higher own funds requirements and new requirements for long-term funding and liquidity reserves. The regulations are intended to apply to all banks and investment firms within the EEA and will be implemented gradually up to 2019.

From 9 October 2012, the company has been granted permission to use the Internal Ratings Based ("IRB") approach for credit risk to calculate the total risk-weighted assets. However, as long as Norwegian transitional rules relating to full implementation of the IRB approach remain in force, the total risk-weighted assets cannot be reduced below 80 per cent of the Basel I requirements.

The new legislation requires a common equity Tier 1 capital ratio of 13.5 per cent and a capital adequacy ratio of 15.5 per cent from 1 July 2015. From 1 July 2016 the requirement will be further increased to 16.5 per cent Tier 1 capital ratio and 18.5 per cent capital adequacy. On 3 February 2016, the Board of Directors approved a new capitalisation policy. The policy sets forth that the common Tier 1 capital ratio shall be 19.0 per cent, calculated as the regulatory requirement (as of 1 July 2016 18.5 per cent, including 1.5 per cent of hybrid capital) plus a management buffer of 0.5 per cent.

DNB Næringskreditt, based on its current capital structure, is expected to be well prepared to meet the new capital ratio requirements. The Board of Directors will, on an ongoing basis, evaluate the company's capitalisation needs in light of the international development.

The company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. The main sources of capital are the overdraft facility with DNB Bank and the issuing of covered bonds. In order to maintain or adjust the capital structure within DNB Næringskreditt in the short run, the company may adjust group contributions and dividends paid to the DNB Group and issue new shares to the parent.

Capital adequacy

Capital adequacy is reported in accordance with the EU's new capital adequacy regulations for banks and investment firms (CRD IV/CRR) under the Basel III framework.

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. Due to transitional rules, the minimum capital adequacy requirements cannot be reduced below 80 per cent of the corresponding figure calculated according to the Basel I regulations..

Primary capital	**DNB Næringskreditt AS**	
Amounts in NOK million	31 Dec. 2015	31 Dec. 2014
Share capital	550	550
Other equity	5 012	4 991
Total equity	5 562	5 541
Deductions		
Expected losses exceeding actual losses, IRB portfolios	(20)	(7)
Value adjustments due to the requirements for prudent valuation	(0)	(0)
Adjustments for deferred tax assets		(5)
Adjustment for unrealised losses/(gains) on debt recorded at fair value	(16)	
Allocated group contributions for payment	(162)	(175)
Common Equity Tier 1 capital	5 364	5 354
Total eligible primary capital	5 364	5 354
Risk-weighted volume, transitional rules	21 157	20 710
Minimum capital requirement, transitional rules	1 693	1 657
Common Equity Tier 1 capital ratio, transitional rules (%)	25.4	25.9
Capital ratio, transitional rules (%)	25.4	25.9

Note 2 Capitalisation policy and capital adequacy (continued)

Specification of risk-weighted volume and capital requirements **DNB Næringskreditt AS**

Amounts in NOK million	Nominal exposure 31 Dec. 2015	EAD [1] 31 Dec. 2015	Risk-weighted volume 31 Dec. 2015	Capital requirements 31 Dec. 2015	Capital requirements 31 Dec. 2014
IRB approach					
Corporate	23 408	23 408	6 715	537	325
Total credit risk, IRB approach	23 408	23 408	6 715	537	325
Standardised approach					
Institutions	164	164	33	3	8
Corporate	3 258	3 258	3 258	261	1 036
Other assets	1	1	1	0	0
Total credit risk, standardised approach	3 423	3 423	3 292	263	1 044
Total credit risk	26 830	26 830	10 007	801	1 369
Credit value adjustment risk (CVA)			209	17	19
Operational risk			646	52	50
Total risk-weighted volume and capital requirements before transitional rules			10 862	869	1 437
Additional capital requirements according to transitional rules			10 295	824	219
Total risk-weighted volume and capital requirements			21 157	1 693	1 657

1) EAD, exposure at default

Note 3 Risk management

Risk management in DNB Næringskreditt AS

The Board of Directors of DNB ASA has a clearly stated goal to maintain a low risk profile. DNB Næringskreditt AS is part of the DNB Group and a wholly owned subsidiary of DNB Bank ASA. The profitability of DNB will depend on the Group's ability to identify, manage and accurately price risk arising in connection with financial services.

Organisation and authorisation structure

- *Board of Directors.* The Board of Directors of DNB Næringskreditt sets long-term targets for the company's risk profile which are harmonised with the Group's risk targets. The risk profile is operationalised through the risk management framework, including the establishment of authorisations.
- *Authorisations.* Authorisations must be in place for the extension of credit and for position and trading limits in all critical financial areas. All authorisations are personal. Authorisations and company limits are determined by the Board of Directors and can be delegated in the organisation. According to the management agreement dated 18 December 2015, credit authorisations have been granted to DNB Bank.
- *Annual review of limits.* Risk limits are reviewed at least annually in connection with budget and planning processes.
- *Independent risk management functions.* Risk management functions and the development of risk management tools are undertaken by units that are independent of operations in the individual business areas in DNB Bank.

Monitoring and use

- *Accountability.* All executives are responsible for risk within their own area of responsibility and must consequently be fully updated on the risk situation at all times.
- *Risk reporting.* Risk reporting in the DNB Group ensures that all executives have the necessary information about current risk levels and future developments. To ensure high-quality, independent risk reports, responsibility for reporting is assigned to units that are independent of the operational units.
- *Capital assessment.* A summary and analysis of the company's capital and risk situation is presented in a special risk report to the Board of Directors of DNB Næringskreditt.
- *Use of risk information.* Risk is an integral part of the management and monitoring of business operations.

Risk categories in DNB Næringskreditt AS

For risk management purposes, DNB Næringskreditt distinguishes between the following risk categories:

- *Credit risk* is the risk of losses due to failure on the part of the company's counterparties/customers to meet their payment obligations. Credit risk refers to all claims against counterparties/customers, mainly loans. The company's credit risk is considered to be low as all loans in the cover pool, cf. requirements in the Financial Institutions Act, are commercial mortgages secured within 60 per cent of appraised value. Note 4 contains an assessment of the company's credit risk at year-end 2014 and 2015.
- *Market risk* arises as a consequence of open positions in interest rate. Note 6 contains an assessment of the company's market risk at year-end 2014 and 2015.
- *Liquidity risk* is the risk that the company will be unable to meet its payment obligations. The company's liquidity risk is considered to be insignificant and well within legal requirements and requirements set by the rating agencies. Note 8 contains an assessment of the company's liquidity risk at year-end 2014 and 2015.
- *Operational risk* is the risk of losses due to deficiencies or errors in processes and systems, errors made by employees or external events.
- *Business risk* is the risk of losses due to external factors such as the market situation or government regulations. This risk category also includes reputational risk. Decline in the prices of commercial properties is a business risk related to the commercial mortgage portfolio, as well as stricter rules from the Financial Supervisory Authority for loan-to-value ratios.

The DNB Group uses a total risk model to quantify risk and calculates risk-adjusted capital requirements for individual risk categories and for the Group's overall risk in the business areas, including the individual group subsidiaries. Risk-adjusted capital requirements should cover unexpected losses which may occur in operations in exceptional circumstances. Quantifications are based on statistical probability calculations for the various risk categories, using historical data.

DNB Næringskreditt uses financial derivatives as part of risk management to handle interest rate risk. The company uses interest rate swaps as hedging instruments. Interest rate flows relating to both borrowings and loans are swapped to short-term fixed interest. The total interest rate risk is insignificant.

Note 4 Credit risk

Credit risk is the risk that the company will incur a loss because its customers or counterparties fail to meet their contractual obligations. Credit risk arises from loans and loan commitments as well as from derivatives. The maximum exposure to credit risk, according to IFRS, is the gross carrying amount of the assets, net of any amounts offset in accordance with the standards and net of any recognised impairment losses. In addition, certain off-balance sheet items such as loan commitments represent credit risk. The maximum exposure of loan commitments is the irrevocable amount that may be drawn upon in the future.

DNB Næringskreditt has adopted the credit risk policies of the DNB Group. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, and by monitoring exposures in relation to such limits. Collateral are taken to manage credit risk in the loan portfolios. According to the “Agreement relating to transfer of loan portfolio between DNB Bank ASA and DNB Næringskreditt AS”, the day-to-day monitoring of the loans is managed by DNB Bank on behalf of DNB Næringskreditt.

Note 4 Credit risk (continued)

Credit risk exposure and classification

DNB’s risk classification system is divided into ten risk classes where 1 represents the lowest and 10 the highest risk. The classification system is based on the probability of default (PD), which is an estimate of the likelihood of a counterparty defaulting on its contractual obligations.

DNB's risk classification [1)]

	Probability of default (per cent)		External rating	
Risk class	As from	Up to	Moody's	Standard & Poor's
1	0.01	0.10	Aaa - A3	AAA - A-
2	0.10	0.25	Baa1 - Baa2	BBB+ - BBB
3	0.25	0.50	Baa3	BBB-
4	0.50	0.75	Ba1	BB+
5	0.75	1.25	Ba2	BB
6	1.25	2.00		
7	2.00	3.00	Ba3	BB-
8	3.00	5.00	B1	B+
9	5.00	8.00	B2	B
10	8.00	impaired	B3, Caa/C	B-, CCC/C

1) DNB's risk classification system, where 1 represents the lowest risk and 10 the highest risk.

Collateral and other risk-mitigating measures

DNB Næringskreditt uses commercial property as collateral to reduce the risk related to customers' willingness and capacity to service their debt. As a rule, the physical objects used as collateral must be insured. When approving loans, an objective appraisal of the commercial property must be available. In addition, aspects which may influence collateral value must be taken into account, for example concession terms or encumbrances. Only loans that qualify as collateral for the issue of covered bonds according to the Financial Institutions Act are accepted by the company. For all these loans, a mortgage over the property is taken and the value of the total loan balance per property should not exceed 60 per cent of the property’s appraised value. The collateral value is monitored on an ongoing basis.

As a result, the collateral value per 31 December 2015 exceeds the total loan balance per property with a margin. Total loan balance by year-end 2015 was NOK 26 659 million.

Loans and commitments according to risk classification

In the table below, all loans to customers and undrawn commitments are presented per risk class. The amounts are based on the nominal amounts before adjustments for impairments, accrued interest and fair value changes.

Loans for which payments are overdue with more than 90 days are considered non-performing and transferred to “Non-performing loans”. Loans that are overdue less than 90 days are not considered non-performing, but are subject to monitoring. See table and further description of “Past due loans not subject to impairment”, below.

Loans and commitments according to risk classification — **DNB Næringskreditt AS**

Amounts in NOK million	Gross loans	Undrawn limits (committed)	Total loans and commitments
Risk category based on probability of default			
1 - 4	21 288		21 288
5 - 6	3 894		3 894
7 - 10	606		606
Non-performing and impaired loans and commitments			
Total loans and commitments as at 31 December 2014	25 788		25 788
Risk category based on probability of default			
1 - 4	22 228		22 228
5 - 6	3 373		3 373
7 - 10	966		966
Non-performing and impaired loans and commitments			
Total loans and commitments as at 31 December 2015	26 566		26 566

Loan-loss level [1)]

	2015	2014
Normalised losses including loss of interest income in per cent of net loans	0.08	0.09

1) The calculation of the loan-loss level is based on an evaluation of the probability of future losses (default frequency), exposure at default and the size of the estimated loss (loss ratio). Calculations are based on a certain level of discretion and estimation.

Note 5 Loans to customers

Loans to customers, including accrued interest, totalled NOK 26.7 billion at end-December 2015 (NOK 25.9 billion as at 31 December 2014). There was no objective evidence of a decrease in value requiring individual impairment of the loans. Nor were any allocations made for individual impairment.

The loans have been reviewed for collective impairment. During 2015, collective impairments decreased by NOK 0.9 million. Customer loans are backed by collateral in the form of commercial property within 60 per cent of market value.

	DNB Næringskreditt AS	
Amounts in NOK million	31 Dec. 2015	31 Dec. 2014
Loans to customers at amortised cost, nominal amount	26 566	25 788
+ Accrued interest and amortisation	99	125
– Collective impairments	(6)	(7)
Total loans to customers	**26 659**	**25 905**

	DNB Næringskreditt AS	
Amounts in NOK million	31 Dec. 2015	31 Dec. 2014
Impairment as per 1 January	(7)	(7)
Changes in collective impairments	1	0
Impairment at end of period	**(6)**	**(7)**

Expected losses, including losses related to interest payments, calculated as a percentage of net loans to customers, was 0.08 per cent for 2015 (0.09 per cent for 2014). Expected losses are calculated based on the probability of future losses, estimated net exposure at the time of default and expected losses at time of default (loss ratio).

In the table below loans to customers, at nominal value, are listed based on customer address.

	DNB Næringskreditt AS	
Amounts in NOK million	31 Dec. 2015	31 Dec. 2014
Loans according to geographical location [1)]		
Østfold	315	96
Akershus	3 000	3 795
Oslo	12 808	13 430
Hedmark	171	171
Oppland	158	122
Buskerud	826	257
Vestfold	720	714
Telemark	240	
Aust-Agder	27	180
Vest-Agder	229	181
Rogaland	478	639
Hordaland	3 879	2 995
Møre og Romsdal	1 500	1 110
Sør-Trøndelag	520	514
Nord-Trøndelag	34	
Troms	1 513	1 494
Finnmark	58	
Abroad	90	90
Total	**26 566**	**25 788**

1) *The allocation is based on definitions given by Norges Bank and Finanstilsynet (The Financial Supervisory Authority of Norway).*

Note 6 Market risk

Conditions for calculating market risk

Market risk is the risk of losses or reduced future income due to fluctuations in market prices or exchange rates. The risk arises as a consequence of open positions in foreign exchange and interest rate markets.

DNB Næringskreditt is exposed to interest rate risk through its ordinary operations. The company's strategy is to swap all interest rate risk exposure to short-term interest. The Board of Directors sets interest rate risk limits for various fixed-rate periods. The positions are monitored on a daily basis, and monthly exposure reports are prepared for the company's management and Board of Directors.

The table below shows net changes in market value (reflected in the statement of comprehensive income) in Norwegian kroner for each 1 percentage point (100 basis points) interest rate adjustment in the company's portfolios of loans, derivatives, bonds and other funding. The sensitivity analysis shows expected effects in the income statement in connection with a 1 percentage point parallel change in interest rates on the entire interest curve.

Interest rate risk	**DNB Næringskreditt AS**	
	Change in interest rate levels in basis points	Effect on pre-tax profits (NOK 1 million)
2015	+ 100	(9)
	- 100	9
2014	+ 100	(1)
	- 100	1

Relative to the company's primary capital of NOK 5.4 billion, the company's interest rate risk is considered to be insignificant. In the opinion of the company's management, the company does not assume greater interest rate risk than what is considered prudent; cf. the requirements in Section 5 in the regulations on mortgage institutions issuing covered bonds of 25 May 2007.

Note 7 Financial derivatives

Financial derivatives are contracts stipulating financial values in the form of interest rate terms, exchange rates and the value of equity instruments for specific periods of time or at specific dates. DNB Næringskreditt uses derivatives to manage liquidity and market risk arising from the company's ordinary operations, hereunder to achieve desired interest rates according to the risk management strategy.

DNB Næringskreditt uses interest rate swaps to hedge risk associated with fixed interest rate funding. Swaps are contracts in which the parties exchange cash flows for a fixed amount over the contractual period. The swaps used by DNB Næringskreditt are tailor-made to hedge the company's risk. DNB Bank acts as counterparty for all swap contracts. The total interest rate risk is insignificant.

The table below show nominal values on financial derivatives according to type of derivative as well as positive and negative market values. Positive market values are recognised as assets in the balance sheet, whereas negative market values are recognised as liabilities. See note 1 Accounting principles for a more detailed description of measurement of financial derivatives.

	DNB Næringskreditt AS					
	31 December 2015			31 December 2014		
Amounts in NOK million	Total nominal values	Positive market value	Negative market value	Total nominal values	Positive market value	Negative market value
Interest rate contracts						
Swaps	1 000	120		1 000	120	
Total interest rate contracts	1 000	120		1 000	120	

Note 8 Liquidity risk

Liquidity risk is defined as the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by cash or other financial assets. Liquidity risk is the risk that the company might be unable to meet its payment obligations when they fall due.

The Board of Directors sets annual limits for the company's liquidity risk, which means preparing liquidity risk limits, contingency plans, organisational aspects and responsibilities, forecasts, stress tests, routines for monitoring limit utilisation and compliance with guidelines, management reporting and independent monitoring of management and control systems.

According to Section 11-12 of the Financial Institutions Act: "*the mortgage institution shall ensure that payment flows from the cover assets at all times enable the mortgage institution to meet its payment obligations to the owners of bonds with preferential rights and counterparties in derivative agreements*". The company's Board of Directors has decided that the company shall, at all times, have positive cash flows over the next 12 months. In a situation where the net cash flow from the lending and funding activities is negative, the company has a long-term overdraft facility in DNB Bank ASA with a limit of NOK 25 billion by end December 2015.

According to Section 6 in the regulations on sound liquidity management, "*the institution shall analyze the liquidity situation by means of stress tests, which must be adapted to the scope, complexity and risk of operations. Experience from the stress tests shall be used when the Board of Directors considers the liquidity strategy and approves liquidity risk limits*".

As part of its liquidity risk management, the company prepares liquidity stress tests with quarterly reporting to the Board of Directors.

DNB Næringskreditt's liquidity situation at year-end 2015 can be characterised as sound.

Residual maturity as at 31 December 2015 — **DNB Næringskreditt AS**

Amounts in NOK million	Up to 1 month	From 1 month to 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	No fixed maturity	Total
Assets							
Loans to and deposits with credit institutions	28						28
Loans to customers	1 173	225	703	13 192	11 373	(6)	26 660
Other assets	1						1
Total	1 202	225	703	13 192	11 373	(6)	26 689
Liabilities							
Due to credit institutions	19 068						19 068
Debt securities issued 1)	7			1 000	1 000		2 007
Other liabilities	15		60				75
Total	19 090		60	1 000	1 000		21 150
Financial derivatives							
Financial derivatives, gross settlement							
Incoming cashflows							
Outgoing cashflows							
Financial derivatives, net settlement		(5)	25	80	60		160
Total financial derivatives		(5)	25	80	60		160

Residual maturity as at 31 December 2014 — **DNB Næringskreditt AS**

Amounts in NOK million	Up to 1 month	From 1 month to 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	No fixed maturity	Total
Assets							
Loans to and deposits with credit institutions	56						
Loans to customers	396	84	1 865	11 619	11 949	(7)	25 906
Other assets		1					1
Total	452	85	1 865	11 619	11 949	(7)	25 907
Liabilities							
Due to credit institutions	15 908						15 908
Debt securities issued 1)		21	2 400	1 000	1 000		4 421
Other liabilities		11					11
Total	15 908	32	2 400	1 000	1 000		20 340
Financial derivatives							
Financial derivatives, gross settlement							
Incoming cashflows							
Outgoing cashflows							
Financial derivatives, net settlement		(6)	20	57	57		129
Total financial derivatives		(6)	20	57	57		129

1) Nominal future interest payments in excess of accrued interest are not included on the balance sheet date.

Note 9 Net interest income

	DNB Næringskreditt AS					
	2015			2014		
Amounts in NOK million	Recorded at fair value	Recorded at amortised cost	Total	Recorded at fair value	Recorded at amortised cost	Total
Interest on amounts due from credit institutions		3	3		7	7
Interest on loans to customers		725	725		856	856
Other interest income		0	0		0	0
Total interest income		**727**	**727**		**863**	**863**
Interest on amounts due to credit institutions		(305)	(305)		(384)	(384)
Interest on debt securities issued	(39)	(55)	(93)	(39)	(77)	(115)
Total interest expenses	**(39)**	**(360)**	**(398)**	**(39)**	**(460)**	**(499)**
Net interest income	**(39)**	**368**	**329**	**(39)**	**403**	**364**

Note 10 Net gains on financial instruments at fair value

	DNB Næringskreditt AS	
Amounts in NOK million	2015	2014
Net gains on financial derivatives, trading 1)	(2)	136
Net gains on financial liabilities, designated as at fair value 2)	45	(144)
Net gains (losses) on financial instruments at fair value	**44**	**(8)**

1) *DNB Næringskreditt AS enters into swaps to manage interest-rate risk for the fixed-rate bonds issued in Norwegian kroner. Such derivatives are recorded at fair value.*

2) *DNB Næringskreditt's fixed-rate bonds, issued in Norwegian kroner, are carried at fair value. The floating-rate bonds are carried at amortised cost. The market value of the fixed-rate bonds, carried at fair value, is impacted by the interest rate, including own credit risk premium. Reduced interest rates, including own credit risk premium, will increase the fair value of already issued Norwegian kroner liabilities. However, new funding issued at lower credit risk premiums will over time lead to decreased interest expenses. The fair value adjustments of the company's Norwegian kroner debt are reversed over the loans' remaining term to maturity.*

Note 11 Taxes

Tax expense on pre-tax operating profit

	DNB Næringskreditt AS	
Amounts in NOK million	2015	2014
Current taxes	(60)	(67)
Changes in deferred taxes	(11)	2
Tax expense	(71)	(65)

Reconciliation of tax expense against nominal tax rate

Amounts in NOK million	2015	2014
Pre-tax operating profit	266	240
Estimated tax expense at nominal tax rate 27 per cent	(72)	(65)
Tax effect of other tax-exempt income and non-deductible expenses		0
Tax effect of changed tax rate for deferred taxes recognised in the balance sheet	0	
Tax expense	(71)	(65)
Effective tax rate	27%	27%

Deferred tax assets/(deferred taxes)

25 per cent (27 per cent in 2014) deferred tax calculation on all temporary differences (Norway)

Amounts in NOK million	2015	2014
The year's changes in deferred tax assets/(deferred taxes)		
Deferred tax assets/(deferred taxes) as at 1 January	5	3
Changes recorded against profits	(11)	2
Deferred tax assets/(deferred taxes) as at 31 December	(6)	5

Deferred tax assets and deferred taxes in the balance sheet relates to the following temporary differences

Amounts in NOK million	31 Dec. 2015	31 Dec. 2014
Deferred tax assets		
Debt securities issued	24	38
Financial derivatives	(30)	(33)
Net other tax-deductable temporary differences	0	0
Total deferred tax assets	**(6)**	**5**

Deferred taxes in the income statement relate to the following temporary differences

Amounts in NOK million	2015	2014
Debt securities issued [1)]	(14)	39
Financial derivatives [1)]	3	(36)
Other temporary differences	(0)	0
Deferred tax expense	**(11)**	**2**

1) *A significant share of the financial instruments are carried at fair value in the accounts, while for tax purposes, the same instruments are recorded on an accrual basis in accordance with the realisation principle. This gives rise to large differences between net results stated in the accounts and profits computed for tax purposes for the individual accounting years, especially in years with significant fluctuations in interest rate levels and exchange rates. These differences are offset in the longer term.*

A Group contributions, with effect on payable taxes, is paid in both 2014 and 2015. Allocated pre-tax group contributions for 2015 is NOK 222 million (NOK 239 million in 2014). The effect of group contributions on payable taxes is NOK 60 million in 2015 (NOK 65 million in 2014).

Note 12 Classification of financial instruments

As at 31 December 2015 **DNB Næringskreditt AS**

Amounts in NOK million	Financial instruments at fair value through profit and loss: Trading	Financial instruments at fair value through profit and loss: Designated as at fair value	Financial derivatives designated as hedging instruments	Financial instruments carried at amortised cost [1]	Total
Due from credit institutions				28	28
Loans to customers				26 659	26 659
Financial derivatives	120				120
Other assets				1	1
Total financial assets	120			26 687	26 807
Due to credit institutions				19 068	19 068
Financial derivatives	(0)				(0)
Debt securities issued		1 100		1 002	2 102
Other liabilities				9	9
Total financial liabilities [2]	(0)	1 100		20 079	21 179

1) Debt securities issued which are subject to hedge accounting are classified as liabilities carried at amortised cost.
2) Contractual obligations of financial liabilities designated as at fair value totalled NOK 1 005 million.

As at 31 December 2014 **DNB Næringskreditt AS**

Amounts in NOK million	Financial instruments at fair value through profit and loss: Trading	Financial instruments at fair value through profit and loss: Designated as at fair value	Financial derivatives designated as hedging instruments	Financial instruments carried at amortised cost [1]	Total
Due from credit institutions				56	56
Loans to customers				25 905	25 905
Financial derivatives	120				120
Other assets				1	1
Total financial assets	120			25 962	26 082
Due to credit institutions				15 908	15 908
Financial derivatives					
Debt securities issued		1 145		3 416	4 561
Other liabilities				10	10
Total financial liabilities [2]		1 145		19 334	20 479

1) Debt securities issued which are subject to hedge accounting are classified as liabilities carried at amortised cost.
2) Contractual obligations of financial liabilities designated as at fair value totalled NOK 1 005 million.

Note 13 Fair value of financial instruments at amortised cost

	DNB Næringskreditt AS			
	31 December 2015		31 December 2014	
Amounts in NOK million	Carrying amount	Fair value	Carrying amount	Fair value
Due from credit institutions	28	28	56	56
Loans to customers	26 659	26 659	25 905	25 905
Total financial assets	26 686	26 686	25 962	25 962
Due to credit institutions	19 068	19 068	15 908	15 908
Debt securities issued	1 002	999	3 416	3 427
Total financial liabilities	20 070	20 067	19 324	19 335

	DNB Næringskreditt AS				
Amounts in NOK million	Valuation based on quoted prices in an active market Level 1	Valuation based on observable market data Level 2	Valuation based on inputs other than observable market data Level 3	Accrued interest	Total
Assets as at 31 December 2015					
Due from credit institutions		28			28
Loans to customers			26 574	85	26 659
Liabilities as at 31 December 2015					
Due to credit institutions		19 032		36	19 068
Debt securities issued		996		2	999

Financial instruments at amortised cost

Most assets and liabilities in the DNB Næringskreditt's balance sheet are carried at amortised cost.

Amortised cost is the historical cost of the asset or liability at initial recognition, adjusted for repayments of principal, amortisations based on the effective interest rate method and impairments. The value is not based on current market conditions, but rather accounted for based on the originally agreed terms, so in general there will be a difference between the amortised cost value and market value.

The difference is mainly related to changes in interest rates and credit risk. Fair value includes both positive and negative value changes in interest- and credit risk while amortised cost is not adjusted for positive value changes and only to some extent adjusted for negative value changes through impairment.

The table shows estimated fair values of items carried at amortised cost. Values are measured based on the valuation methods described in note 14 Financial instruments at fair value. Based on these valuation techniques, the balance sheet items due from credit institutions, loans to credit institutions and debt securities issued are measured based on level 2 techniques, while loans to customers are based on level 3 techniques.

Due from credit institutions and loans to customers

For floating rate loans to customers, the interest rates and margins are changed when the market rates change. The customers have to be notified of all changes in advance of the changes being put into effect, so there is a short period of time where the terms of the loans diverge from market rates. However this delay in timing is considered to have an immaterial effect to the total value of the loans hence the carrying value of these loans are considered to be a relevant measure for fair value.

Due to credit institutions and debt securities issued

Debt securities issued with a floating interest rate are carried at amortised cost. If measured at fair value, a positive or negative effect of changes in credit risk would have been recorded. Loans due to credit institutions are mainly at floating interest rates and carried at amortised cost, which is considered not to diverge significantly from fair value.

Note 14 Financial instruments at fair value

DNB Næringskreditt AS

Amounts in NOK million	Valuation based on quoted prices in an active market Level 1	Valuation based on observable market data Level 2	Valuation based on inputs other than observable market data Level 3	Accrued interest 1)	Total
Assets as at 31 December 2015					
Financial derivatives		120			120
Liabilities as at 31 December 2015					
Debt securities issued		1 095		5	1 100
Assets as at 31 December 2014					
Financial derivatives		120			120
Liabilities as at 31 December 2014					
Debt securities issued		1 140		5	1 145

1) *For financial derivatives accrued interest is included in the level 2 amounts.*

The levels
The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1
Valuation based on quoted, unadjusted prices in active markets for identical assets and liabilities. DNB Næringskreditt has no financial instruments in this category.

Level 2
Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.

Valuation of interest rate swaps is based on level 2 techniques. The valuation is based on swap curves that are based on observable market prices. Credit risk is considered to have an insignificant effect on the fair value.

Debt securities issued in Norwegian kroner and at a fixed interest rate, are also measured at fair value based on level 2 techniques. The valuation of the bonds is primarily based on observable market data in the form of interest rate curves and credit margins.

Level 3
Techniques for which inputs that have a significant effect on the recorded fair value are not based on observable market data. DNB Næringskreditt has no financial instrument in this category.

Note 15 Debt securities issued

Changes in debt securities issued

DNB Næringskreditt AS

Amounts in NOK million	Balance sheet 31 Dec. 2015	Issued 2015	Matured/ redeemed 2015	Exchange rate movements 2015	Other adjustments 2015	Balance sheet 31 Dec. 2014
Bond debt, nominal amount	2 000		(2 400)			4 400
Adjustments	102				(59)	161
Total debt securities issued	2 102		(2 400)		(59)	4 561

Private placements

DNB Næringskreditt AS

Amounts in NOK million ISIN Code	Currency	Nominal value	Interest	Issued	Maturity	31 Dec. 2015	31 Dec. 2014
NO 0010543192	NOK		Floating	2009	2015		2 400
NO 0010694425	NOK		Floating	2013	2018	1 000	1 000
NO 0010694474	NOK		Fixed	2013	2023	1 095	1 140
Accrued interest						7	21
Total debt securities issued						2 102	4 561

Cover pool

DNB Næringskreditt AS

Amounts in NOK million	31 Dec. 2015	31 Dec. 2014
Pool of eligible loans	24 855	20 950
Market value of eligible derivatives	120	121
Total collateralised assets	24 975	21 071
Debt securities issued, carrying value	2 102	4 543
Less valuation changes attributable to changes in credit risk on debt carried at fair value	22	(17)
Debt securities issued, valued according to regulation [1)]	2 124	4 526
Collateralisation (per cent)	1 176	466

1) The debt securities issued are bonds with preferred rights in the appurtenant cover pool. The composition and calculation of values in the cover pool are defined in Sections 11-8 and 11-11 of the new Financial Institutions Act with appurtenant regulations.

Note 16 Remunerations

								DNB Næringskreditt AS
Amounts in NOK 1000	Fixed annual salary as at 31 Dec. 2015	Remunera-tion earned in 2015	Paid salaries in 2015	Bonus earned in 2015	Benefits in kind and other benefits in 2015	Total remunera-tion earned in 2015	Loans as at 31 Dec. 2015	Accrued pension expenses [1]
The Board of Directors								
Bjørn Erik Næss [2]	3 795		3 956	1 642	208	5 806	376	4 927
Eva-Lill Strandskogen	1 203		1 236	164	151	1 551	6 489	249
Reidar Bolme	1 069		3 417	22	152	3 592		155
Elisabeth Ege		177				177	1 231	
Jørn E. Pedersen		177			971	1 148	14	
Øyvind Birkeland, CEO (to 1 March 2015) [3]			810		932	1 742	2 991	149
Per Sagbakken, CEO (from 1 March 2015)	1 800		1 836	191	170	2 197	2 583	389
Supervisory Board	9 404	84	10 377	3 953	774	15 188	18 936	1 911

1) *Accrued pension expenses include pension rights earned during the year (service cost). The calculation of pension entitlements is based on the same economic and actuarial assumptions as those used in note 25 Pensions in the annual report 2015 for the DNB Group.*
2) *Bonus earned in 2015 amounts to NOK 1.6 million and will be paid in 2016.*
3) *Benefits in kind and other benefits include pension payments.*

DNB Næringskreditt has no employees and purchases administrative services from DNB Boligkreditt. All remunerations and loans in the table are related to employment in other entities within the DNB Group.

Remunerations to the Supervisory Board members, and members of the Board of Directors that are not employed in the DNB Group, are charged to the account of the company proportionate to the time spent in DNB Boligkreditt and DNB Næringskreditt.

DNB Næringskreditt paid no remunerations to the Control Committee in 2015. See annual reports for 2015 for the DNB Bank Group and the DNB Group for information about remunerations etc. to the Control Committee in 2015.

DNB Næringskreditt has no contractual obligations to give the chief executive officer, members of the board or others special compensation in case of changes in conditions of employment. Nor has the company contractual obligations to offer bonuses, profit sharing arrangements or options benefiting the chief executive officer, the Board of Directors or others. For 2015, all of the Group's employees will receive a bonus of NOK 22 000. The bonus will be paid in 2016.

Remuneration to the statutory auditor		**DNB Næringskreditt AS**
Amounts in NOK 1000, excluding VAT	2015	2014
Statutory audit	(329)	(323)
Other certification services [1]	(102)	(93)
Total remuneration to the statutory auditor	(431)	(416)

1) *Of this, the remuneration to the independent investigator, pursuant to Section 11-14 of the Financial Institutions Act, represents NOK 102 000 in 2015.*

Note 17 Information on related parties

DNB Næringskreditt AS is a subsidiary within the DNB Group. During the year many transactions, mostly related to the ordinary course of business, take place between DNB Næringskreditt and other group entities. All transactions are at market terms.

Transactions with related parties	**DNB Næringskreditt AS**	
Amounts in NOK million	2015	2014
Assets		
Loans to and deposits with credit institutions	28	56
Financial derivatives	120	120
Liabilities		
Loans due to credit institutions	19 068	15 908
Securities issued	488	2 983
Other liabilities	8	14
Income and expenses		
Net interest expenses	(219)	(390)
Net gains on financial instruments at fair value	(2)	136
Net fee expenses	(102)	(115)

Major transactions with related parties

DNB Bank ASA

DNB Bank ASA (the bank) is the parent of DNB Næringskreditt. As part of ordinary business transactions, a large number of banking transactions are entered into between DNB Næringskreditt and the bank. The transactions are regulated in the ”Agreement relating to transfer of loan portfolio between DNB Bank ASA and DNB Næringskreditt AS” (the transfer agreement) and the ”Contract concerning purchase of management services” (the management agreement).

The transfer agreement regulates the transfer of loan portfolios qualifying as collateral for the issue of covered bonds. During 2015, portfolios of NOK 7.0 billion (NOK 6.5 billion in 2014) were transferred from the bank to DNB Næringskreditt. All transactions are carried out at market terms.

Pursuant to the management agreement, DNB Næringskreditt purchases services from the bank, including administration, bank production, distribution, customer contact, IT operations, financial and liquidity management. DNB Næringskreditt pays a management fee for these services based on the lending volume under management and the achieved lending spreads. The management fee is recognised as “other expenses” in the statement of comprehensive income and amounted to NOK 92.7 million in 2015 (NOK 107.3 million in 2014).

In the balance sheet ”Loans to and deposits with credit institutions” and “Due to credit institutions”, are solely outstandings with DNB Bank. All derivative contracts are with DNB Bank as counterparty. At end-December, the bank had invested NOK 0.5 billion in covered bonds issued by DNB Næringskreditt.

DNB Boligkreditt AS

DNB Næringskreditt has no employees and purchases administrative services from DNB Boligkreditt. On an annual basis, DNB Næringskreditt hires staff representing 2 full-time equivalents. The management fee amounted to NOK 3.1 million in 2015 (NOK 4.5 million in 2014). DNB Boligkreditt is a wholly-owned subsidiary of DNB Bank.

Group contributions

DNB Næringskreditt proposes to provide group contribution of NOK 161.9 million (pre-tax NOK 221.8 million) to DNB Bank ASA. Group contribution will be recognized in DNB Næringskreditt’s financial statements in 2016 and is not included in the company’s balance sheet at 31 December 2015.

Statement

Pursuant to Section 5-5 of the Securities Trading Act

We hereby confirm that the annual accounts for the company for 2015 to the best of our knowledge have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the company taken as a whole.

The directors' report gives a true and fair oview of the development and performance of the business and the company, as well as a description of the principal risks and uncertainties facing the company.

Oslo, 17 March 2016
The Board of Directors of DNB Næringskreditt AS

Bjørn Erik Næss (chairman)	Jørn E. Pedersen	Eva-Lill Strandskogen
		Per Sagbakken (chief executive officer)

Building a better working world

Statsautoriserte revisorer
Ernst & Young AS

Dronning Eufemias gate 6, NO-0191 Oslo
Oslo Atrium, P.O.Box 20, NO-0051 Oslo

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00
Fax: +47 24 00 24 01
www.ey.no
Medlemmer av Den norske revisorforening

To the Annual Shareholders' Meeting of
DNB Næringskreditt AS

AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements of DNB Næringskreditt AS, which comprise the balance sheet at 31 December 2015, the statements of comprehensive income, cash flows and changes in equity for the year then ended, a summary of significant accounting policies and other explanatory information.

The Board of Directors' and Chief Executive Officer's responsibility for the financial statements

The Board of Directors and Chief Executive Officer are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards as adopted by the EU, and for such internal control as the Board of Directors and Chief Executive Officer determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of DNB Næringskreditt AS have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2015 and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the EU.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Directors' report concerning the financial statements and the going concern assumption and the proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that the Board of Directors and Chief Executive Officer have fulfilled their duty to ensure that the Company's accounting information is properly recorded and documented as required by law and generally accepted bookkeeping practice in Norway.

Oslo, 17 March 2016
ERNST & YOUNG AS

Einar Hersvik
State Authorised Public Accountant (Norway)

Key figures

Amounts in NOK million	2015	2014	2013	2012	2011
					DNB Næringskreditt AS
Rate of return/profitability					
Return on equity (%) [1)]	3.5	3.2	3.7	3.2	3.4
Financial strength at end of period					
Common equity Tier 1 capital ratio, transitional rules (%)	25.4	25.9	28.8	31.5	23.1
Capital ratio, transitional rules (%)	25.4	25.9	28.8	31.5	23.1
Common equity Tier 1 capital (NOK million)	5 364	5 354	5 359	5 365	5 366
Risk-weighted volume, transitional rules (NOK million)	21 157	20 710	18 625	17 017	23 221

1) Average equity is calculated on the basis of book value of equity

Governing bodies
as at 31 December 2015

Supervisory Board

Members
Anita Roarsen, Oslo
Vidar Knudsen, Nesbru
Anders Lægreid, Oslo
Eldbjørg Sture, Oslo
Lars Tronsgaard, Drammen
Torild Ressås Aamnes, Nesbru

Deputies
Ragnhild Martinsen, Bodø
Jo Teslo, Haslum
Vigdis Tomter, Oslo

Control Committee

Members
Frode Hassel, Trondheim
Ida Helliesen, Oslo
Karl Olav Hovden, Kolbotn

Deputy
Ida Espolin Johnson, Oslo
Ole Grøtting Trasti, Oslo

Board of Directors

Members
Bjørn Erik Næss, Oslo
Reidar Bolme, Oslo
Elisabeth Ege, Eiksmarka
Jørn E. Pedersen, Oslo
Eva-Lill Strandskogen, Oslo

Deputy
Olav T. Løvstad, Kongsberg

Contact information

DNB Næringskreditt AS

Mailing address	P.O.Box 1600 Sentrum, NO-0021 Oslo
Visiting address	Dronning Eufemias gate 30, Oslo
Telephone	+47 915 03000
Internet	dnb.no
Organisation number	NO 846 069 062

Chief executive officer
Per Sagbakken
Tel: +47 906 61 159
per.sagbakken@dnb.no

Financial reporting
Roar Sørensen
Tel: +47 934 79 616
roar.sorensen@dnb.no

Rating and investor information
Håkon Røsand
Tel: +47 906 16 892
hakon.rosand@dnb.no

DNB ASA

Mailing address	P.O.Box 1600 Sentrum, NO-0021 Oslo
Visiting address	Dronning Eufemias gate 30, Oslo
Telephone	+47 915 03000
Internet	dnb.no
Organisation number	NO 981 276 957

DNB Bank ASA

Mailing address	P.O.Box 1600 Sentrum, NO-0021 Oslo
Visiting address	Dronning Eufemias gate 30, Oslo
Telephone	+47 915 03000
Internet	dnb.no
Organisation number	NO 984 851 006

Other sources of information

Annual and quarterly reports

DNB Næringskreditt AS is part of the DNB Bank Group and the DNB Group. Annual and quarterly reports for DNB Næringskreditt AS, the DNB Bank Group and the DNB Group are available on dnb.no.

Here for you. Every day.
When it matters the most.

DNB Næringskreditt AS
Mailing address:
P.O.Box 1600 Sentrum
N-0021 Oslo

Visiting address:
Dronning Eufemias gate 30
Bjørvika, Oslo

dnb.no