

DNB Equity Story

3Q 2024

DNB



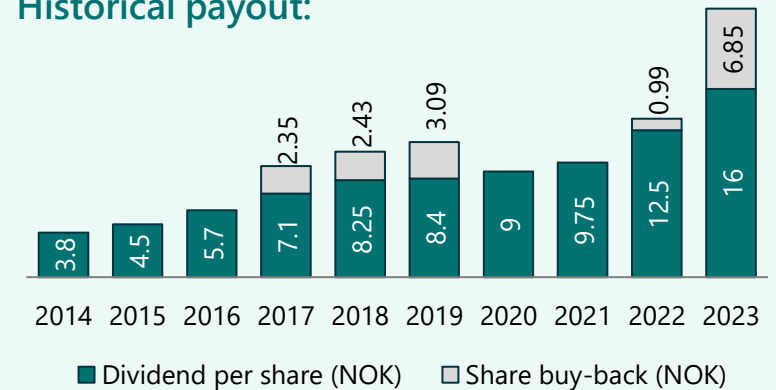
DNB as an investment

- Strong track-record of delivering on **shareholder-friendly dividend policy**
- Exposure to a **robust Norwegian macro economy**
- Strategy built on competitive advantages - **Strong market positions** and digital positions for future profitable growth – cost efficiency from automation and scale advantages
- Financial targets - proven ability to generate and deliver **high ROE**, high cash flow and moderate growth – **effective allocation of excess capital**



~**80%** of revenue comes from Norwegian business units

Historical payout:

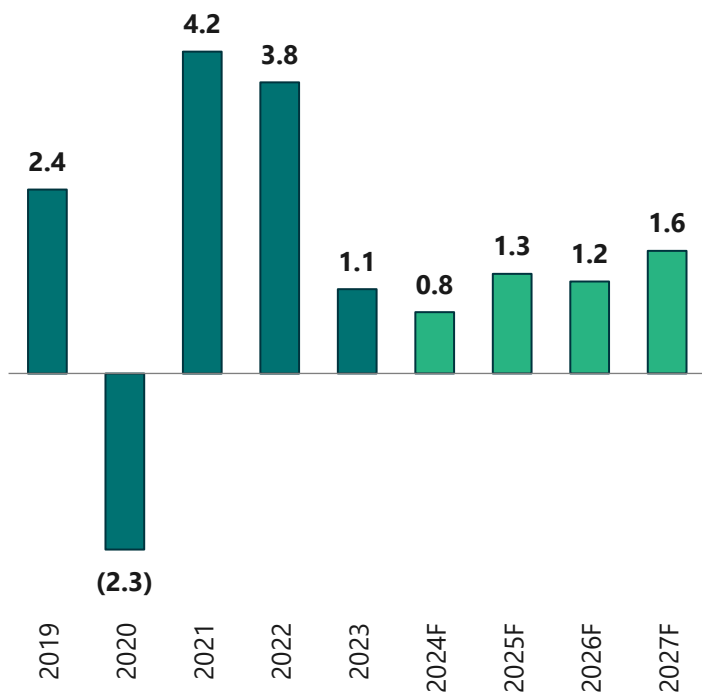


~**50/50** exposure personal customers and corporate customers

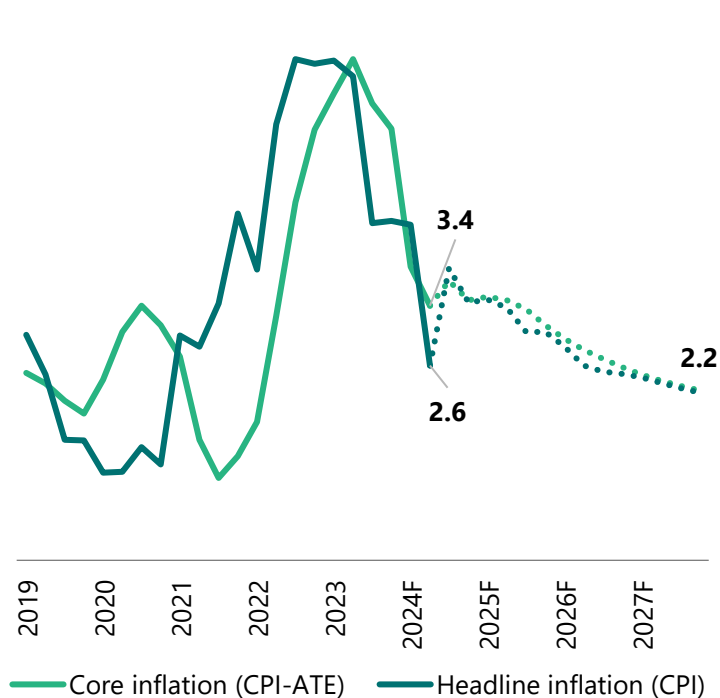
Norwegian economy remains resilient – likely to further delay key policy rate cuts

- Growth in mainland economy expected to pick up through the forecasting horizon
- Continued easing of inflationary pressure
- Key policy rate expected to remain at 4.50% until March 2025, and then gradually decrease to 3.25% year-end 2026

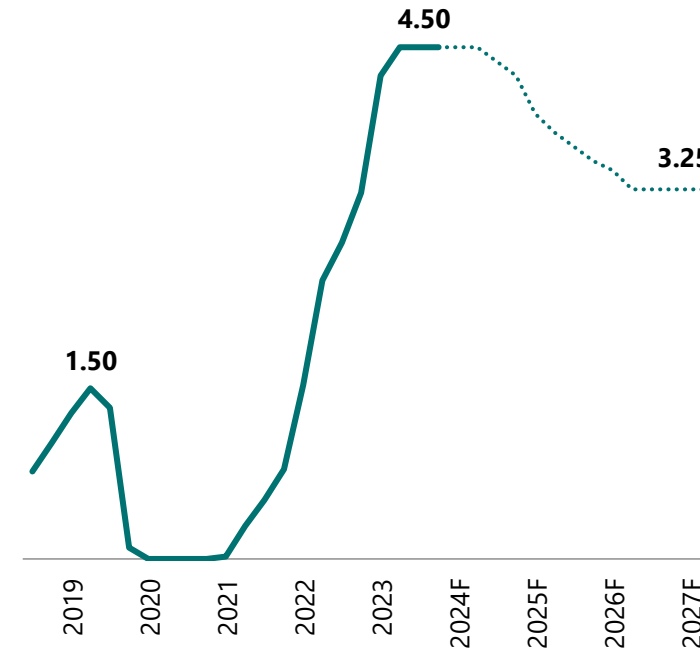
Mainland GDP
Actual and Norges Bank forecast (%)



Inflation
Actual and Norges Bank forecast (%)



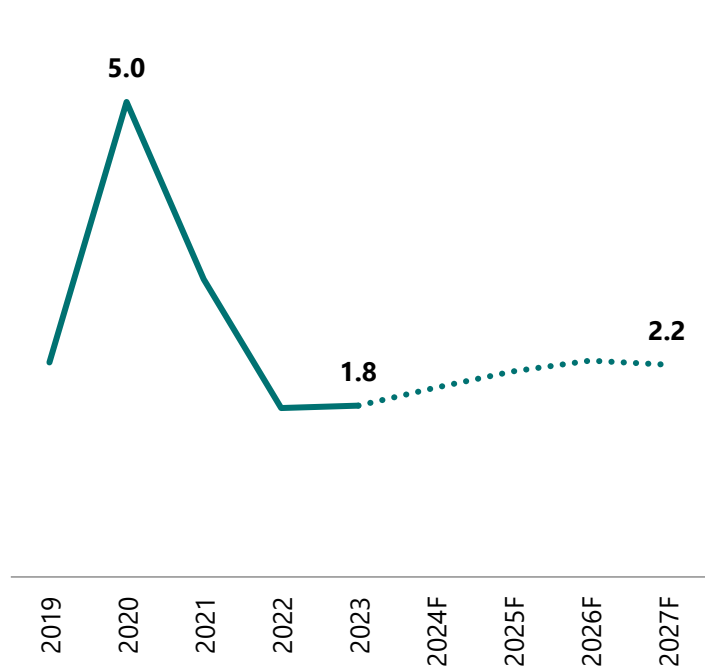
Key policy rate
Actual and DNB Markets forecast (%)



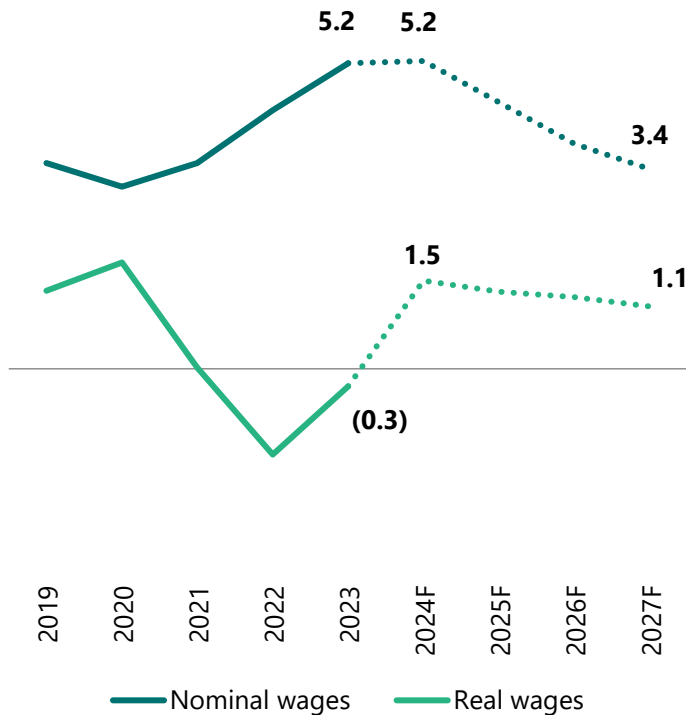
Purchasing power strengthening during the year

- Robust economic activity expected to support low unemployment rates
- Increased household real wages expected to enhance spending capacity
- Residential property prices expected to show strong positive development, driven by increased purchasing power and shortage of new builds

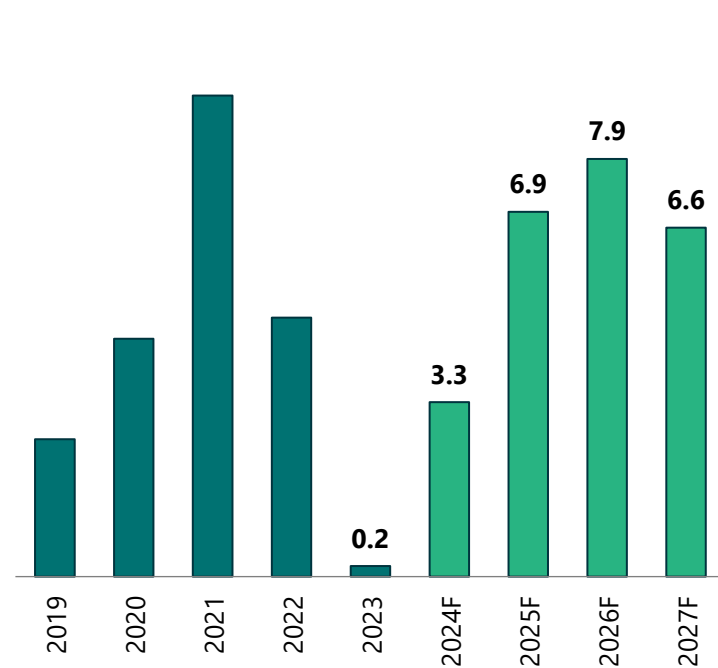
Unemployment rate
Actual and Norges Bank forecast (%)



Wage growth
Actual and Norges Bank forecast (%)



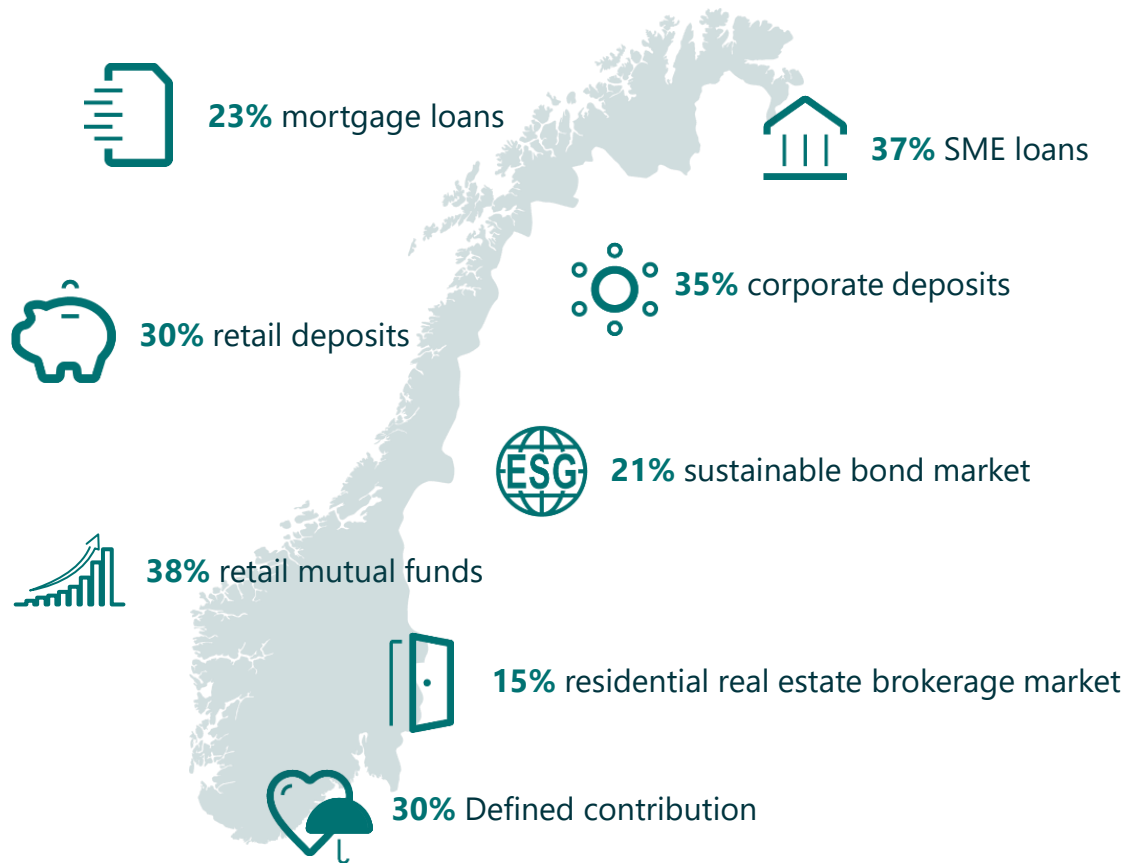
Growth in residential property prices
Actual and Norges Bank forecast (%)



DNB is a broad-based financial institution and by far the largest in Norway

A full-service financial institution and market leader in Norway

Market shares in Norway



Partnerships

The dominant mobile wallet in Norway

- 91% of Norwegians 13 years and older have the app
- More than 80% are active users
- Expansion through Vipps and MobilePay merger (approved October 2022):
 - From 4 to 11 million consumers
 - From 120 000 to 400 000 shops and e-commerce outlets
 - Active in Norway, Denmark and Finland
- DNB owns ~34% of Vipps MobilePay

vipps

MobilePay

Fremtind

Leading non-life insurance provider

- Joint venture with SpareBank 1 alliance
- Third largest insurance provider in Norway
- DNB owns 35% of Fremtind

Financial targets 2022 – 2025



Key performance indicator

Cost/income ratio
< 40%

Capital level

CET1 capital ratio¹⁾
> 17.0%

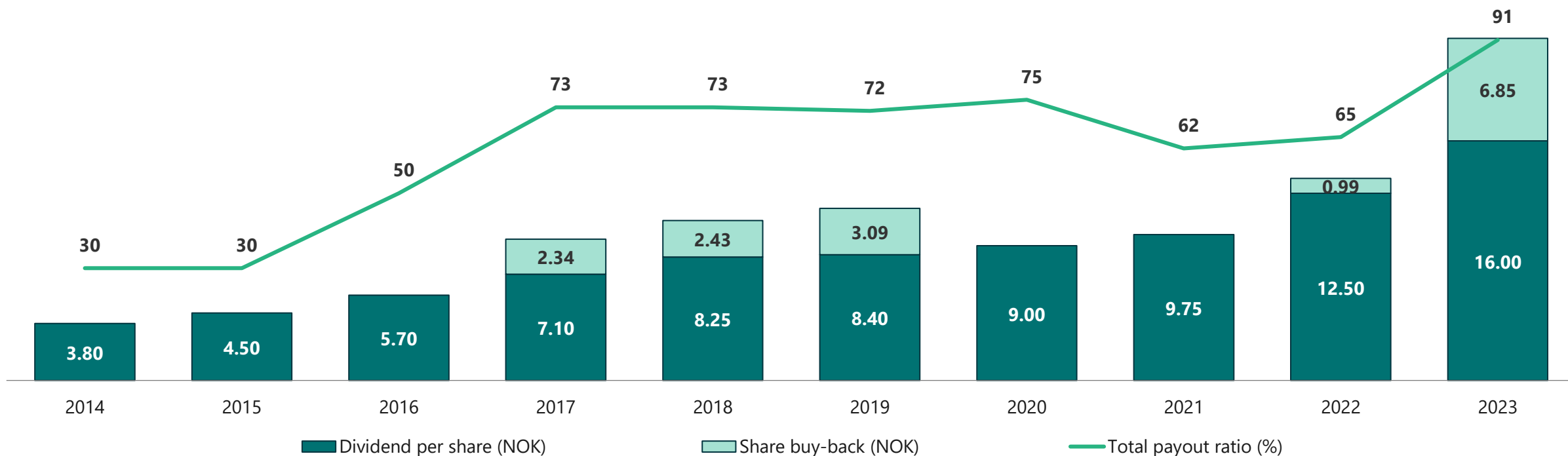
Dividend policy

Payout ratio
> 50%

Consistently delivering on our dividend policy reflecting our robust capital position

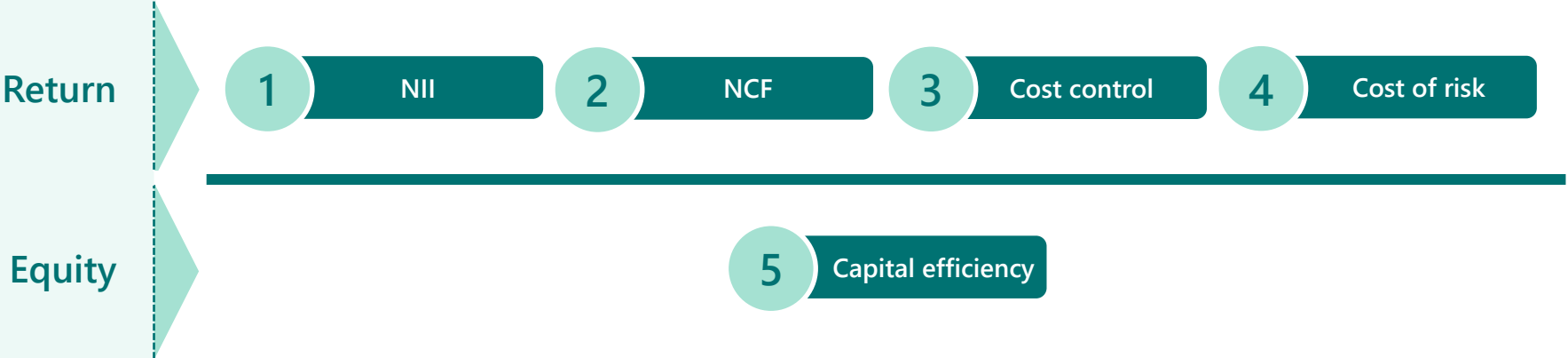
- Dividend per share of NOK 16.00 in 2023 – increase of NOK 3.50 from 2022
- Share buy-back programme of 1.00% initiated in June 2024
- Robust Solvency II margin of 248% in DNB Liv enabled capital repayment of NOK 1 billion in 4Q23

Dividend per share and dividend yield
(NOK, %)



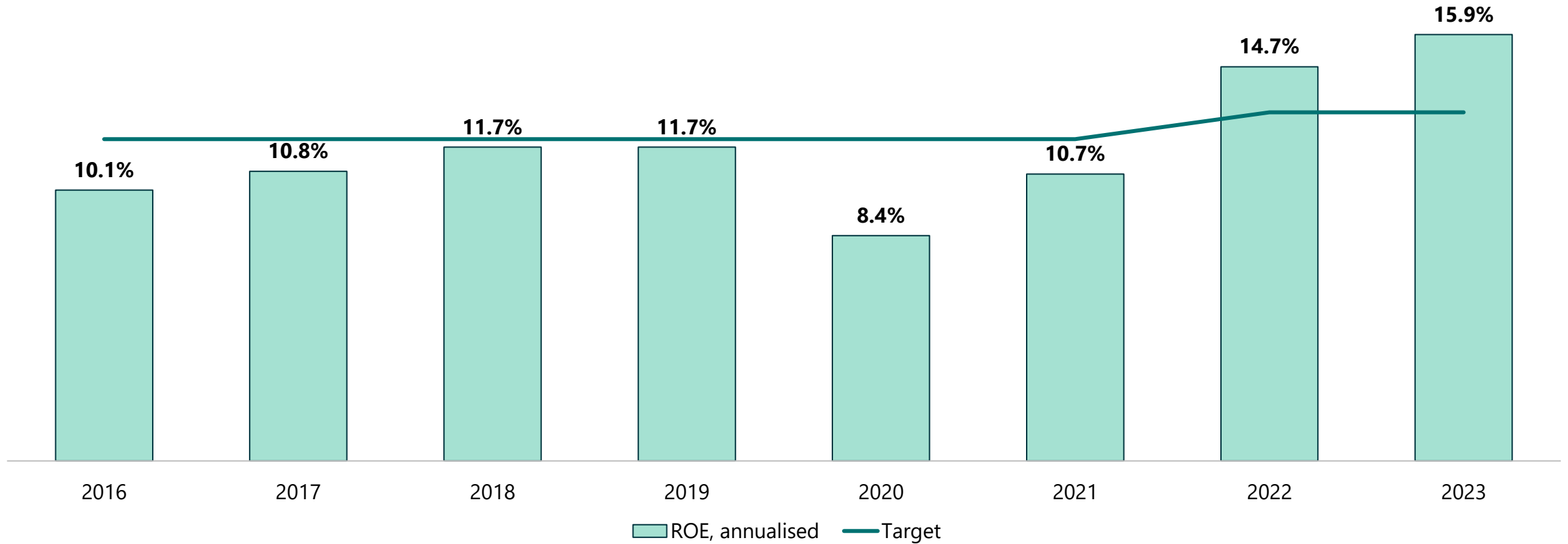
Financial targets

A return on equity above 13% is our main priority



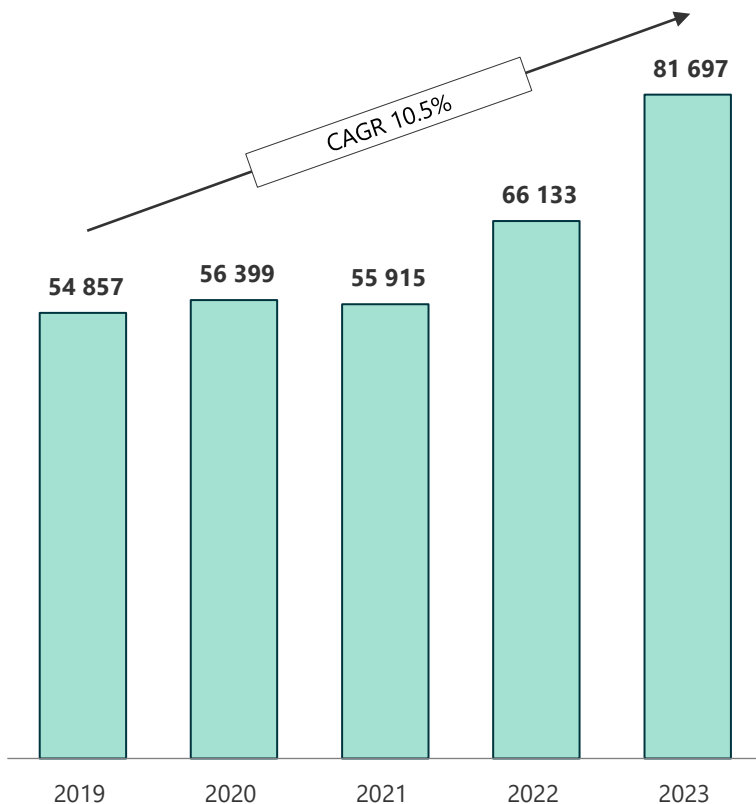
Delivering on our ROE target

Annualised Return on Equity (ROE)
(%)

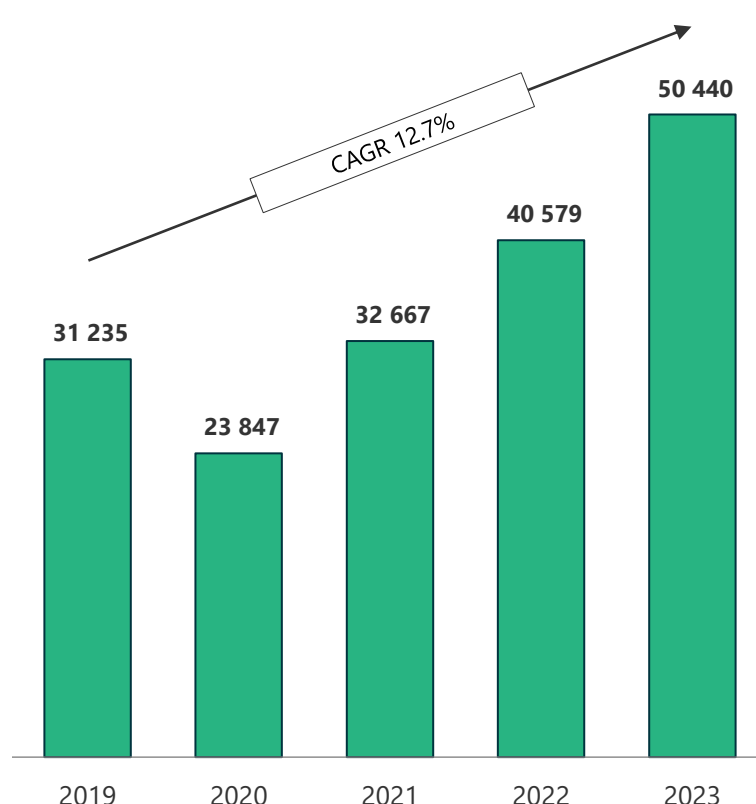


Strong performance in 2023 – delivering on financial ambitions

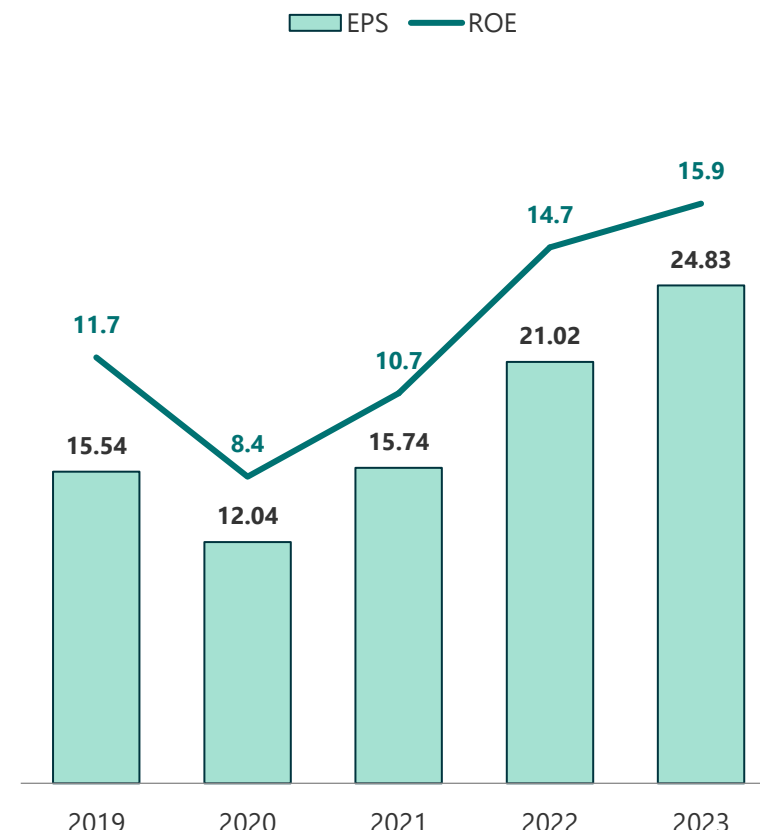
Total income
(NOKm)



Pre-tax operating profit
(NOKm)



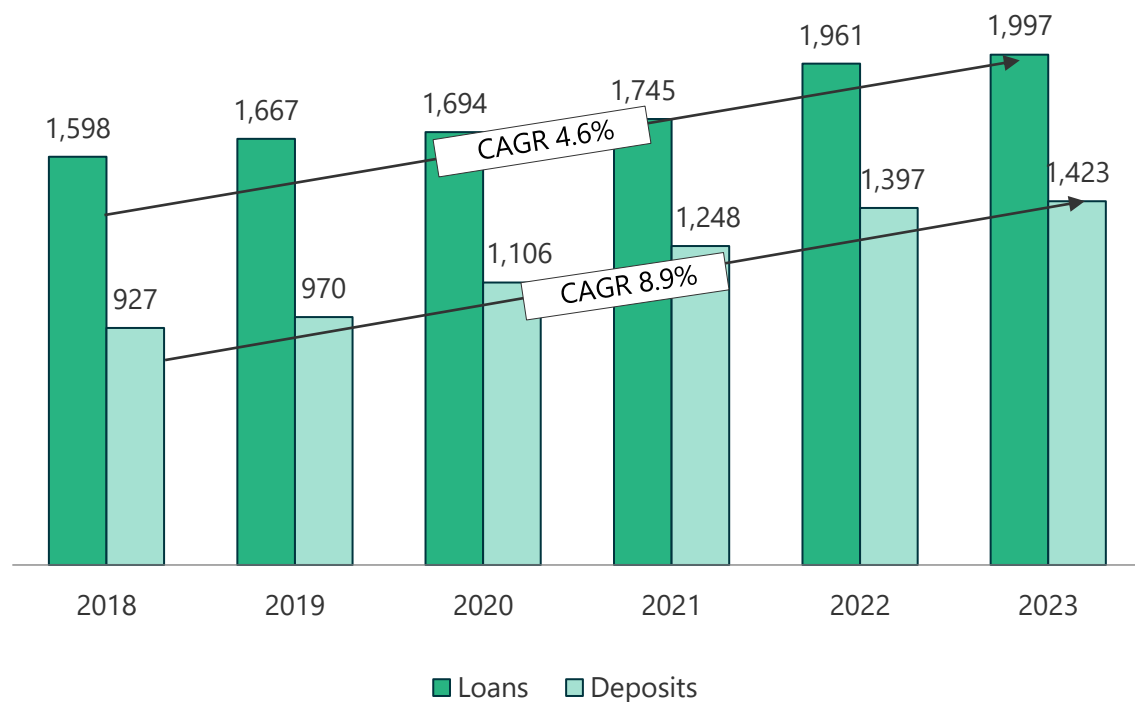
Earnings per share / Return on Equity
(NOK, %)



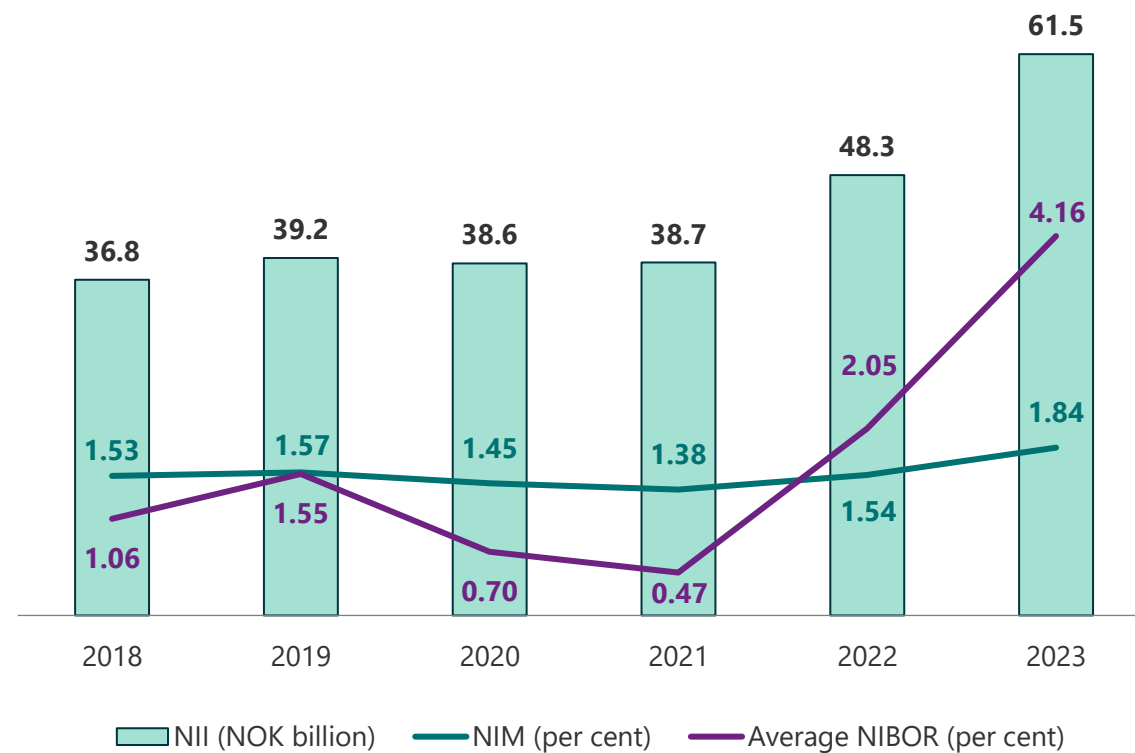
Increase supported by profitable growth and customer repricing

- Well positioned to capture future growth within personal customers through the complementary DNB and Sbanken brands combined, and within corporate customers through strong position in SME segment and industries with growth potential
- Maintaining long-term ambition of annual loan growth of 3–4% through-the-cycle

Volume growth in customer segments
(NOK bn)

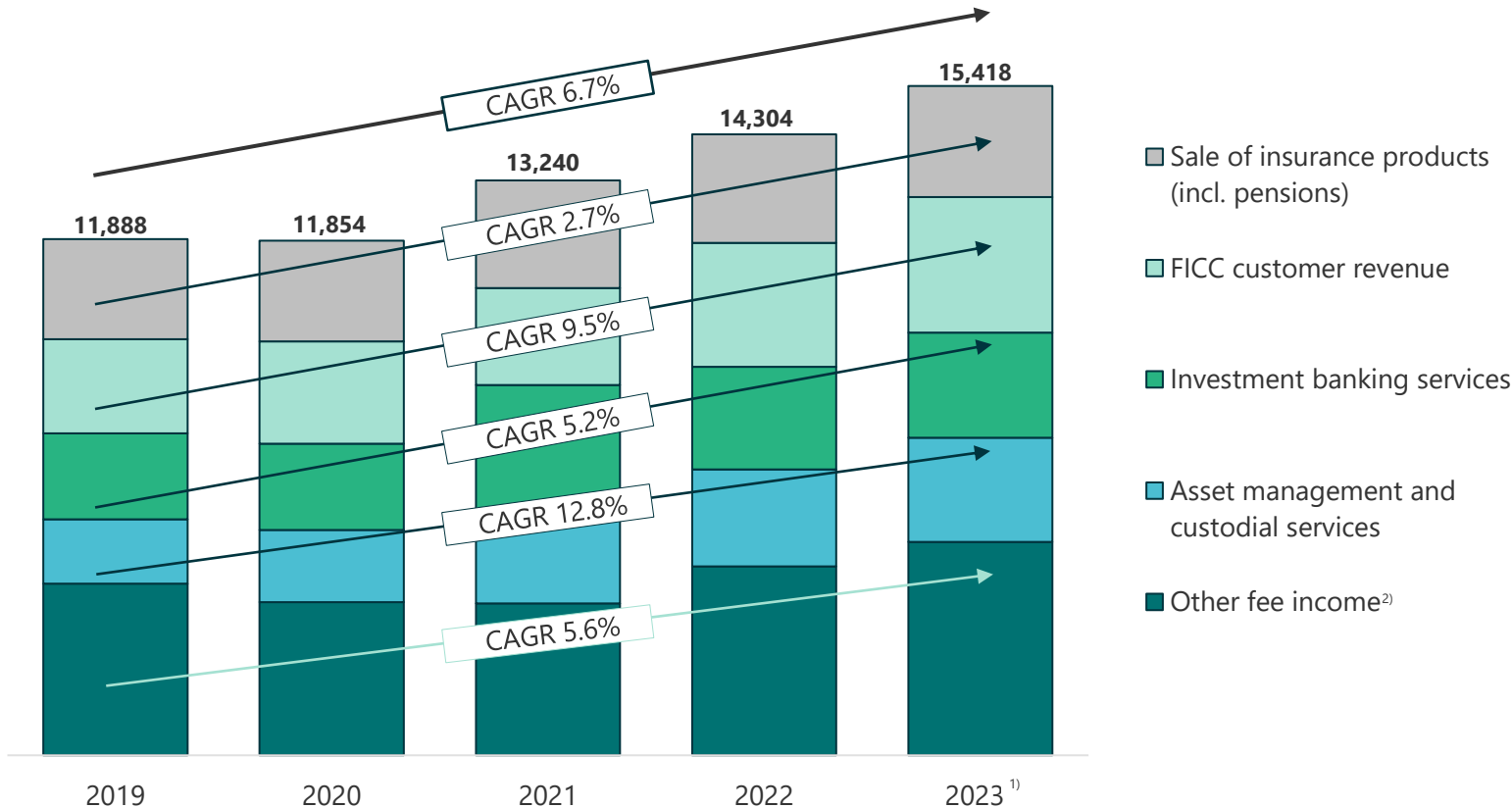


Development in NII and NIM¹⁾
(NOK bn, %)



Strengthened and diversified product offering provides solid foundation for income growth

Other operating income from customers
(NOKm)



Well position to deliver on ambition of 4-5% annual through-the-cycle growth

- Strengthened position for IBD across products, industries and geographies. Continued cooperation between IBD and CC segments expected to further boost revenue generation across IB-related products.
- Well positioned to capitalize on further growth in savings and pensions through strong footprint in Norwegian market. Structural growth driven by pension reforms and generally higher awareness regarding personal savings.
- Increased customer income in DNB Markets from FICC³⁾ driven by higher volumes and competitive pricing
- Broad-based product offering ensuring recurring income from real estate broking, money transfer and banking services, guarantee commissions and sale of insurance products

Leading positions within savings and pensions supporting future growth

Leading strategic positions



No. 1 in asset management in Norway



Strong market position for pensions in corporate segment

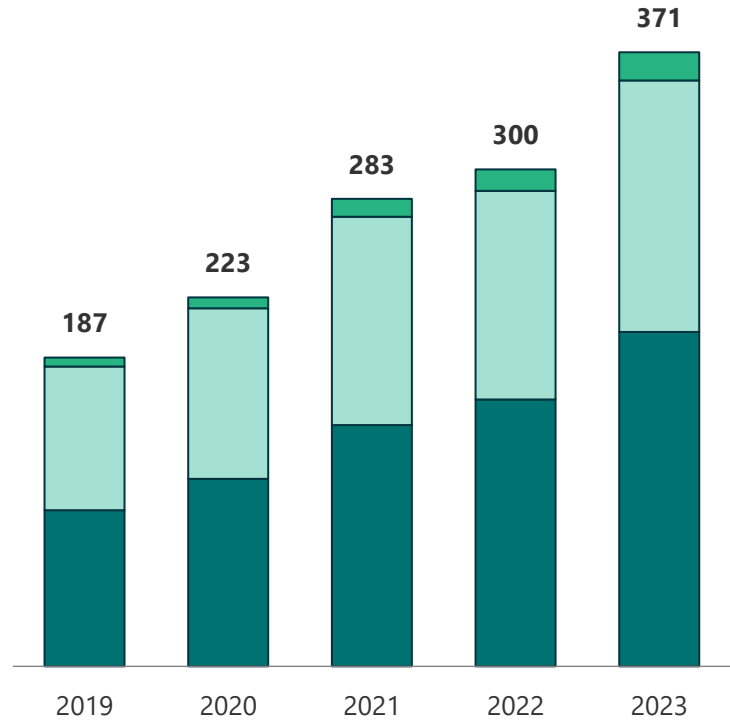


No. 1 digital savings platform for retail



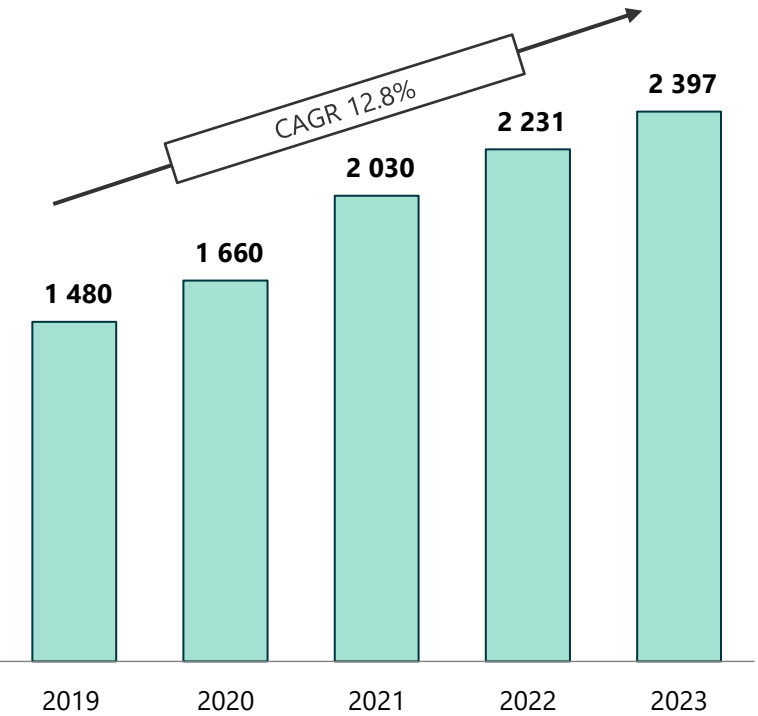
Market-leading position for Private Banking in Norway

AUM¹ from DC pensions² and savings (NOK bn)



- AuM, discretionary mandates
- AuM, defined-contribution pensions
- AuM, Personal customers

Commissions and fees (NOKm)

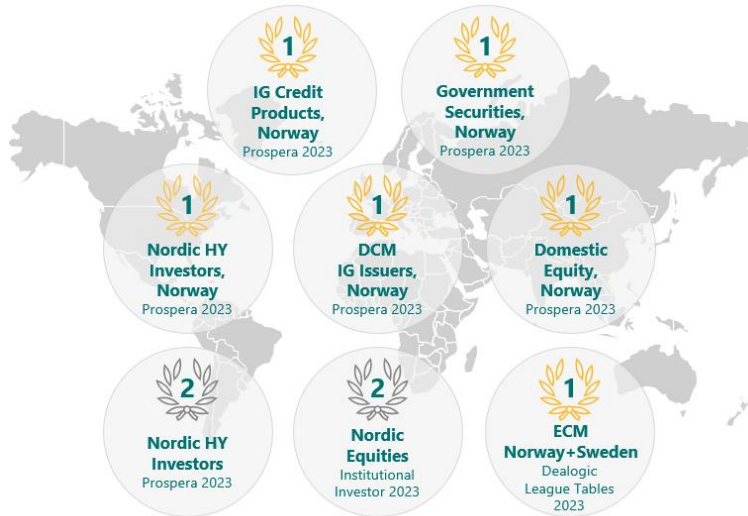


■ Asset management and custodial services

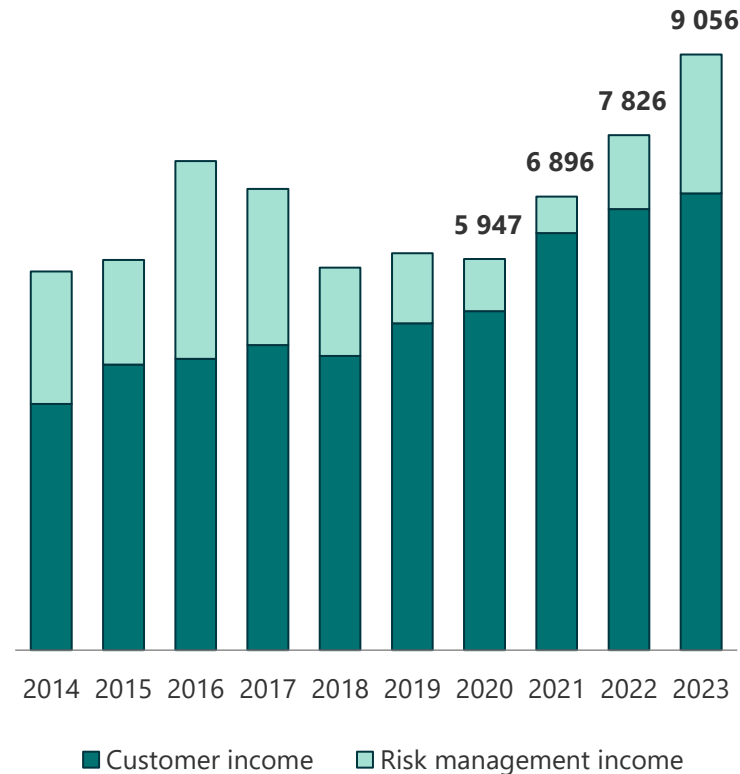
Continued growth in customer revenues from DNB Markets

Ranked no. 1 across most advisory and securities categories

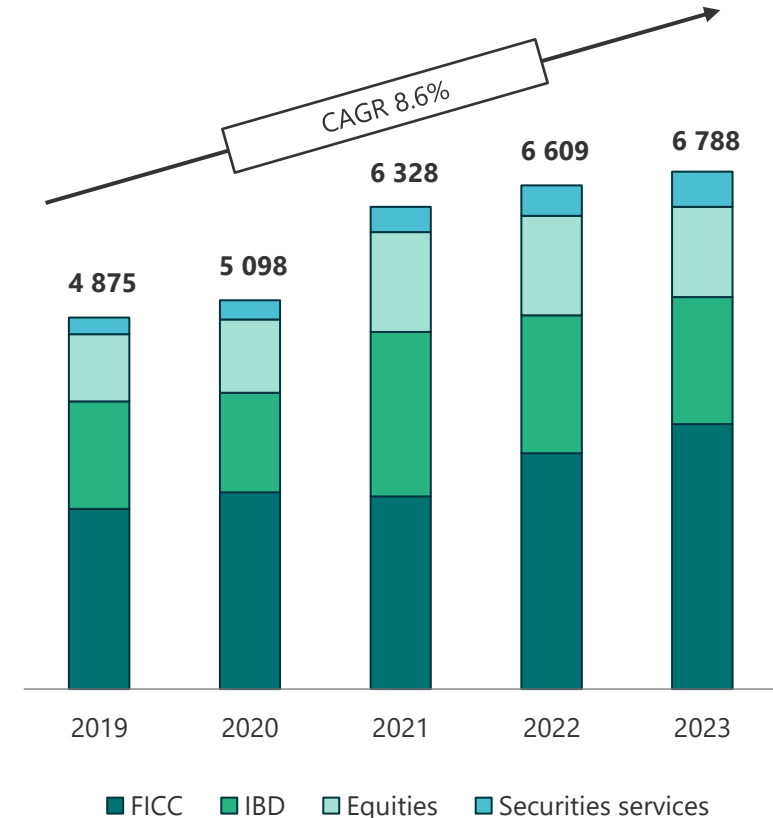
- Unique market position in Norway
- Leading bank globally in NOK foreign exchange (FX) and rates
- Continuously strengthening market position in the Nordics



Total income (NOKm)

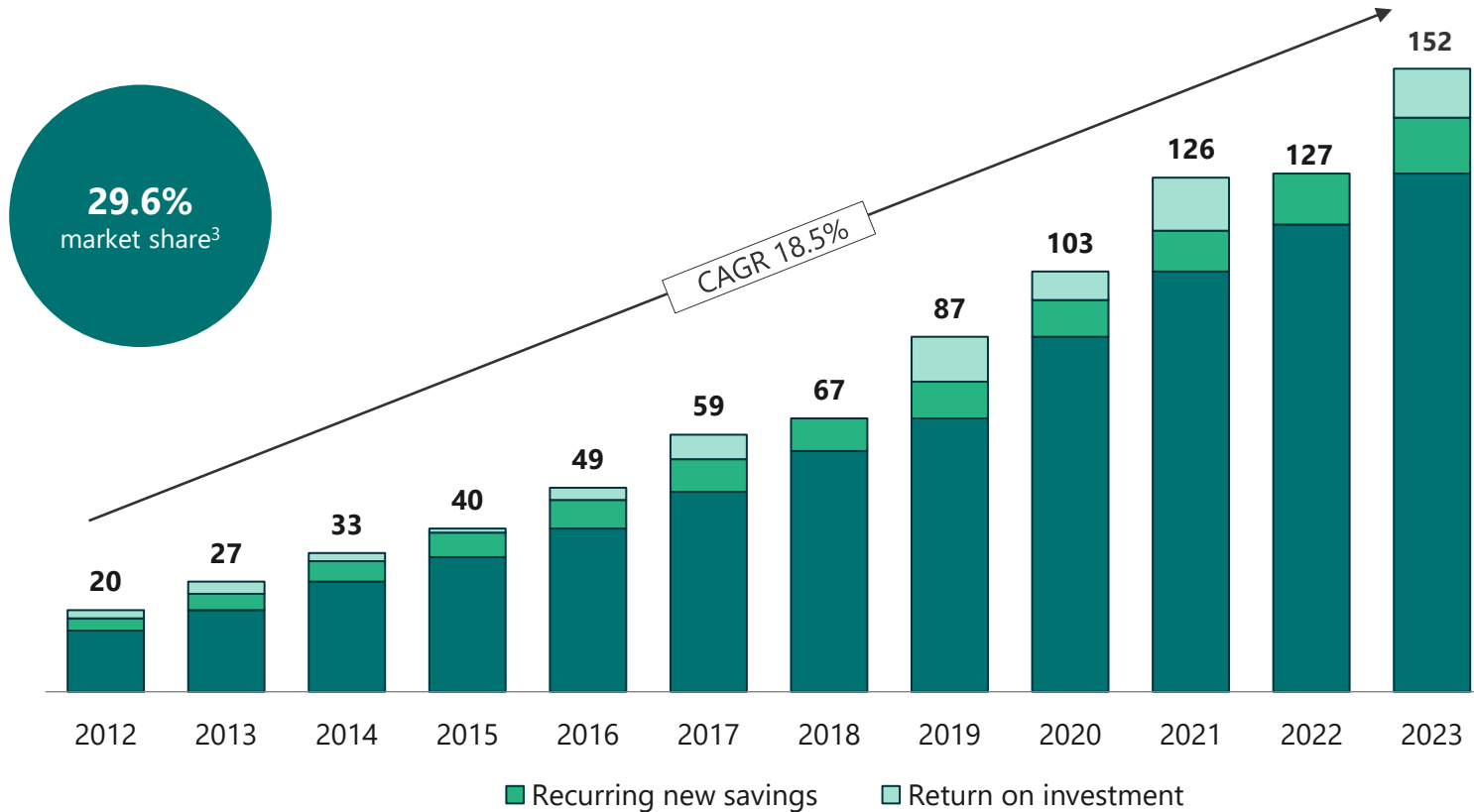


Customer revenues – breakdown by segment (NOKm per division)



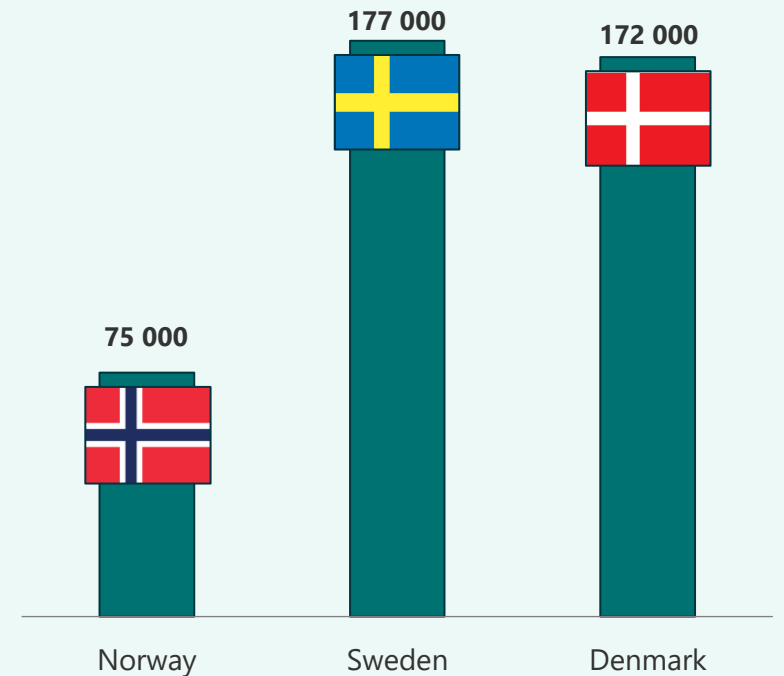
Regulatory changes and generally higher awareness driving growth in savings and pensions

Assets under management – Defined-contribution pensions
(NOK bn)



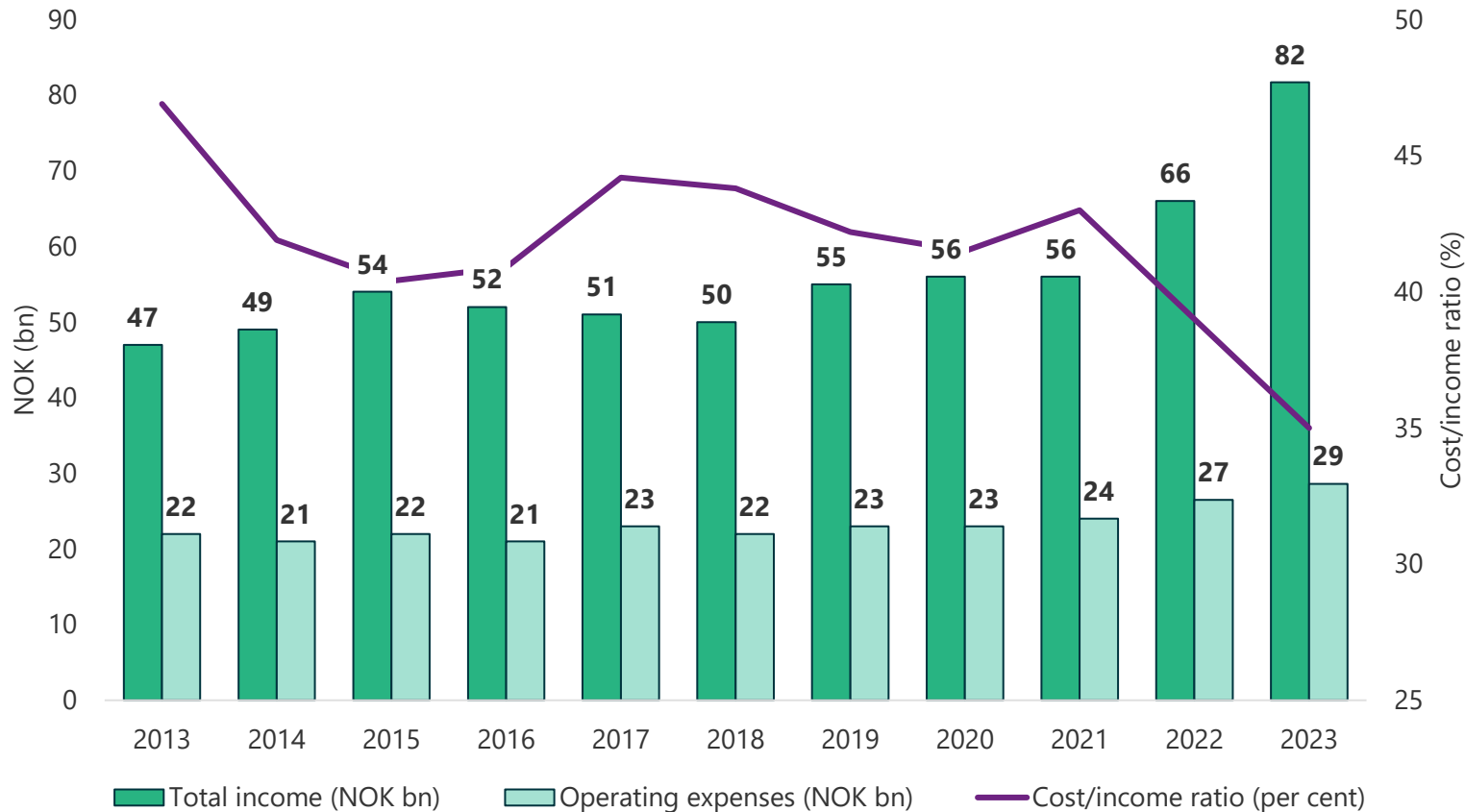
Swedes and Danes save >2x more in mutual funds than Norwegians²⁾

Mutual fund savings per inhabitant, NOK



Our cost/income target below 40% stands

Cost initiatives and positive jaws to improve cost/income level



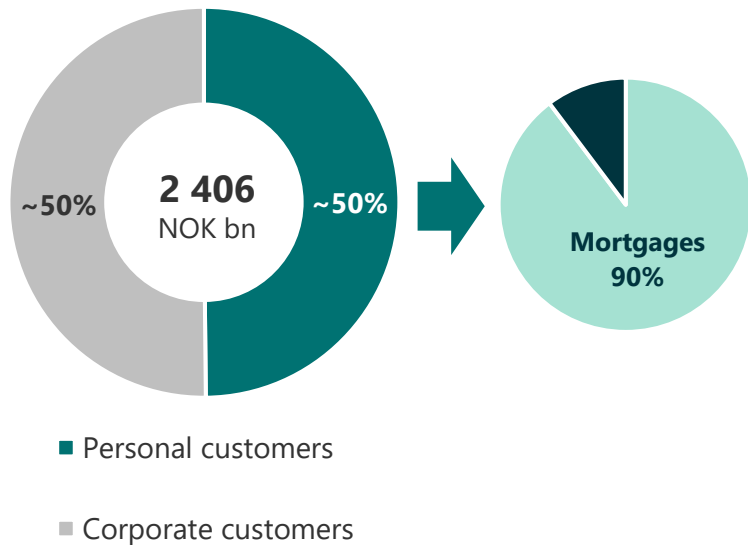
Committed to deliver on cost control

- In combination with income growth, we will execute on cost initiatives to reach our cost/income target
- Dedicated internal focus on nominal cost development and control
- Planned cost initiatives for 2022–2025 primarily within:
 - Automation and operational efficiency: NOK 1 000-1 400 million
 - Supplier cost: NOK 500-600 million

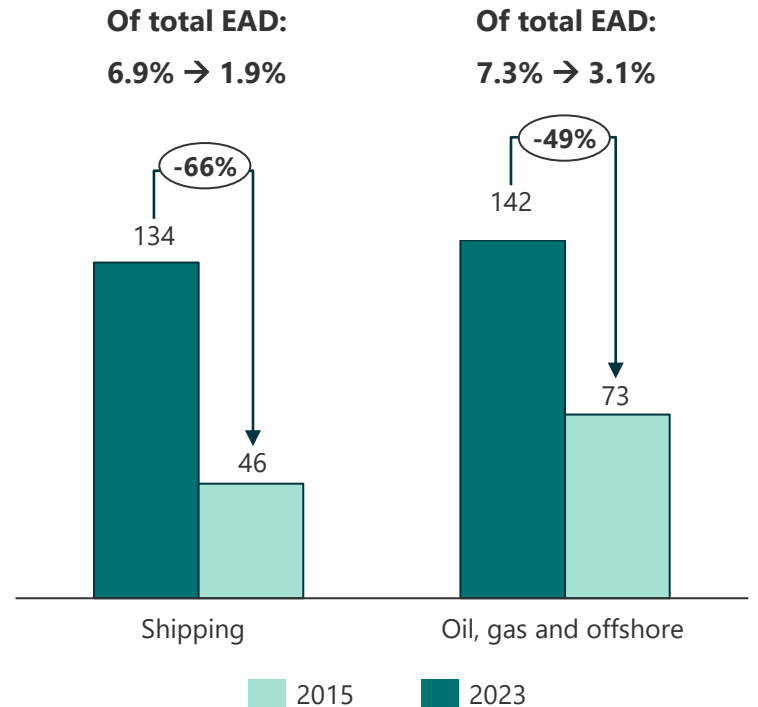
An overall robust and well-diversified portfolio

- Solid portfolio quality with 99.3% of exposure at default in stages 1 and 2
- Personal customers portfolio constitutes ~50% of DNB's net EAD
- Robust personal customers portfolio with home mortgages counting for 90% of EAD with an average LTV of ~58%
- Reduced exposure towards cyclical industries in recent years

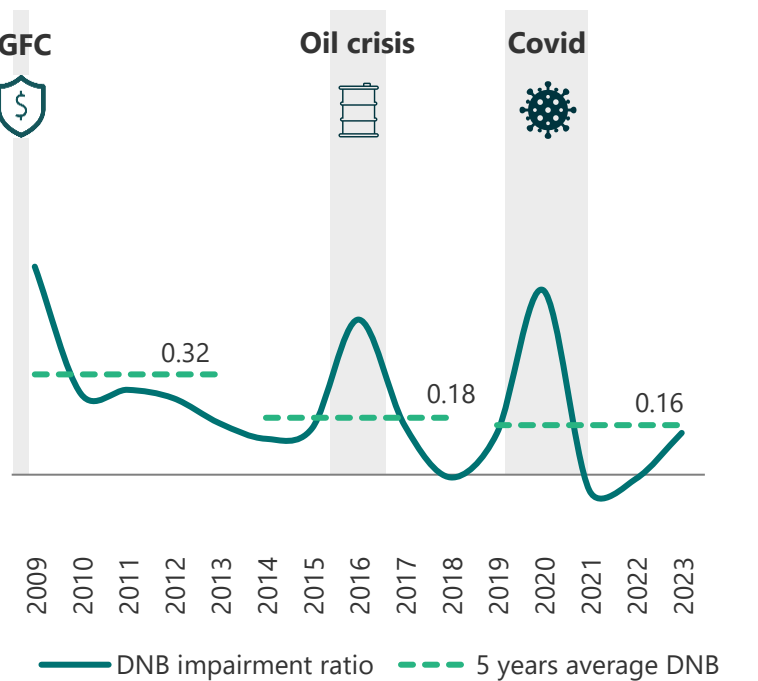
Total loan portfolio Net exposure at default (EAD) as at 30 June 2024



Reduced exposure towards cyclical industries Net exposure at default (EAD) in NOK bn

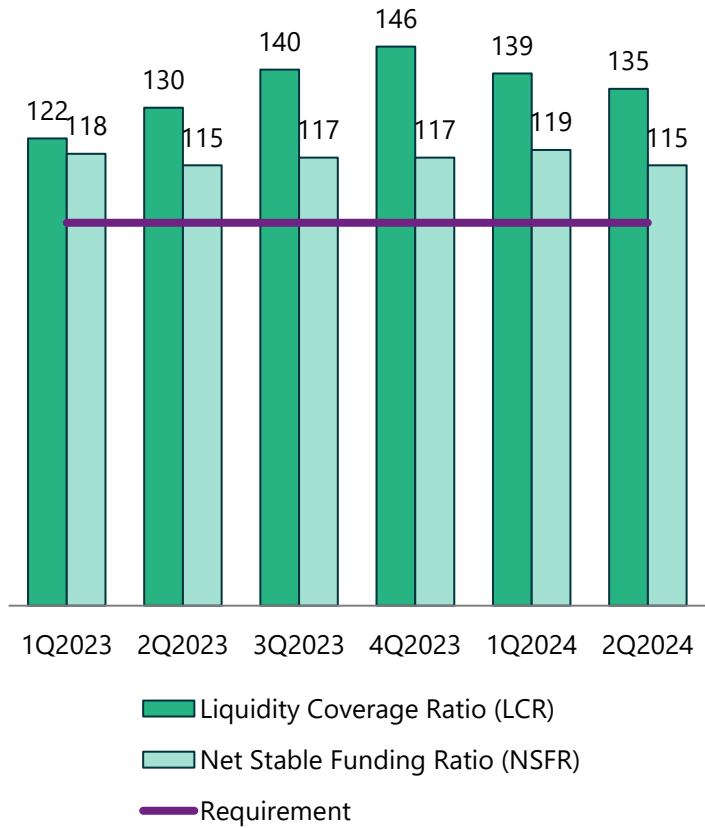


Impairment ratio development (2009 - 2023)

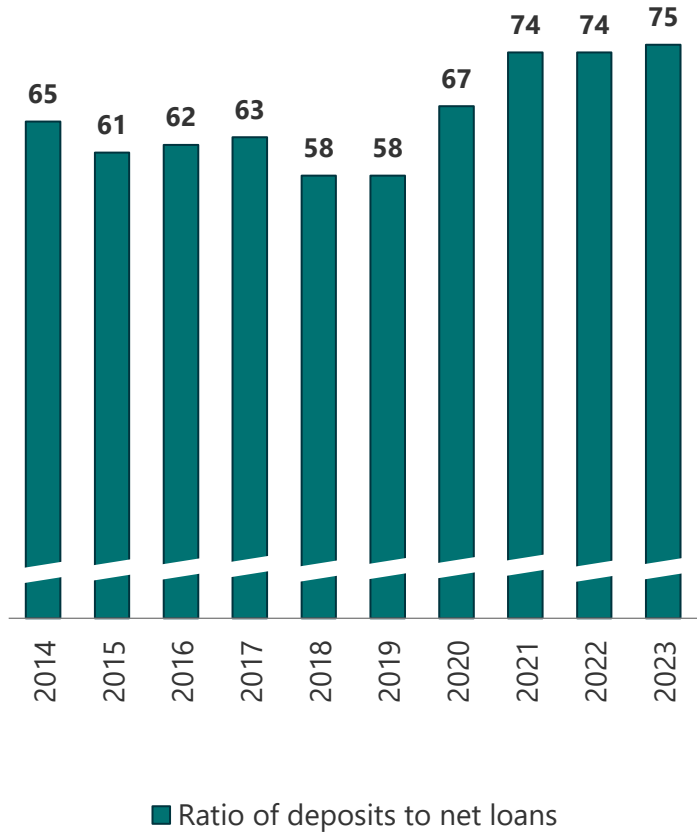


DNB has a strong funding structure and is among the best rated banks globally

Net stable funding ratio and liquidity coverage ratio



Ratio of deposits to net loans (%)



Ratings from Moody's Investors Service

DNB Bank ASA

- Senior Preferred Rating: Aa2
 - Outlook: Positive
- Senior Non-Preferred: A2

DNB Boligkreditt AS' Cover pool

- Long-term: Aaa
- Latest rating action: 27 September 2023

Ratings from Global Ratings

DNB Bank ASA

- Senior Preferred Rating: AA-
 - Outlook: Stable
- Senior Non-Preferred: A

DNB Boligkreditt AS' Cover pool

- Long-term: AAA
 - Outlook: Stable

Latest rating action: 22 January 2019

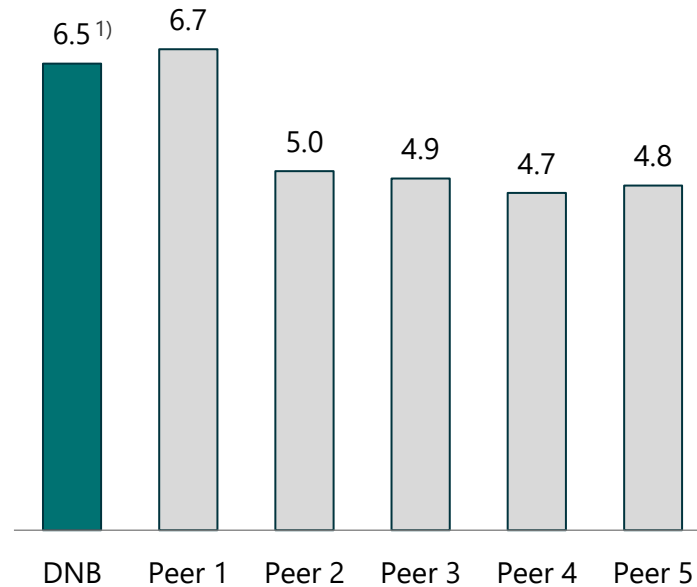
Robust and resilient capital position

- Strong profitability provides recurring through-the-cycle capital generation
- High leverage ratio compared to peers
- Profit generation and conservative internal ratings-based (IRB) models result in limited downside in the European Banking Authority (EBA) stress test

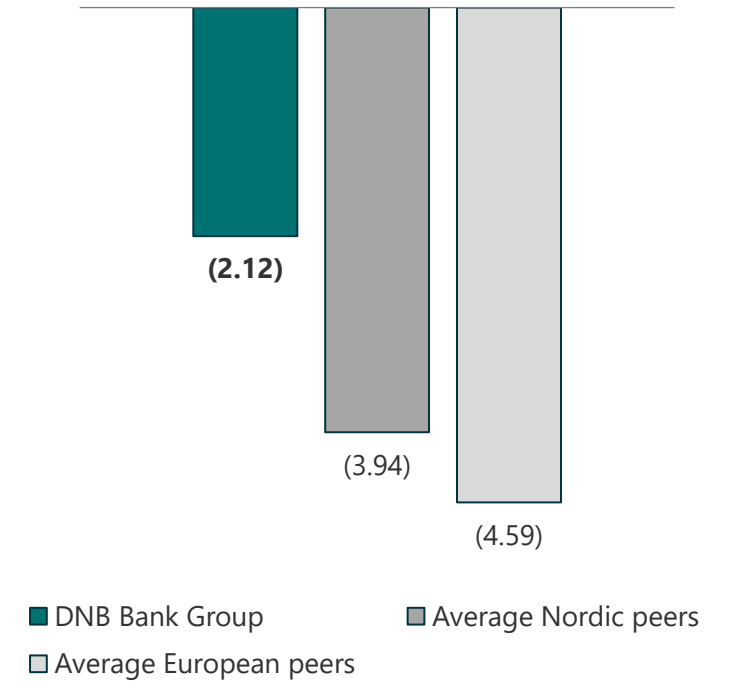
Profitability supporting capital stability
(NOK bn)



Leverage ratio vs. Nordic peers
As at 30 June 2023 (%)

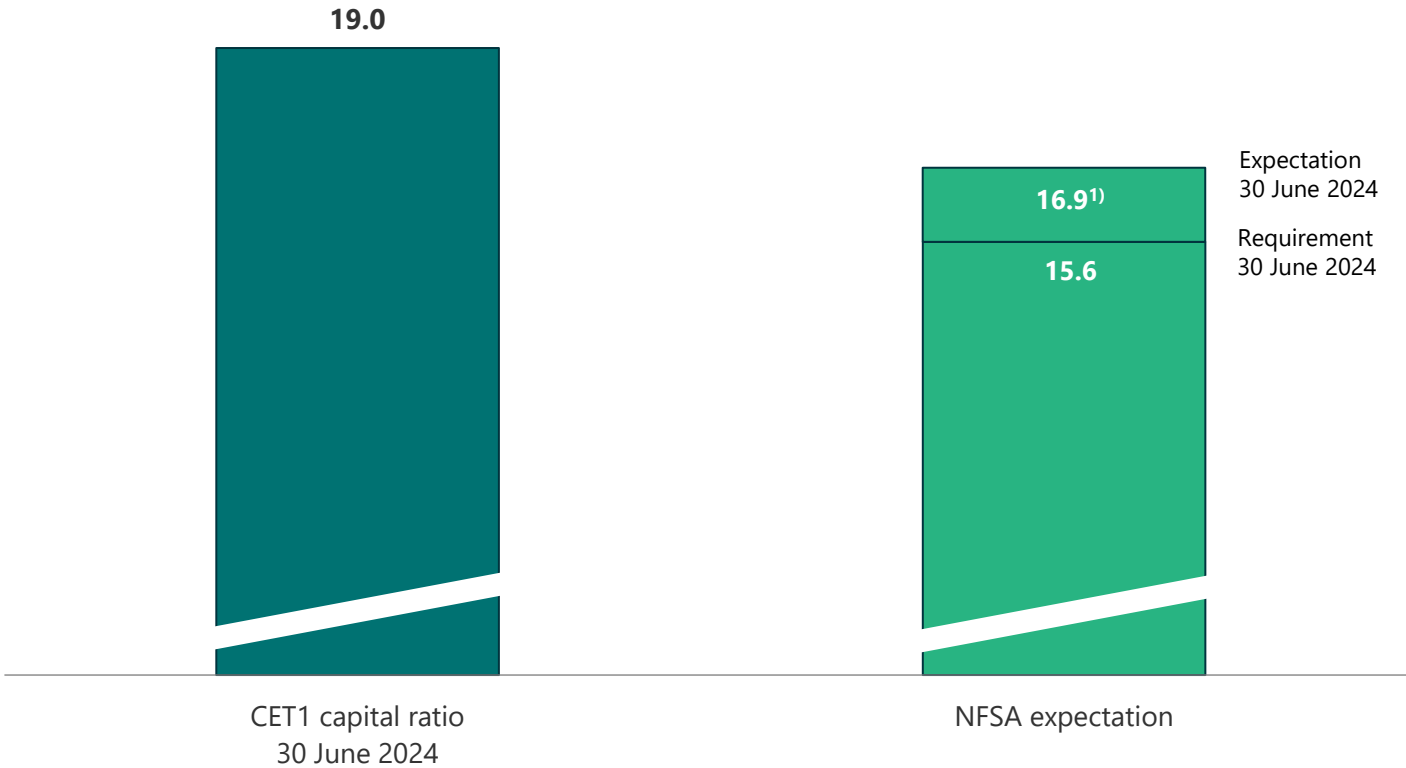


EBA adverse scenario stress test 2023
Reduction in CET1 capital ratio (%)



Solid capital position enables delivery on our dividend policy

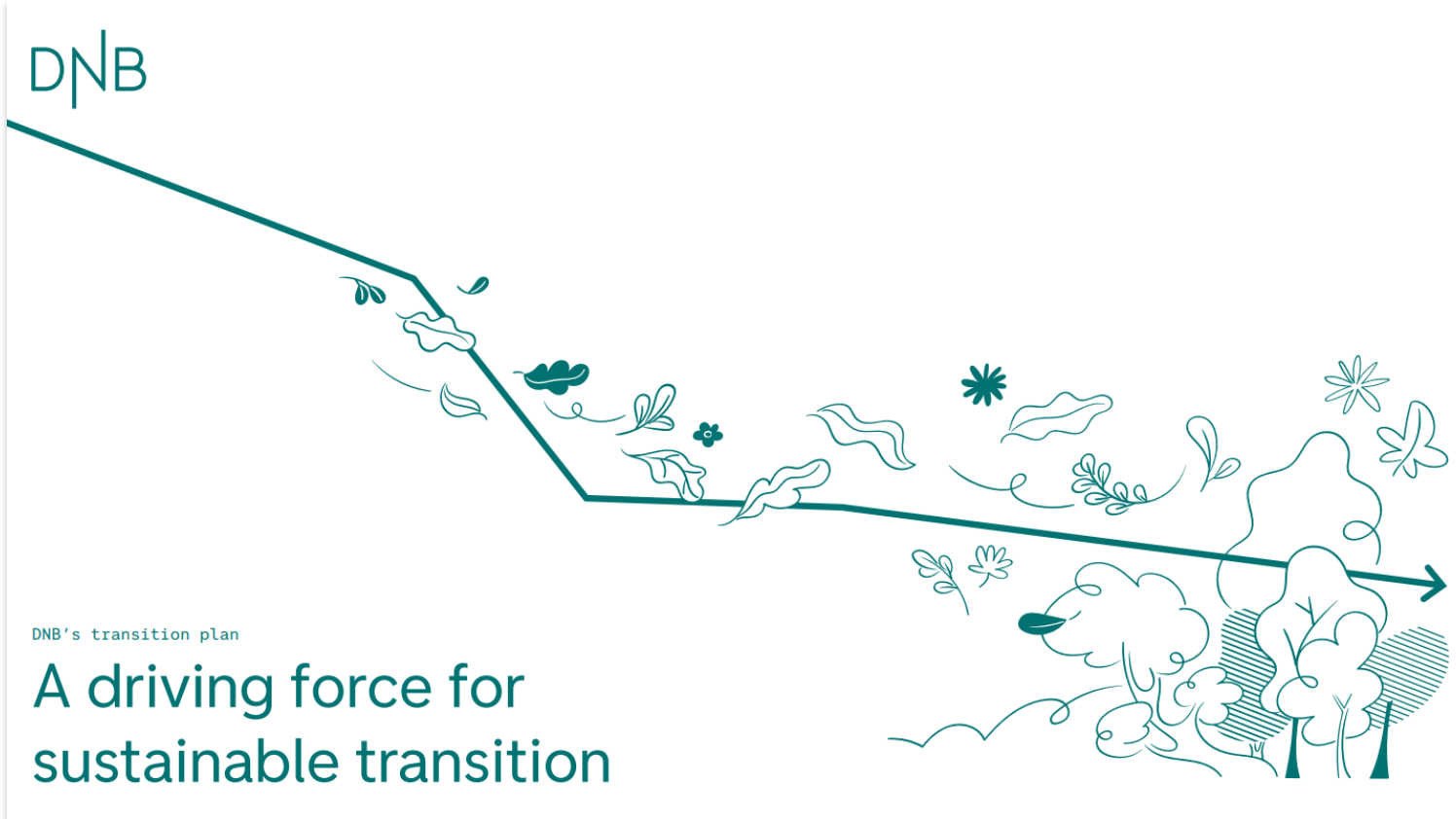
CET1 capital ratio – status and expectations (%)



Basel IV and updated capital guidance

- DNB is well positioned for Basel IV implementation due to already high risk-weights.
- Basel IV implementation expected to have minor negative impacts for DNB, after mitigating effects
- Excess capital in life insurance company to be distributed over time, in line with reduced obligations in the guaranteed part of the portfolio
- Sbanken portfolio expected to be included in IRB models in 2024
 - Estimated CET1 capital ratio increase of ~25 bps
- Dividend policy stands
 - Payout ratio >50% of net profits in cash dividends
 - Ambition of annual increase in nominal dividend per share
 - Share buy-backs used to optimise capital position

DNB's transition plan



DNB finances the climate transition and sustainable value creation



DNB is a driving force for diversity and inclusion



DNB combats financial crime and contributes to a secure digital economy



Net-zero emissions by

2050

from our financing and investment activities and own operations

Transition plan outlining DNB's science-based targets for

2030

with specific targets within lending, investments and own operations

Finance and facilitate

NOK 1 500 billion

for sustainable activities by 2030¹

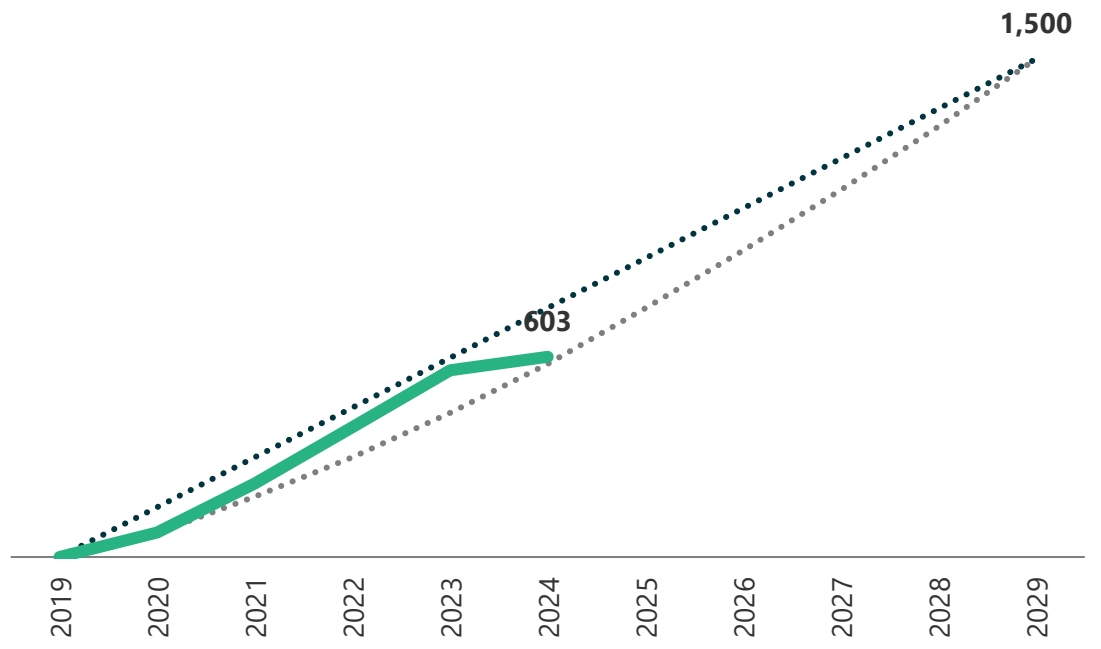
Increase the total assets in mutual funds with a sustainability profile to

NOK 200 billion

by 2025

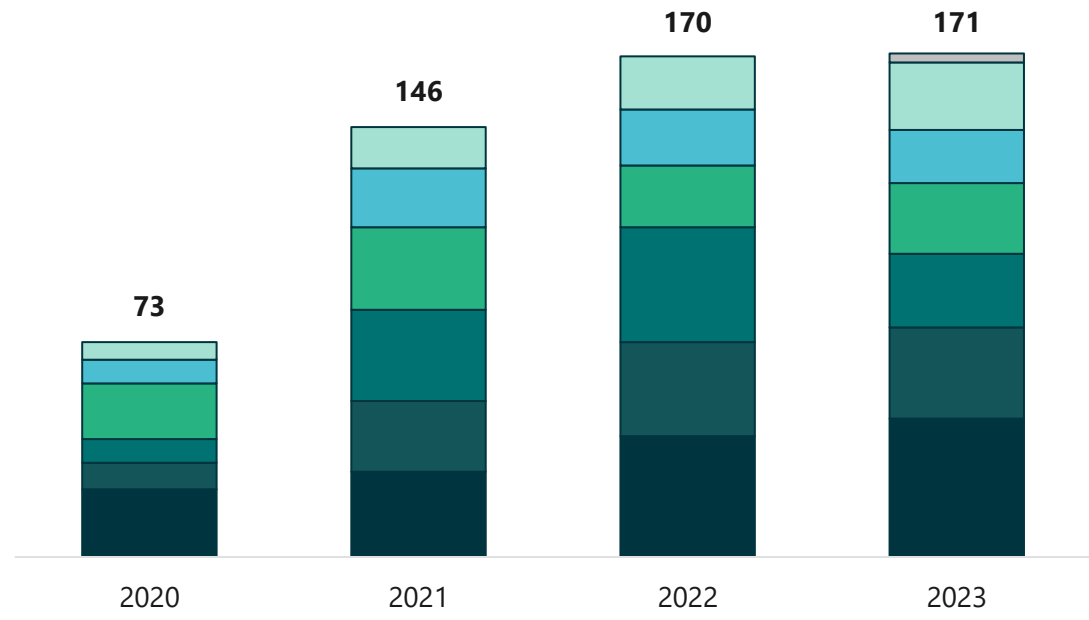
DNB will be a driving force for a sustainable transition

On track towards financing target of NOK 1 500 bn



..... Exponential progression Linear progressions ——— Accumulated Volume

Sustainable activities (NOK bn)



- Bonds
- Sustainability-linked loans
- Advisory
- Financing
- Green Loans
- Clean transportation
- Green Guarantees

Shareholder overview

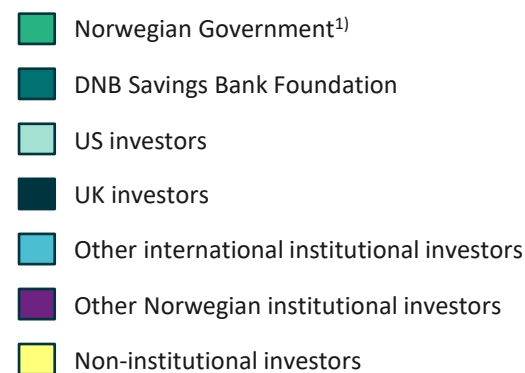
Top 20 shareholders

As at 17 June 2024

	Shares in 1 000	Ownership in %
Norwegian Government/Ministry of Trade, Industry and Fisheries	507 460	34.0
DNB Savings Bank Foundation	130 001	8.7
Folketrygdfondet	98 123	6.6
BlackRock, Inc.	58 515	3.9
Vanguard Group Holdings	40 348	2.7
Deutsche Bank AG Group	32 216	2.2
T. Rowe Price Group, Inc.	26 330	1.8
The Capital Group Companies, Inc.	25 844	1.7
Storebrand Kapitalforvaltning	22 654	1.5
DNB Asset Management	19 845	1.3
State Street Corporation	18 580	1.2
Kommunal Landspensjonskasse	17 190	1.2
Ameriprise Financials, Inc.	16 550	1.1
BNP Paribas, S.A.	15 788	1.1
Schroders PLC	15 617	1.0
Nordea AB	15 268	1.0
SAS Rue La Boetie	14 727	1.0
Danske Bank Group	12 234	0.8
Marathon	11 434	0.8
Svenska Handelsbanken AB	10 388	0.7
Total largest shareholders	1 109 113	74.3
Other shareholders	383 417	25.7
Total outstanding shares at the end of the period	1 492 530	100.0

Ownership according to category and nationality

As at 17 June 2024



DNB