

DNB

4

DNB Group
SUPPLEMENTARY INFORMATION
FOR INVESTORS AND ANALYSTS

Fourth quarter 2012

(PRELIMINARY AND UNAUDITED)

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Financial Calendar 2013

Preliminary results 2012 and fourth quarter 2012	7 February
Annual general meeting	30 April
Ex-dividend date	2 May
First quarter 2013	26 April
Second quarter 2013	11 July
Third quarter 2013	24 October

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Statements regarding DNB's relative market positions are, unless otherwise specified, based on internal DNB analyses.

Section 1

DNB – an overview

Financial highlights

Income statement	DNB Group			
	4th quarter 2012	4th quarter 2011	Full year 2012	Full year 2011
<i>Amounts in NOK million</i>				
Net interest income	7 101	6 792	27 216	25 252
<i>Net commissions and fees, core business</i> ¹⁾	1 896	1 632	7 511	7 436
<i>Net financial items</i> ¹⁾	2 165	3 967	6 990	9 317
Net other operating income, total	4 061	5 599	14 501	16 754
Ordinary operating expenses	5 299	5 206	20 660	19 792
Other expenses	202	380	287	380
Pre-tax operating profit before impairment	5 660	6 806	20 769	21 833
Net gains on fixed and intangible assets	(65)	(1)	(1)	19
Impairment of loans and guarantees	1 190	926	3 179	3 445
Pre-tax operating profit	4 406	5 878	17 589	18 407
Taxes	601	1 790	4 028	5 423
Profit from operations held for sale, after taxes	4	0	96	(5)
Profit for the period	3 810	4 089	13 657	12 979

Balance sheet	31 Dec. 2012	31 Dec. 2011
<i>Amounts in NOK million</i>		
Total assets	2 264 845	2 126 098
Loans to customers	1 297 892	1 279 259
Deposits from customers	810 959	740 036
Total equity	128 035	117 815
Average total assets	2 363 517	2 147 853
Total combined assets	2 472 698	2 394 579

Key figures	4th quarter 2012	4th quarter 2011	Full year 2012	Full year 2011
Combined weighted total average spread for lending and deposits (per cent)	1.22	1.14	1.18	1.12
Cost/income ratio (per cent)	47.5	42.0	49.5	47.1
Impairment relative to average net loans to customers, annualised	0.36	0.29	0.24	0.28
Return on equity, annualised (per cent)	12.0	13.8	11.2	11.4
Earnings per share (NOK)	2.34	2.51	8.39	7.98
Dividend per share (NOK) ²⁾	-	-	2.10	2.00
Equity Tier 1 capital ratio at end of period (per cent)	10.7	9.4	10.7	9.4
Tier 1 capital ratio at end of period (per cent)	11.0	9.9	11.0	9.9
Capital ratio at end of period (per cent)	12.6	11.4	12.6	11.4
Share price at end of period (NOK)	70.40	58.55	70.40	58.55
Price/book value	0.90	0.81	0.90	0.81

1) See "Net other operating income" on page 22 for specification.

2) Proposed dividend for 2012.

DNB – Norway's leading financial services group

DNB Group

As at 31 December 2012

• Total combined assets	NOK	2 473 billion
• Total balance sheet	NOK	2 265 billion
• Loans to customers	NOK	1 298 billion
• Deposits from customers	NOK	811 billion
• Market capitalisation	NOK	115 billion

Insurance and Asset Management

• Total assets under management	NOK	481 billion
<u>of which:</u>		
▪ total assets under management (external clients)	NOK	208 billion
· mutual funds	NOK	63 billion
· discretionary management	NOK	145 billion
▪ total assets in DNB Livsforsikring	NOK	271 billion
· financial assets, customers bearing the risk	NOK	28 billion
▪ total assets in DNB Skadeforsikring	NOK	2 billion

Customer base

- Serving 2.1 million private individuals throughout Norway, of whom 1.6 million use one of the Group's Internet banks and 1.5 million use the Internet in active communication (e-dialogue customers)
- More than 220 000 corporate customers in Norway
- Some 1 000 000 individuals insured in Norway
- Approximately 520 000 mutual fund customers in Norway and 242 institutional asset management clients in Norway and Sweden

Market shares

See Section 3 for market shares.

Distribution network

- | | |
|--|---|
| <ul style="list-style-type: none"> • 185 domestic branches • 9 international branches • 5 international representative offices • 147 DNB Baltics and Poland branches • 6 JSC DNB Bank (Russia) branches • DNB Luxembourg (subsidiary) • Internet banking • Mobile bank and SMS services • Telephone banking | <ul style="list-style-type: none"> • Online equities trading in 16 markets • Online mutual fund trading • 179 post office counters ¹⁾ • About 1 230 in-store postal outlets ¹⁾ • About 1 670 rural postmen ¹⁾ • About 1 080 in-store banking outlets ²⁾ • 136 DNB Eiendom sales offices • 226 Svensk Fastighetsförmedling sales offices • 14 DNB Livsforsikring sales offices • 45 DNB Livsforsikring agent companies |
|--|---|

1) Provided by Norway Post (the Norwegian postal system).

2) Provided by NorgesGruppen.

Credit ratings from international rating agencies

	Moody's		Standard & Poor's		Dominion Bond Rating Service	
	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
DNB Bank ASA	A-1 ¹⁾	P-1	A+ ¹⁾	A-1	AA	R-1 (high)

1) Outlook stable

DNB's financial targets

Financial targets 2012

Financial targets for 2012 were presented at DNB's Capital Markets Day event in June 2011. The targets were based on assumptions of relatively positive macroeconomic trends. Economic developments, especially outside Norway, have since then been weaker than expected. Among other things, prolonged low interest rate levels have had a negative impact on the Group's profit performance.

	Target figure 2012	Achieved in 2012 ¹⁾	Comments
Pre-tax operating profit before impairment (NOK billion)	22-25	22.5	The target was reached in spite of interest rate levels that were much lower than expected.
Return on equity (per cent)	Above 13	11.9	Return on equity has been under pressure due to lower than expected interest rate levels and increased average equity to meet higher capital adequacy requirements.
Annual effect of cost saving measures from year-end 2012 (NOK billion)	2.3	2.1 as at 30 June 2012	The former cost programme was ended in the second half of 2012 and replaced with targets for developments in absolute costs. Figures reported at end-June 2012 showed that the cost saving measures were on schedule.
Ordinary cost/income ratio from 2012 (per cent)	Below 46	47.6	The cost/income ratio was also affected by the low interest rate levels. Cost efficiency measures will be a key priority in the period ahead.

1) Profits for 2012 have been adjusted by NOK 1 687 million, representing the negative effect of changes in the value of basis swaps.

Financial ambitions towards 2015

DNB will give priority to long-term value creation for its shareholders and aims to achieve a return on equity and a market capitalisation which are competitive in relation to its Nordic peers.

DNB presented new long-term financial ambitions on its Capital Markets Day in September 2012. The financial ambitions are conditional on relatively positive future developments in the macroeconomy and in the general framework conditions for the financial services industry.

Financial ambitions:

- annual growth in net interest income above 6 per cent
- maximum 2 per cent average annual growth in nominal costs including restructuring costs; cost/income ratio below 45 per cent in 2015
- return on equity above 12 per cent in 2015

Capital strategy and dividend policy:

- common equity Tier 1 capital ratio (Basel III) at 12.0-12.5 per cent in 2015
- AA level ratings for long-term funding to DNB Bank ASA
- long-term dividend payments representing approximately 50 per cent of annual profits. Temporary payout ratio of 25-50 per cent in 2012-2014

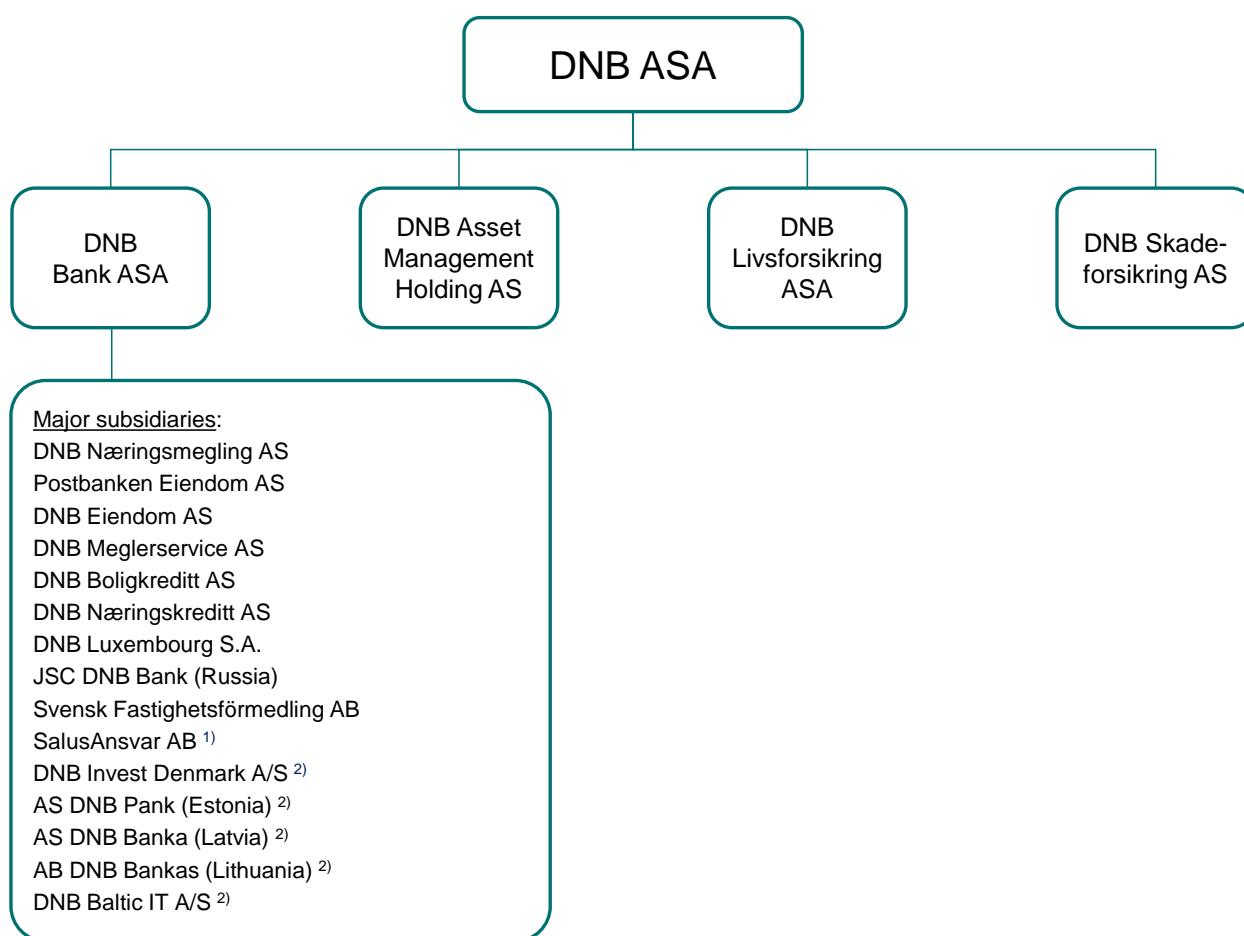
Dividends will be determined on the basis of expected profit levels in a normal situation, external parameters and the need to maintain capital adequacy at a satisfactory level.

Legal structure

In accordance with the requirements of the Norwegian regulatory authorities, the banking, asset management and insurance activities of the DNB Group are organised in separate limited companies under the holding company DNB ASA. Banking activities are organised in DNB Bank ASA and its subsidiaries. All asset management activities are organised under a common holding company, DNB Asset Management Holding AS. DNB Livsforsikring ASA offers life insurance and pension saving products, both products with guaranteed returns and products with a choice of investment profile. DNB Skadeforsikring AS offers non-life insurance products as part of a total product package for retail customers and small and medium-sized companies.

The chart below shows the legal structure of the DNB Group.

DNB Group – legal structure at end-December 2012



1) During the third quarter of 2012, DNB entered into an agreement to sell SalusAnsvar AB. The transaction was formally completed in late January 2013.

2) Operations in DNB Baltics and Poland are under restructuring. As part of the restructuring, ownership of the banks in Lithuania and Latvia was transferred to DNB at end-June 2011. In the first quarter of 2012 the ownership of AS DNB Liising in Estonia was transferred to Norway. AS DNB Liising has now received a banking licence in Estonia and has thus changed its name to AS DNB Pank and taken over the operations of the branch in Estonia. In the second quarter of 2012 the ownership of DNB Baltic IT A/S was transferred to Norway. DNB Invest Denmark A/S still owns the operations in Poland, but the ownership will be transferred to DNB Bank ASA as soon as possible. The company's banking licence in Denmark was handed in on 9 November 2012, and the company will continue as a "bank holding company" until the Polish operations are transferred to Norway. Following the restructuring, DNB Invest Denmark A/S will only engage in investment activity.

Group business structure

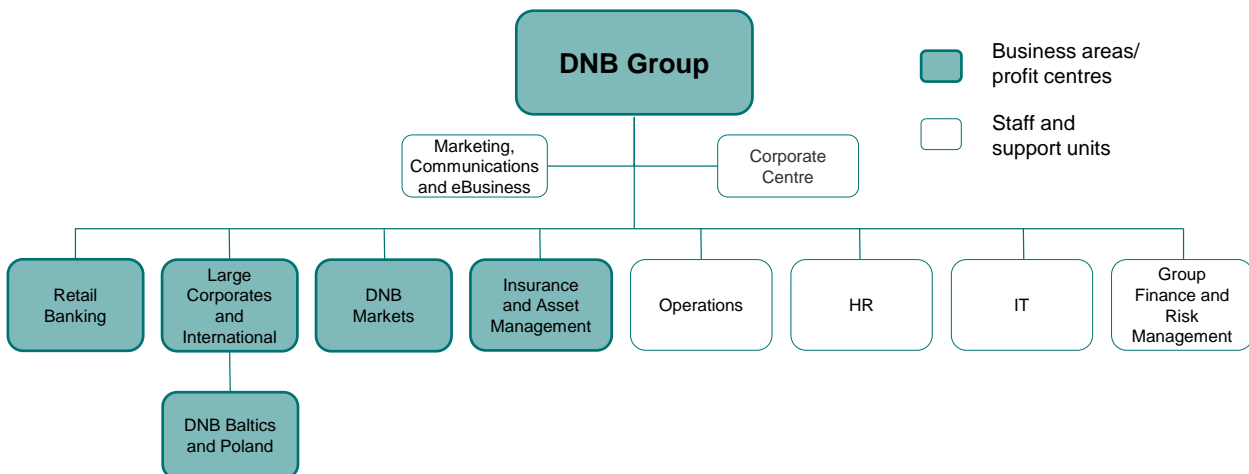
The activities in DNB were in 2012 organised in the business areas Retail Banking, Large Corporates and International, DNB Markets and Insurance and Asset Management. The business areas operate as independent profit centres and have responsibility for serving the Group's customers and for the total range of products. DNB Baltics and Poland's operations are organised as a separate division in Large Corporates and International, but is reported as a separate profit centre.

- *Retail Banking* was responsible for serving private customers and small and medium-sized corporate customers in the regional network in Norway. The organisation will enable the Group to utilise its wide range of products and services and expert skills in an optimal manner by coordinating activities in local markets and thus strengthen relations to customers in all Norwegian market segments.
- The largest corporate clients in Norway and the international customers were served by the business area *Large Corporates and International*. The business area will concentrate on large corporates and further reinforce sound industry expertise.
- *DNB Markets* is the Group's investment firm.
- *Insurance and Asset Management* was responsible for life insurance, pension savings, non-life insurance and asset management in the Group.

Operational tasks and group services are carried out by the Group's staff and support units, which provide infrastructure and cost efficient services to the business areas. In addition, they perform functions for governing bodies and group management. The business areas have the opportunity to influence staff and support units in the Group by changing their demand patterns and levels of ambition.

The operational structure of DNB deviates from its legal structure. The operational structure is adapted to the Group's business operations and should ensure good customer service, innovative product development and more efficient operations. All activities in subsidiaries fall within the business area relevant to the company's primary operations.

DNB Group – organisation chart at end-December 2012 ¹⁾



1) Reporting structure.

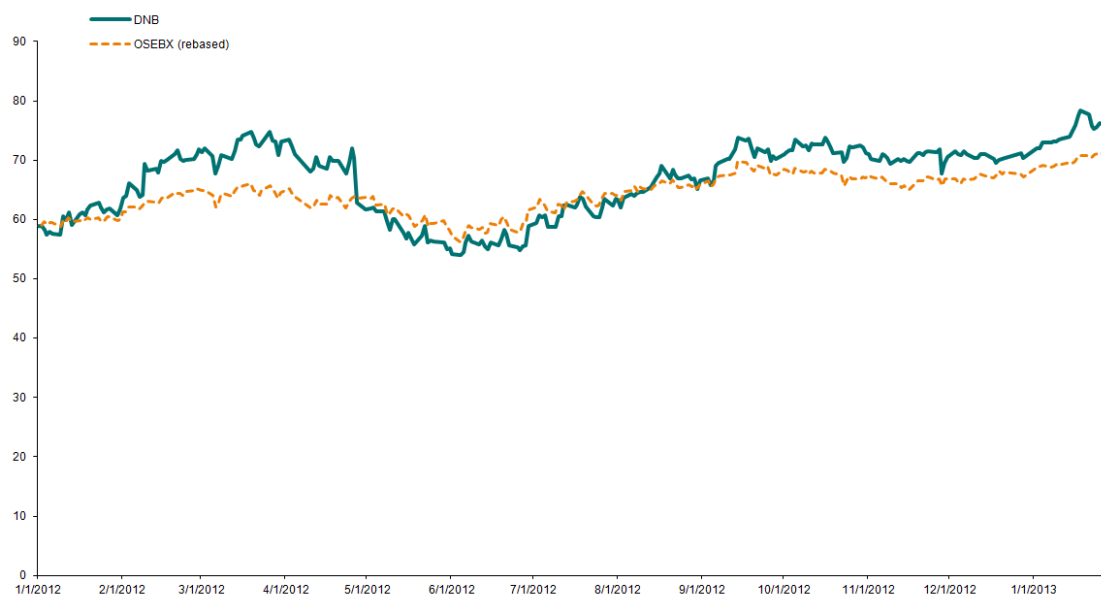
Equity-related data

Key figures

	2012	2011	2010	2009	2008
Number of shares at end of period (1 000) ¹⁾	1 628 799	1 628 799	1 628 799	1 628 799	1 332 654
Average number of shares (1 000)	1 628 799	1 628 799	1 628 799	1 335 838	1 332 654
Earnings per share (NOK)	8.39	7.98	8.66	6.43	6.91
Return on equity, annualised (%)	11.2	11.4	13.6	10.6	12.4
RARORAC, annualised (%) ²⁾	20.6	16.6	19.0	17.2	13.6
RORAC, annualised (%) ³⁾	20.4	19.1	25.2	12.6	15.3
Share price at end of period (NOK)	70.40	58.55	81.90	62.75	27.00
Diluted share price at end of period, adjusted for rights issue (NOK)	70.40	58.55	81.90	62.75	25.64
Price/earnings ratio ⁴⁾	8.45	7.33	9.50	9.85	3.91
Price/book value ⁵⁾	0.90	0.81	1.20	1.04	0.47
Dividend per share (NOK) ⁶⁾	2.10	2.00	4.00	1.75	0.00
Dividend yield (%)	2.98	3.42	4.88	2.79	0.00
Equity per share including allocated dividend at end of period (NOK)	78.61	72.33	68.27	60.56	57.83

- 1) The Annual General Meeting on 25 April 2012 authorised the Board of Directors of DNB ASA to acquire own shares for a total face value of up to NOK 732 959 487, corresponding to 4.5 per cent of share capital. The shares may be purchased through the stock market. Each share may be purchased at a price between NOK 10 and NOK 150. The authorisation is valid for a period of 12 months from 25 April 2012. Acquired shares shall be redeemed in accordance with regulations on the reduction of capital. An agreement has been signed with Norwegian Government/Ministry of Trade and Industry for the redemption of a proportional share of government holdings to ensure that the government's percentage ownership does not change as a result of the redemption of repurchased shares.
- 2) RARORAC (Risk-Adjusted Return On Risk-Adjusted Capital) is defined as risk-adjusted profits relative to the risk-adjusted capital requirement. Risk-adjusted profits indicate the level of profits in a normalised situation.
- 3) RORAC (Return On Risk-Adjusted Capital) is defined as profits for the period relative to the risk-adjusted capital requirement. Profits for the period exclude profits attributable to minority interests and are adjusted for the period's change in fair value recognised directly in equity and for the difference between recorded interest on average equity and interest on risk-adjusted capital.
- 4) Closing price at end of period relative to annualised earnings per share.
- 5) Closing price at end of period relative to recorded equity at end of period.
- 6) Proposed dividend for 2012.

Share price development – 1 January 2012 to 30 January 2013

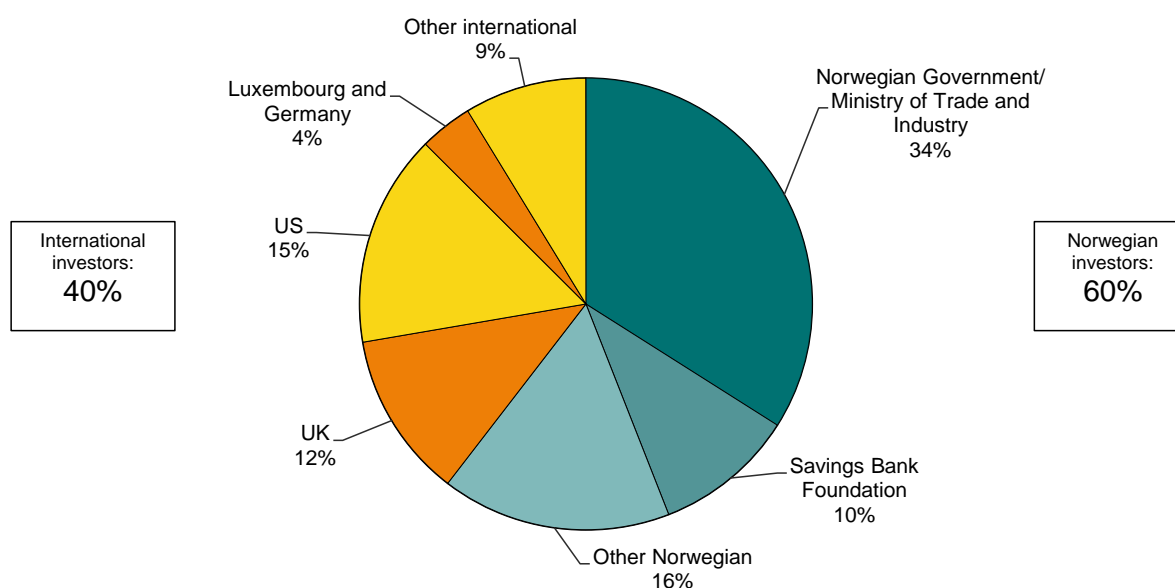


Shareholder structure as at 31 December 2012

Major shareholders

	Shares in 1 000	Ownership in %
Norwegian Government/Ministry of Trade and Industry	553 792	34.00
Sparebankstiftelsen DNB NOR (Savings Bank Foundation)	163 580	10.04
Folketrygdfondet	95 883	5.89
Blackrock Investments	28 391	1.74
Fidelity Investments	27 508	1.69
People's Bank of China	25 751	1.58
DNB Funds	19 545	1.20
Saudi Arabian Monetary Agency	18 129	1.11
Vanguard Investment Funds	17 283	1.06
Capital Research/Capital International	16 512	1.01
T. Rowe Price International	13 875	0.85
Schroder Investment	12 760	0.78
TIAA-CREF	12 435	0.76
State Street Global Advisors	11 967	0.73
Nordea Funds	11 546	0.71
Newton Investment Management	10 980	0.67
Storebrand Funds	10 820	0.66
MFS Massachusetts Financial Services	10 502	0.64
Threadneedle Investment Funds	10 258	0.63
Marathon Asset Management	8 983	0.55
Total largest shareholders	1 080 501	66.34
Other	548 298	33.66
Total	1 628 799	100.00

Ownership according to investor category



Section 2

Financial results DNB Group

Financial results

Income statement – condensed ¹⁾

<i>Amounts in NOK million</i>	4Q12	3Q12	2Q12	1Q12	4Q11	Full year	
						2012	2011
Net interest income	7 101	6 828	6 634	6 653	6 792	27 216	25 252
<i>Net commissions and fees, core business ²⁾</i>	1 896	1 852	2 013	1 750	1 632	7 511	7 436
<i>Net financial items ²⁾</i>	2 165	1 776	3 191	(143)	3 967	6 990	9 317
Net other operating income, total	4 061	3 628	5 204	1 607	5 599	14 501	16 754
Total operating expenses before impairment losses for goodwill and intangible assets	5 299	5 106	5 149	5 105	5 206	20 660	19 792
Impairment losses for goodwill and intangible assets	202	85	0	0	380	287	380
Pre-tax operating profit before impairment	5 660	5 265	6 689	3 156	6 806	20 769	21 833
Net gains on fixed and intangible assets	(65)	20	37	7	(1)	(1)	19
Impairment of loans and guarantees	1 190	521	685	784	926	3 179	3 445
Pre-tax operating profit	4 406	4 763	6 041	2 378	5 878	17 589	18 407
Taxes	601	1 256	1 553	618	1 790	4 028	5 423
Profit from operations held for sale, after taxes	4	0	92	0	0	96	(5)
Profit for the period	3 810	3 507	4 580	1 760	4 089	13 657	12 979

1) For a more detailed income statement, see page 41.

2) See "Net other operating income" on page 22 for specification.

Income statement – condensed – adjusted for basis swaps

<i>Amounts in NOK million</i>	4Q12	3Q12	2Q12	1Q12	4Q11	Full year	
						2012	2011
Net interest income	7 101	6 828	6 634	6 653	6 792	27 216	25 252
<i>Net commissions and fees, core business</i>	1 896	1 852	2 013	1 750	1 632	7 511	7 436
<i>Net financial items</i>	1 931	2 342	2 113	2 290	1 898	8 676	6 286
Net other operating income, total	3 827	4 195	4 126	4 040	3 530	16 187	13 723
Total operating expenses before impairment losses for goodwill and intangible assets	5 299	5 106	5 149	5 105	5 206	20 660	19 792
Impairment losses for goodwill and intangible assets	202	85	0	0	380	287	380
Pre-tax operating profit before impairment	5 426	5 831	5 611	5 588	4 737	22 456	18 802
Net gains on fixed and intangible assets	(65)	20	37	7	(1)	(1)	19
Impairment of loans and guarantees	1 190	521	685	784	926	3 179	3 445
Pre-tax operating profit	4 171	5 330	4 963	4 811	3 809	19 275	15 376
Taxes	535	1 415	1 251	1 299	1 211	4 500	4 574
Profit from operations held for sale, after taxes	4	0	92	0	0	96	(5)
Profit for the period	3 641	3 915	3 804	3 511	2 599	14 871	10 796

Mark-to-market changes on own debt and other items not related to underlying operations and non-recurring items

<i>Amounts in NOK million</i>	4Q12	3Q12	2Q12	1Q12	4Q11	Full year	
						2012	2011
Fair value of spreads, basis swap agreements ¹⁾	235	(566)	1 078	(2 432)	2 069	(1 687)	3 031
Total income, other	95	79	76	176	272	426	246
Impairment losses for goodwill and intangible assets ²⁾	202	85	0	0	380	287	380
Effect on pre-tax operating profit before impairment	128	(573)	1 154	(2 256)	1 961	(1 548)	2 897

- 1) Basis swaps are derivative contracts entered into by the bank when issuing senior bonds or raising other long-term funding in the international capital markets and converting the relevant currency to Norwegian kroner. The Norwegian bond market is very small and illiquid, which means that there is a great need for international funding hedged by such instruments. In periods of financial market turbulence, there will be stronger demand for "secure" currencies such as the US dollar. Thus, prices will increase for swaps where USD will be supplied on a future date. When prices of new swap contracts increase, such as in the fourth quarter of 2012, so will the market value of existing swap contracts. This will give a rise in recorded income. However, such changes in value recorded in a quarter will be reversed in subsequent quarters, either because the market is stabilising or because the maturity date of the derivative contract is approaching.
- 2) In the fourth quarter of 2012, impairment losses for goodwill of NOK 202 million relating to DNB Livsforsikring were recorded. Impairment losses for goodwill of NOK 47 million relating to SalusAnsvar and NOK 38 million relating to Pres-Vac were recorded in the third quarter of 2012. Impairment losses for goodwill of NOK 190 million relating to Poland and impairment of NOK 191 million on the IT solutions in Lithuania were recorded in the fourth quarter of 2011.

Balance sheet – condensed ¹⁾

<i>Amounts in NOK billion</i>	31 Dec. 2012	30 Sept. 2012	30 June 2012	31 March 2012	31 Dec. 2011
Deposits with central banks	299	367	410	433	225
Due from credit institutions	37	42	32	35	29
Loans to customers	1 298	1 307	1 309	1 285	1 279
Other assets	631	652	621	618	594
Total assets	2 265	2 369	2 372	2 371	2 126
Due to credit institutions	251	294	294	353	280
Deposits from customers	811	843	854	806	740
Short-term debt securities issued	244	270	260	272	228
Long-term debt securities issued	464	458	469	445	407
Other liabilities and provisions	366	380	374	374	354
Equity	128	124	121	120	118
Total liabilities and equity	2 265	2 369	2 372	2 371	2 126
Ratio of deposits to net loans (%)	62.5	64.5	65.3	62.7	57.8
Adjusted ratio of deposits to net loans (%) ²⁾	62.4	60.8	62.3	61.5	57.3
Total combined assets	2 473	2 639	2 633	2 636	2 395

1) For a more detailed balance sheet, see page 41.

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

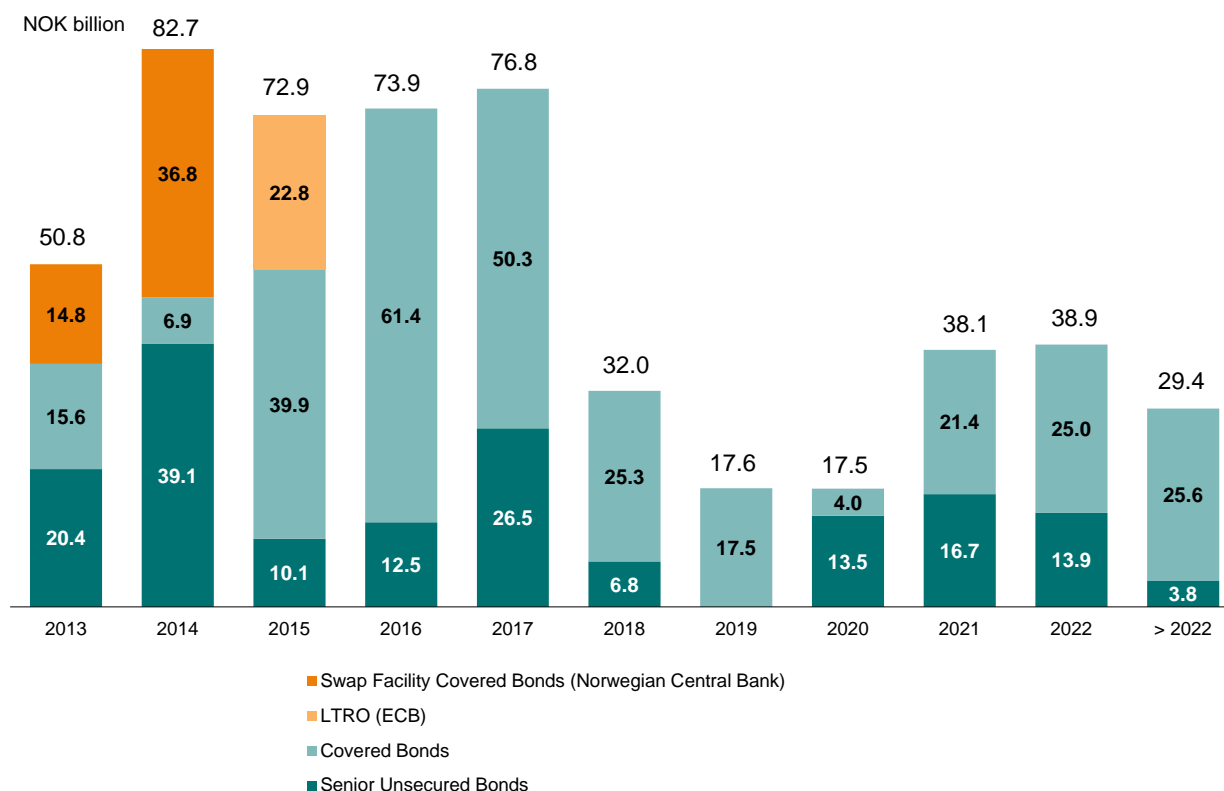
Funding

DNB Bank ASA issues senior debt and subordinated debt. DNB Boligkreditt AS, which is a wholly owned subsidiary of DNB Bank ASA, issues covered bonds. DNB issues bonds through both large public transactions and private placements.

		NOK billion	Maturity	Spread (bp) 3-month Euribor	Spread (bp) 3-month Nibor
2012	Covered bonds	60.1	8.0	62	88
	Senior bonds	42.2	6.9	171	194
	Total	102.3	7.6	107	132
	Subordinated loans ¹⁾	5.5	5.0	340	367
	Total including subordinated loans	107.8	7.4	119	144
	In addition: LTRO funding	9.0	3.0		
2011	Covered bonds	98.3	6.5	53	68
	Senior bonds	27.8	8.8	108	123
	Total	126.1	7.0	65	80
	In addition: LTRO funding	15.7	3.0		
2010	Covered bonds	84.4	7.5	49	
	Senior bonds	32.3	7.3	84	
	Total	116.6	7.5	59	

1) Callable after five years with a total maturity of ten years.

Redemption profile as of 31 December 2012



Financial highlights

	4Q12	3Q12	2Q12	1Q12	4Q11	Full year	
						2012	2011
Cost/income ratio (%) ¹⁾	47.5	48.8	43.5	61.8	42.0	49.5	47.1
Return on equity, annualised (%)	12.0	11.4	15.3	6.0	13.8	11.2	11.4
Earnings per share (NOK)	2.34	2.15	2.82	1.08	2.51	8.39	7.98
Total combined assets at end of period (NOK billion)	2 473	2 639	2 633	2 636	2 395	2 473	2 395
Equity Tier 1 capital ratio at end of period (%) ²⁾	10.7	10.0	9.6	9.3	9.4	10.7	9.4

1) Excluding impairment losses for goodwill and other intangible assets.

2) Including 50 per cent of profit for the year, except for year-end figures.

Financial highlights – adjusted for basis swaps

	4Q12	3Q12	2Q12	1Q12	4Q11	Full year	
						2012	2011
Cost/income ratio (%) ¹⁾	48.5	46.3	47.9	47.7	50.4	47.6	50.8
Return on equity, annualised (%)	11.5	12.7	12.7	11.9	8.8	12.2	9.5
Earnings per share (NOK)	2.24	2.40	2.34	2.16	1.60	9.14	6.64

1) Excluding impairment losses for goodwill and other intangible assets.

Norwegian and international units ¹⁾

Norwegian units

Per cent

	4Q12	3Q12	4Q11
Share of Group income	80.4	80.2	82.7
Cost/income ratio ²⁾	45.4	48.3	39.4
Share of net Group loans to customers	83.3	82.4	81.2
Non-performing and doubtful loans and guarantees relative to total loans	0.8	0.7	0.8
Provision ratio (per cent) ³⁾	39.6	39.1	38.6
Individual impairment in relation to net loans, annualised	0.20	0.09	0.19

International units excl. DNB Baltics and Poland

Per cent

	4Q12	3Q12	4Q11
Share of Group income	15.2	15.1	12.8
Cost/income ratio ⁴⁾	8.0	45.4	45.9
Share of net Group loans to customers	12.6	13.4	14.4
Non-performing and doubtful loans and guarantees relative to total loans	3.7	3.3	2.6
Provision ratio (per cent) ³⁾	30.1	30.4	26.7
Individual impairment in relation to net loans, annualised	0.78	0.66	0.39

DNB Baltics and Poland

Per cent

	4Q12	3Q12	4Q11
Share of Group income	4.4	4.7	4.5
Cost/income ratio	102.4	68.7	79.0
Share of net Group loans to customers	4.1	4.1	4.3
Non-performing and doubtful loans and guarantees relative to total loans	9.5	10.5	10.6
Provision ratio (per cent) ³⁾	49.6	48.2	47.5
Individual impairment in relation to net loans, annualised	0.47	0.87	2.60

1) The figures are based on the financial accounts.

2) Excluding impairment losses for goodwill in the fourth quarter of 2012.

3) Provision ratio includes individual and collective impairment as a percentage of gross non-performing and gross doubtful loans and guarantees.

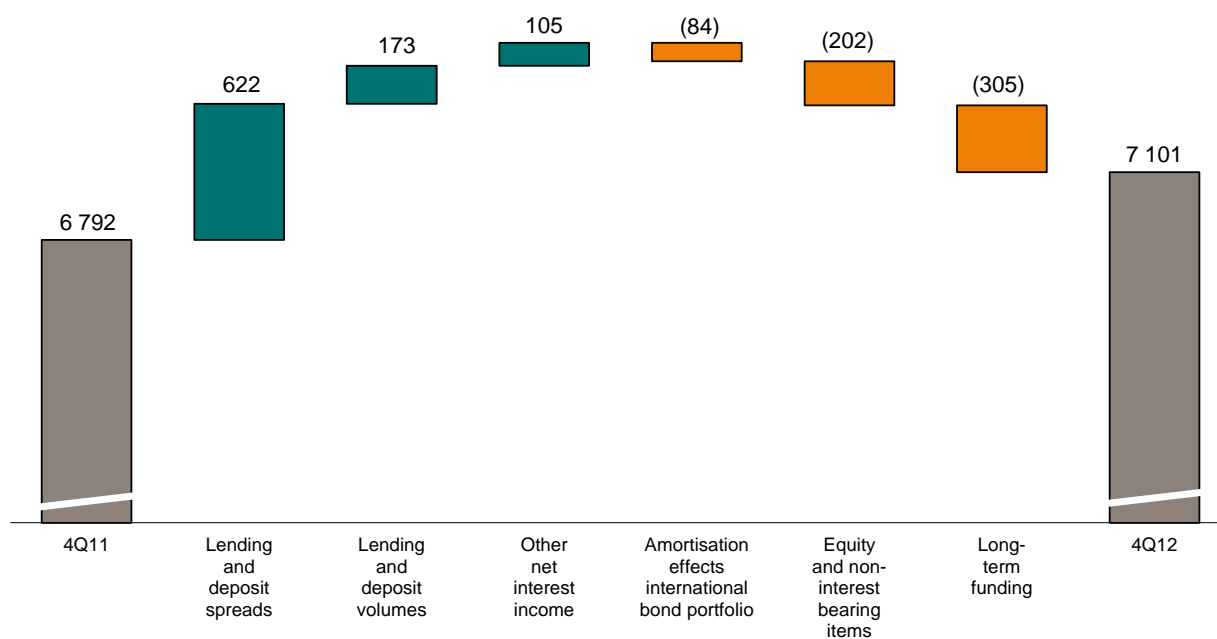
4) Excluding impairment losses for goodwill in the third quarter of 2012.

Net interest income

Changes in net interest income

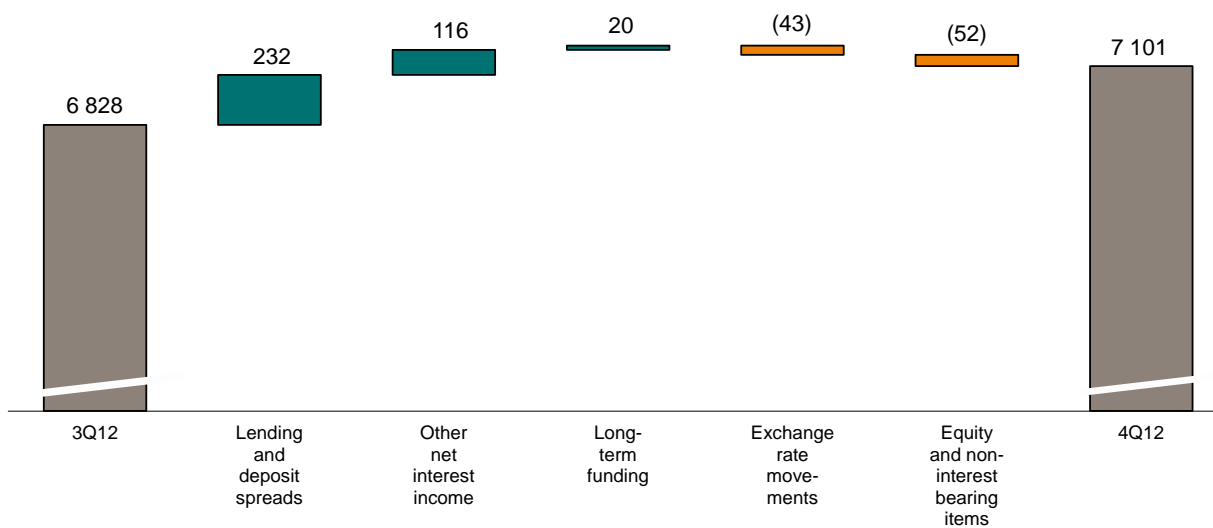
NOK million

From 4th quarter 2011 to 4th quarter 2012



NOK million

From 3rd quarter 2012 to 4th quarter 2012



Changes in net interest income

<i>Amounts in NOK million</i>	2012	Change	2011	Change in per cent
Net interest income	27 216	1 964	25 252	7.8
Lending and deposit spreads		1 952		
Lending and deposit volumes		1 577		
Exchange rate movements		193		
Amortisation effects international bond portfolio		(298)		
Equity and non-interest bearing items		(309)		
Long-term funding		(1 237)		
Other interest items		85		

Net interest income

<i>Amounts in NOK million</i>	Average volumes			Spreads in per cent			Net interest income ²⁾		
	4Q12	3Q12	4Q11	4Q12	3Q12	4Q11	4Q12	3Q12	4Q11
Loans to customers ¹⁾	1 289 467	1 294 090	1 246 953	2.18	2.01	1.64	7 056	6 536	5 170
Deposits from customers ¹⁾	830 768	826 412	730 801	(0.27)	(0.13)	0.28	(571)	(261)	512
Equity and non-interest bearing items	91 778	89 402	85 721	1.93	2.21	2.99	444	496	646
Other							171	56	464
Total net interest income							7 101	6 828	6 792

1) Average nominal amounts, excluding impaired loans.

2) Including exchange rate movements.

Segmental interest rate spreads ¹⁾

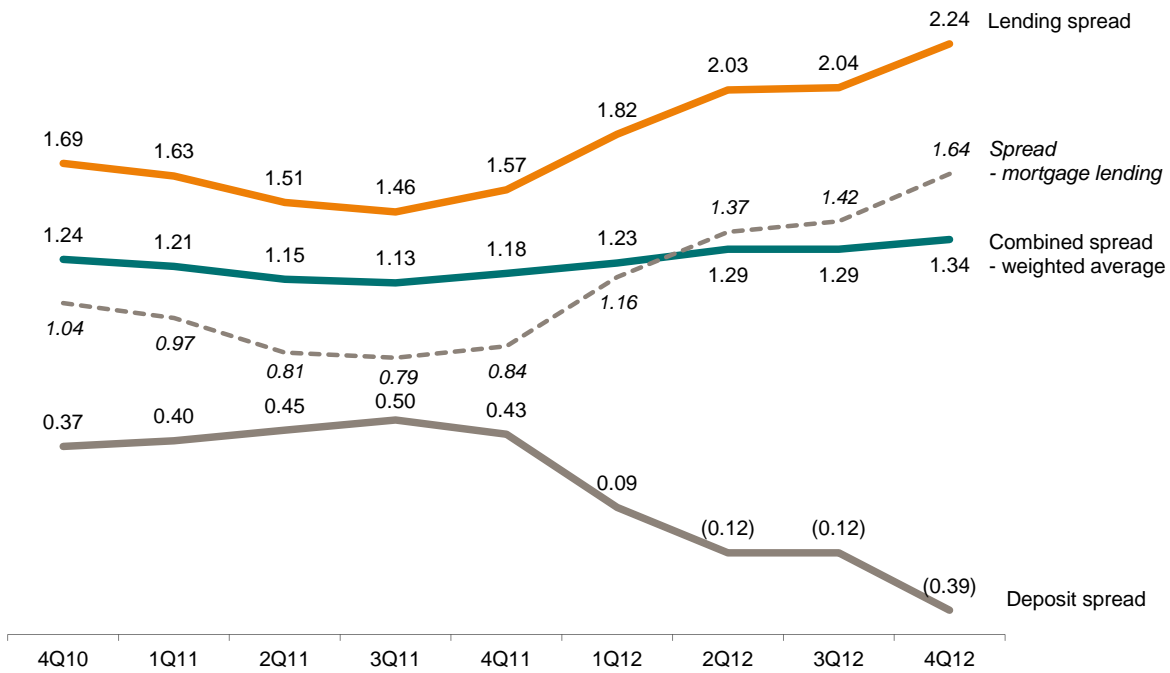
<i>Per cent</i>	4Q12	3Q12	2Q12	1Q12	4Q11	Full year	
						2012	2011
<i>Lending:</i>							
Retail Banking ¹⁾	2.24	2.04	2.03	1.82	1.57	2.04	1.54
Large Corporates and International	2.02	1.95	1.87	1.81	1.76	1.91	1.66
DNB Baltics and Poland/DnB NORD ²⁾	2.34	1.97	2.11	2.09	1.86	2.13	1.75
Total	2.18	2.01	1.98	1.83	1.64	2.00	1.59
<i>Deposits:</i>							
Retail Banking	(0.39)	(0.12)	(0.12)	0.09	0.43	(0.14)	0.45
Large Corporates and International	(0.17)	(0.20)	(0.17)	(0.07)	(0.01)	(0.15)	0.02
DNB Baltics and Poland/DnB NORD ²⁾	0.06	0.31	0.32	0.44	1.07	0.28	0.90
Total	(0.27)	(0.13)	(0.11)	0.04	0.28	(0.12)	0.30
<i>Combined spread - lending and deposits:</i>							
Retail Banking	1.34	1.29	1.29	1.23	1.18	1.29	1.17
Large Corporates and International	1.03	1.03	1.02	1.06	1.08	1.04	1.02
DNB Baltics and Poland/DnB NORD ²⁾	1.47	1.34	1.44	1.50	1.61	1.44	1.49
Weighted total average	1.22	1.18	1.18	1.16	1.14	1.18	1.12
<i>*) of which mortgage lending portfolio</i>	1.64	1.42	1.37	1.16	0.84	1.40	0.85

1) Margins are calculated based on money market rates and do not include additional funding costs related to liquidity measures.

2) Figures prior to 31 December 2011 also include the former DnB NORD's portfolios in Denmark and Finland.

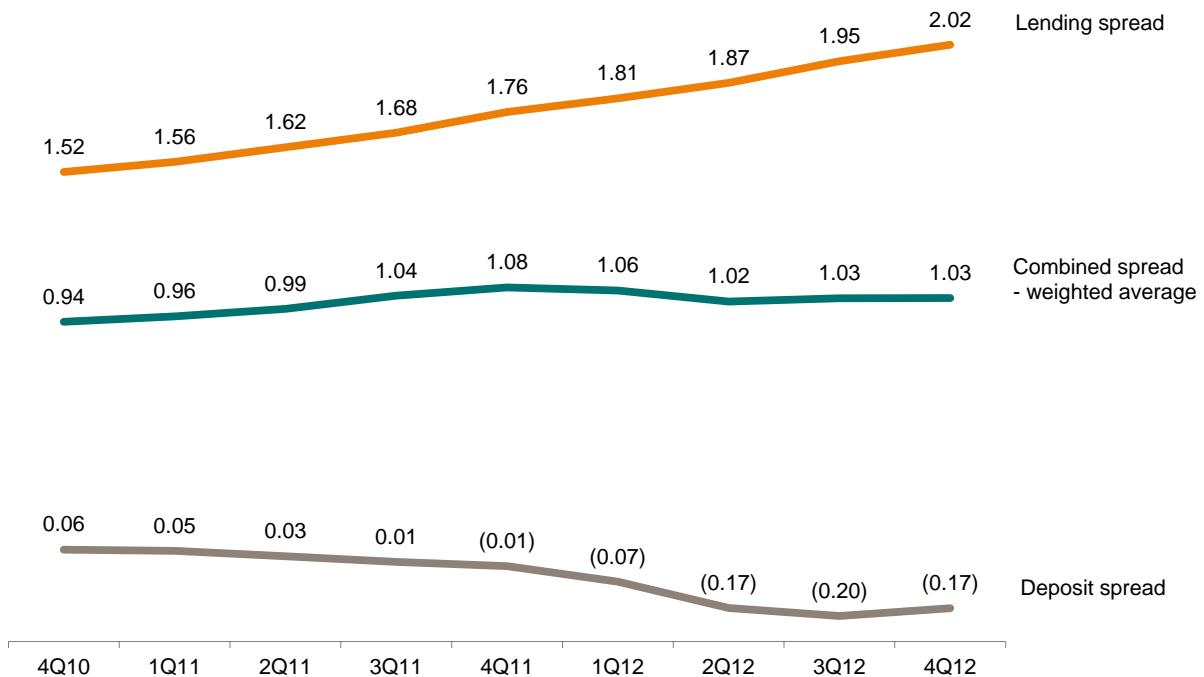
Development in average interest rate spreads – Retail Banking

Per cent

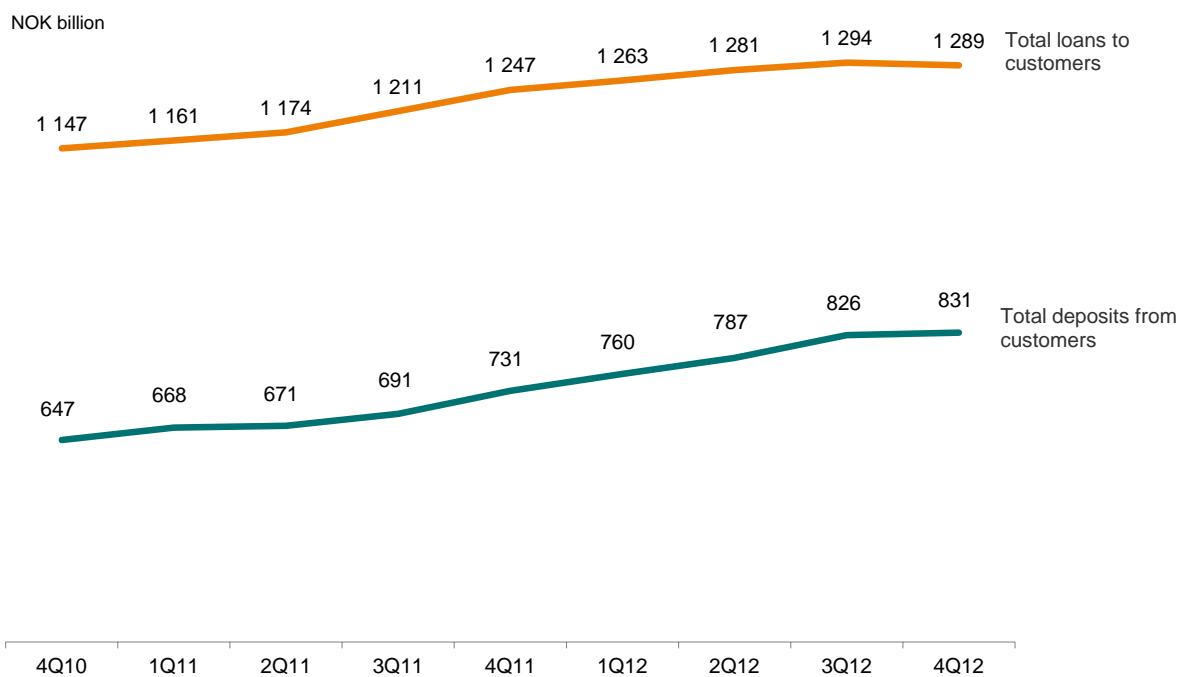


Development in average interest rate spreads – Large Corporates and International

Per cent

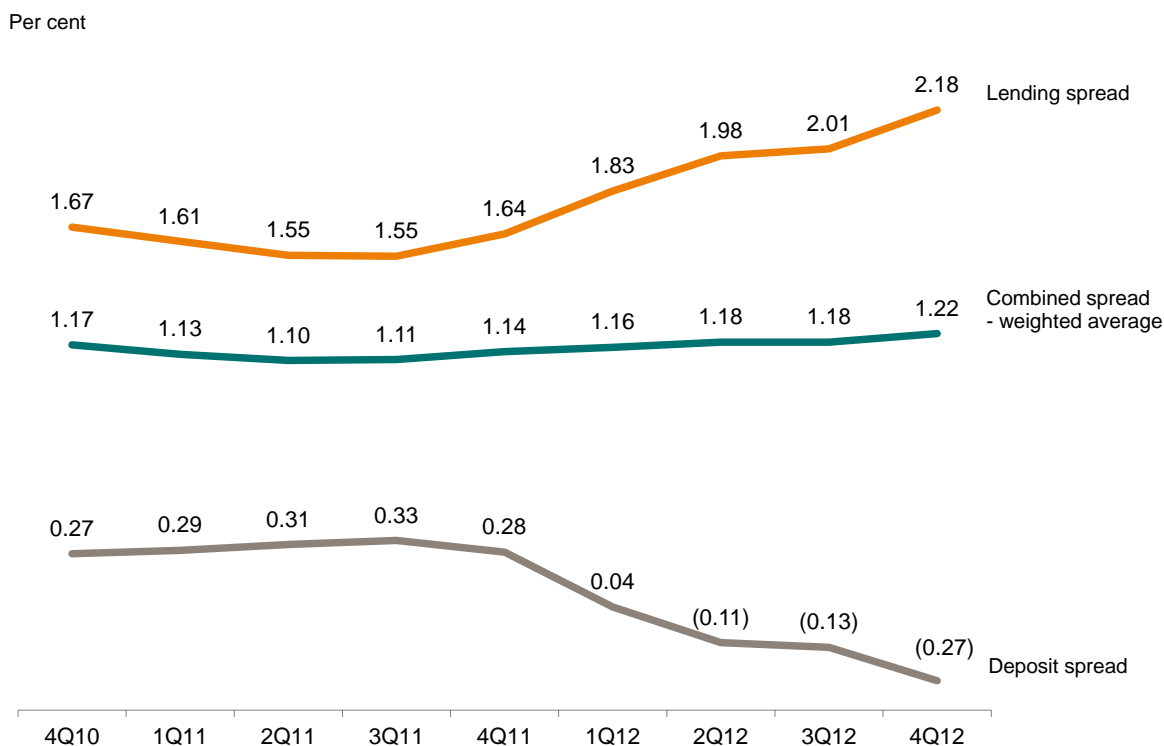


Development in average volumes – loans and deposits ¹⁾



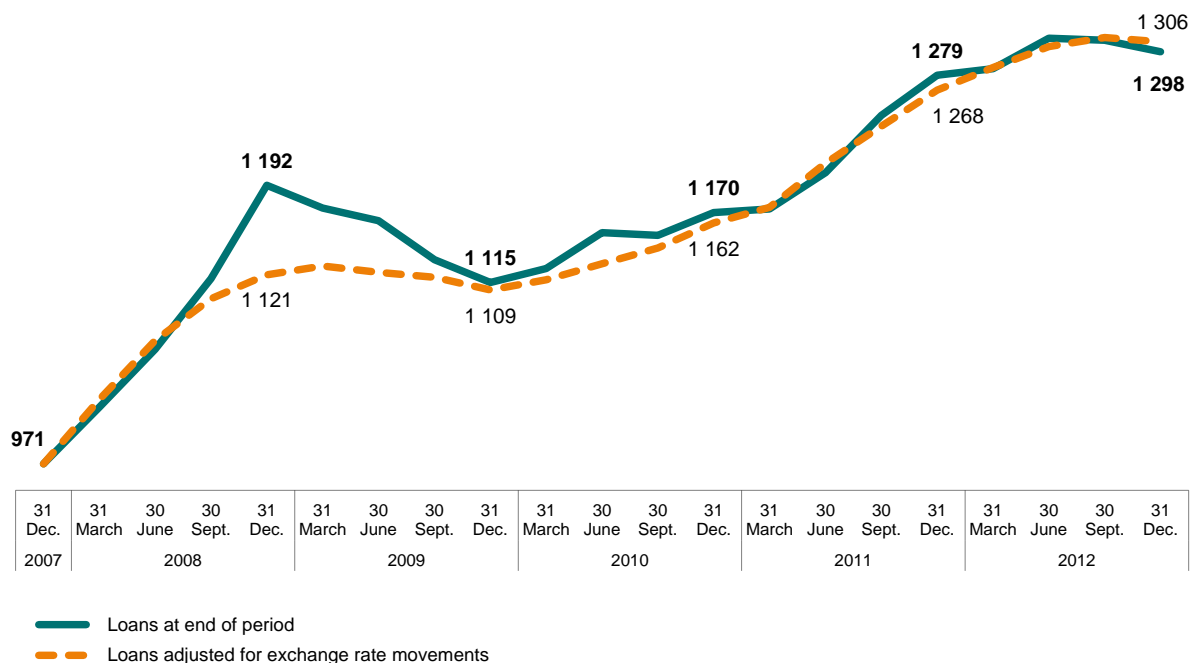
1) Average nominal amounts, excluding impaired loans

Quarterly development in average interest rate spreads



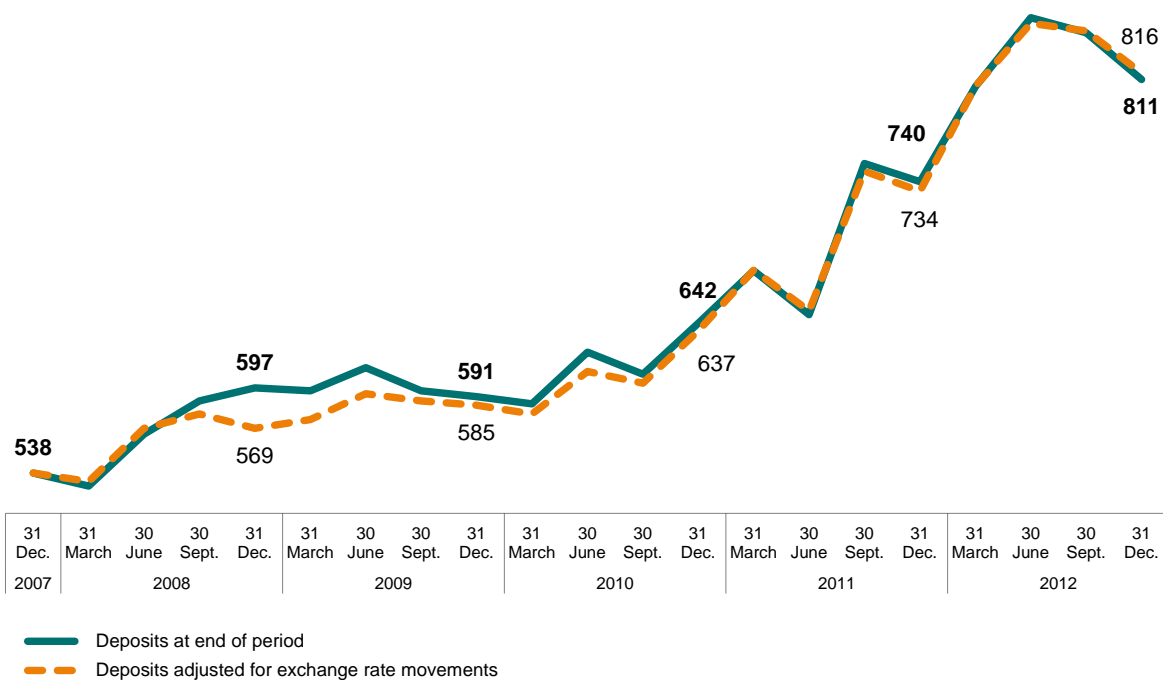
Development in volumes – net loans to customers

NOK billion



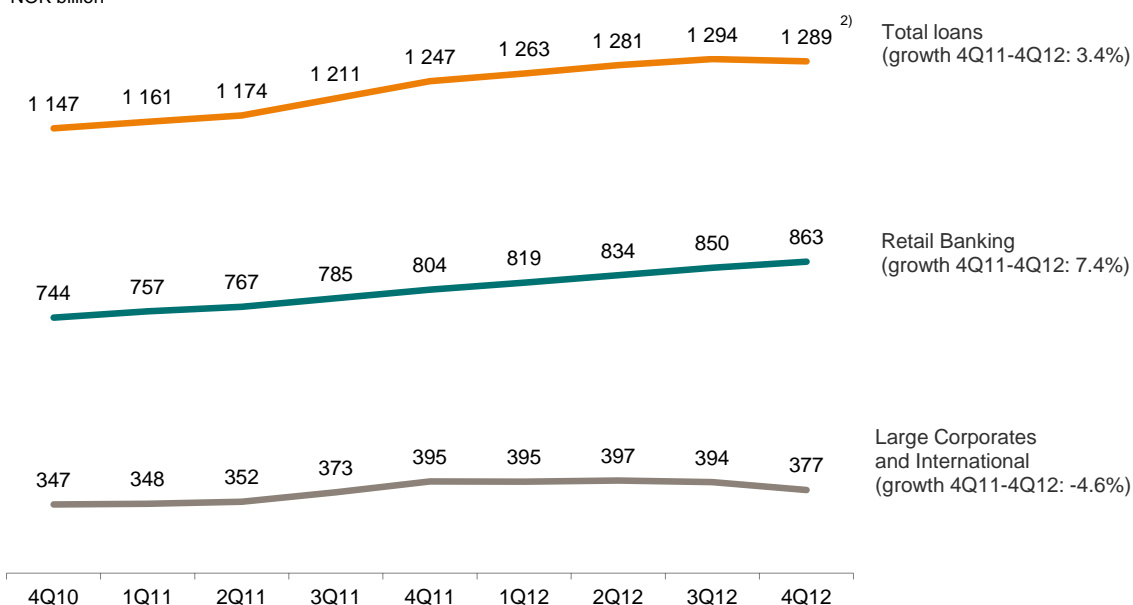
Development in volumes – deposits from customers

NOK billion



Development in average volumes – loans to customers ¹⁾

NOK billion

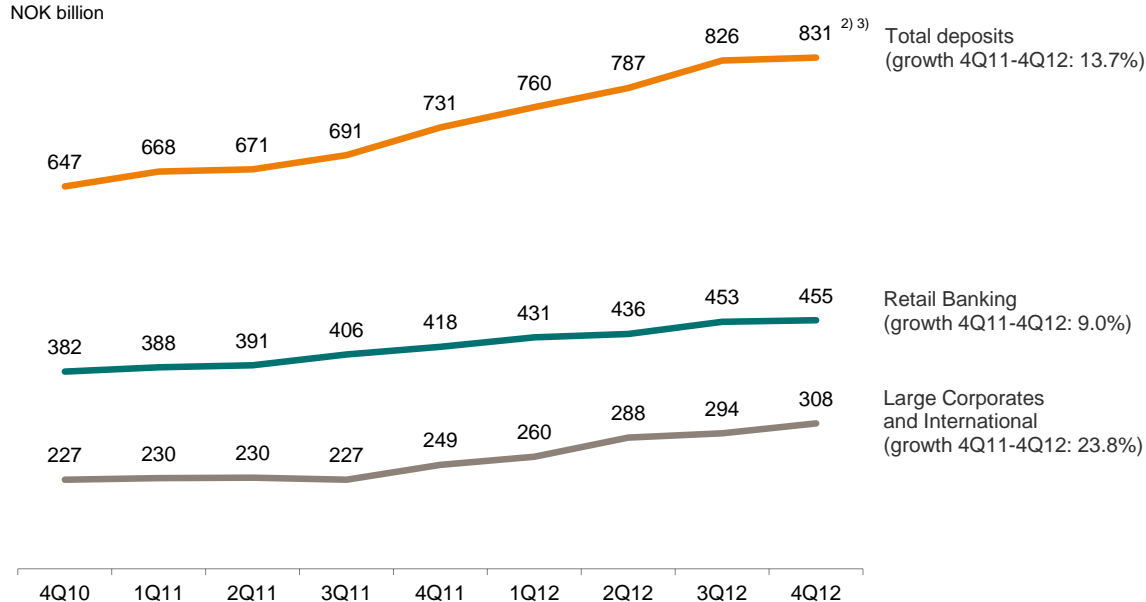


1) Average nominal amounts, excluding impaired loans

2) Of which DNB Baltics and Poland: NOK 47 billion. Total loans excluding DNB Baltics and Poland: NOK 1 243 billion (growth: 3.8%)

Development in average volumes – deposits from customers ¹⁾

NOK billion



1) Average nominal amounts

2) Of which DNB Baltics and Poland: NOK 29 billion. Total deposits excluding DNB Baltics and Poland: NOK 802 billion (growth: 13.2%)

3) Growth in total deposits from 4Q11 to 4Q12 excluding short-term money market deposits: 12.7%

Net other operating income

Amounts in NOK million	4Q12	3Q12	2Q12	1Q12	4Q11	Full year	
						2012	2011
Money transfer and interbank transactions	490	525	490	503	473	2 008	1 898
Asset management services	224	229	211	220	252	885	982
Credit broking	122	37	170	25	4	354	395
Real estate broking	288	263	316	268	260	1 134	1 012
Custodial services	52	50	46	40	45	188	189
Securities trading	22	28	23	18	18	92	177
Sale of insurance products	607	627	636	616	472	2 487	2 343
Other income from banking services	90	92	120	61	108	363	440
Net commissions and fees, core business	1 896	1 852	2 013	1 750	1 632	7 511	7 436
Net gains on equity investments including dividends	248	114	74	84	(163)	521	274
Corporate finance etc.	192	108	100	185	123	585	454
Profit from companies accounted for by the equity method ¹⁾	177	246	141	225	111	789	77
Net gains on investment property	(16)	4	(184)	(144)	(132)	(340)	(32)
Other income	230	229	294	254	214	1 007	763
Net financial and risk result from DNB Livsforsikring ¹⁾	140	178	103	293	190	714	151
Net premium income/insurance claims, DNB Skadeforsikring	78	105	92	50	63	325	244
Customer trading in FX and interest rate instruments, DNB Markets	336	343	389	403	411	1 471	1 410
FX and interest rate instruments, DNB Markets	421	1 077	775	1 410	755	3 683	2 441
Basis swaps	235	(566)	1 078	(2 432)	2 069	(1 687)	3 031
FX and interest rate instruments, other	124	(62)	330	(470)	325	(78)	504
Net financial items	2 165	1 776	3 191	(143)	3 967	6 990	9 317
Net other operating income, total ^{**)}	4 061	3 628	5 204	1 607	5 599	14 501	16 754
<i>As a percentage of total income</i>	<i>36.4</i>	<i>34.7</i>	<i>44.0</i>	<i>19.5</i>	<i>45.2</i>	<i>34.8</i>	<i>39.9</i>

^{*)} Of which:

Net gains on assets in DNB Livsforsikring	3 482	4 318	1 935	4 548	4 255	14 283	5 795
Guaranteed returns, strengthened premium reserve and allocations to policyholders in DNB Livsforsikring	3 162	4 077	1 836	4 157	4 124	13 232	5 772
Premium income etc. included in the risk result in DNB Livsforsikring	1 196	1 586	991	1 330	1 291	5 102	4 941
Insurance claims etc. included in the risk result in DNB Livsforsikring	1 370	1 617	992	1 442	1 247	5 421	4 853
Net financial and risk result in DNB Livsforsikring	146	210	98	279	176	733	112
Eliminations in the group accounts	(7)	(32)	6	14	14	(19)	39
Net financial and risk result from DNB Livsforsikring ²⁾	140	178	103	293	190	714	151

^{**)} Of which:

DNB Baltics and Poland/DnB NORD ³⁾	221	227	235	203	197	886	724
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1) Moody's and Standard & Poor's downgrades of Eksportfinans' credit rating in the fourth quarter of 2011 resulted in sizeable unrealised gains on the company's long-term funding. The effect of such unrealised gains on DNB's holding, after tax, represented NOK 11.8 billion in the fourth quarter of 2011. After reviewing the fair value of the company in connection with the closing of the annual accounts, DNB wrote down the value by an amount corresponding to unrealised gains on Eksportfinans' own debt in the fourth quarter. In the first three quarters of 2012, the required rate of return in the market has been reduced, and Eksportfinans has sizeable unrealised losses on own debt. The impairment loss recorded by DNB in the fourth quarter of 2011 has been reversed by an amount corresponding to these unrealised losses. The reversal represented just under NOK 7.5 billion of DNB's holding after tax. The impairment losses in 2011 and the reversal in 2012 have been reported on the line "Profit from companies accounted for by the equity method" along with DNB's share of profits from the company.

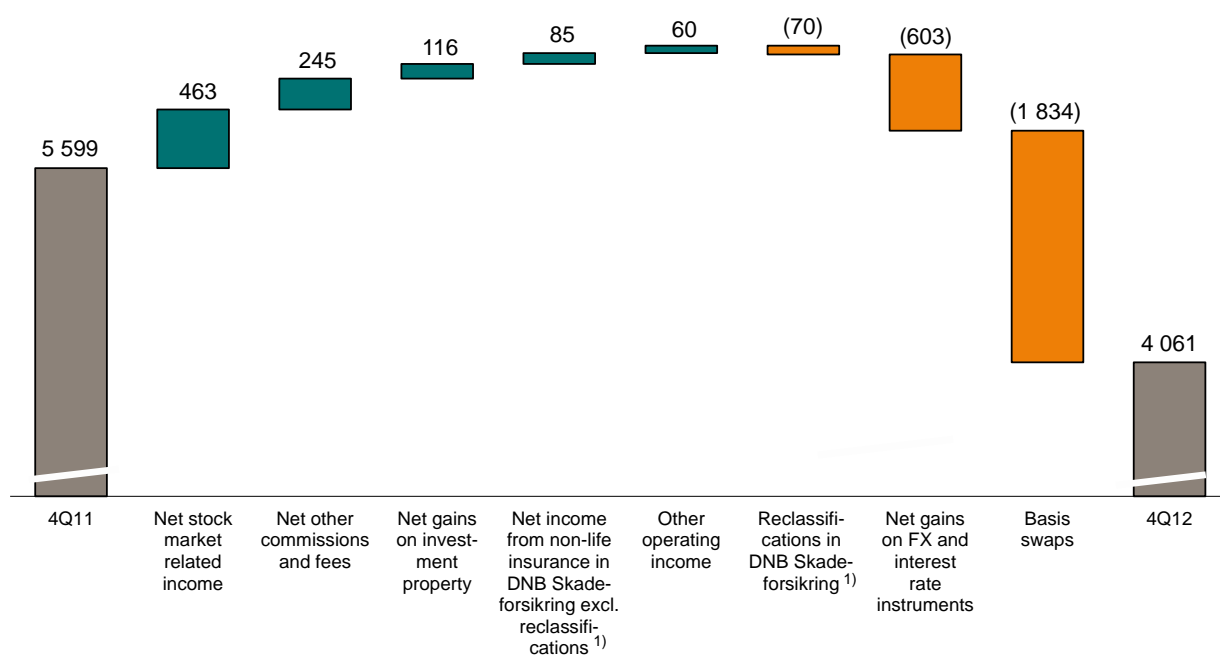
2) For a detailed specification of DNB Livsforsikring's income statement, see page 81.

3) Figures prior to 31 December 2011 include all activities in the former DnB NORD.

Changes in net other operating income

NOK million

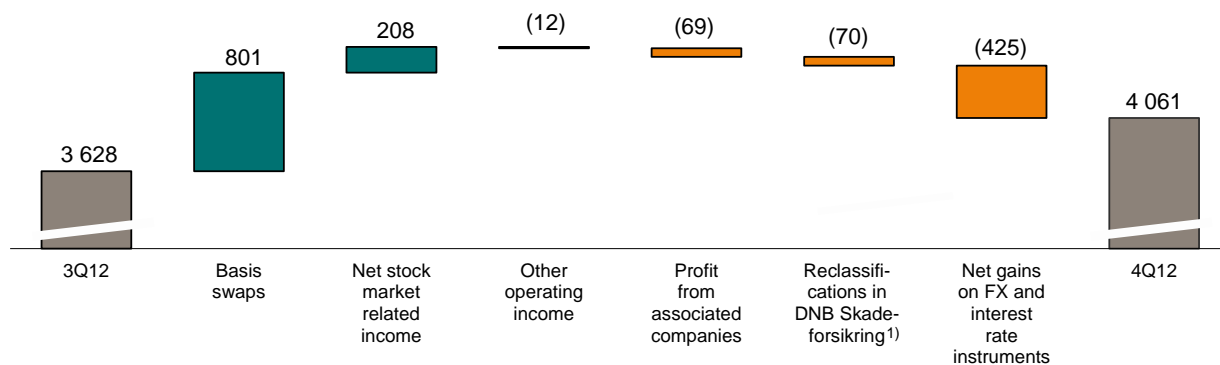
From 4th quarter 2011 to 4th quarter 2012



1) Due to new regulations, claims-handling costs in non-life insurance are reclassified from operating expenses and included in cost of claims for own account, decreasing net operating income in the fourth quarter of 2012.

NOK million

From 3rd quarter 2012 to 4th quarter 2012



1) Due to new regulations, claims-handling costs in non-life insurance are reclassified from operating expenses and included in cost of claims for own account, decreasing net operating income in the fourth quarter of 2012.

Changes in net other operating income

<i>Amounts in NOK million</i>	2012	Change	2011	Change in per cent
Net other operating income	14 501	(2 253)	16 754	(13.4)
Profit from associated companies		712		
Net gains on FX and interest rate instruments ¹⁾		605		
Net financial and risk result from DNB Livsforsikring ²⁾		562		
Net other commissions and fees		252		
Net stock market related income		193		
Net income from non-life insurance in DNB Skadeforsikring excl. reclassifications		151		
Real estate broking		122		
Reclassifications in DNB Skadeforsikring		(70)		
Net gains on investment property		(308)		
Basis swaps		(4 718)		
Other operating income		245		

1) Excluding guarantees and basis swaps.

2) Excluding guaranteed returns and allocations to policyholders.

Operating expenses

Amounts in NOK million	4Q12	3Q12	2Q12	1Q12	4Q11	Full year	
						2012	2011
Salaries	1 880	2 006	2 002	1 956	1 985	7 844	7 594
Employer's national insurance contributions	262	282	290	289	194	1 123	985
Pension expenses	411	346	329	337	229	1 423	989
Restructuring expenses	88	37	5	1	12	131	11
Other personnel expenses	108	195	163	186	199	652	701
Total salaries and other personnel expenses	2 749	2 867	2 789	2 768	2 618	11 174	10 279
Fees ¹⁾	373	317	308	291	526	1 289	1 775
IT expenses ¹⁾	413	454	482	499	404	1 849	1 658
Postage and telecommunications	79	84	91	89	97	342	370
Office supplies	34	18	24	23	38	99	105
Marketing and public relations	204	219	229	252	241	904	949
Travel expenses	79	44	68	59	94	250	277
Reimbursement to Norway Post for transactions executed	34	39	35	31	39	138	167
Training expenses	21	10	13	21	25	65	75
Operating expenses on properties and premises	372	388	330	350	354	1 441	1 383
Operating expenses on machinery, vehicles and office equipment	35	35	39	33	38	143	146
Other operating expenses	254	170	247	260	243	931	816
Total other expenses	1 899	1 779	1 866	1 907	2 098	7 451	7 722
Impairment losses for goodwill ²⁾	202	85	0	0	190	287	190
Depreciations and impairment of fixed and intangible assets ^{3) 4)}	651	460	494	430	680	2 035	1 982
Total depreciations and impairment of fixed and intangible assets	854	545	494	430	870	2 322	2 172
Total operating expenses	5 502	5 191	5 149	5 105	5 586	20 947	20 172
Of which DNB Baltics and Poland/DnB NORD ⁵⁾	501	336	366	332	823	1 535	1 853

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

2) Impairment losses for goodwill of NOK 202 million relating to DNB Livsforsikring were recorded in the fourth quarter of 2012. Impairment losses for goodwill of NOK 47 million relating to SalusAnsvar and NOK 38 million to Pres-Vac were recorded in the third quarter of 2012. Impairment losses for goodwill of NOK 190 million relating to DNB Baltics and Poland were recorded in the fourth quarter of 2011.

3) Including impairment of IT investments in DNB Baltics and Poland of NOK 191 million in the fourth quarter of 2011.

4) Impairment losses for fixed and intangible assets in the fourth quarter of 2012 amounted to NOK 167 million, of which NOK 83 million was related to the early termination of leases in connection with the move to new headquarters.

5) Figures prior to 31 December 2011 include all activities in the former DnB NORD.

Changes in operating expenses

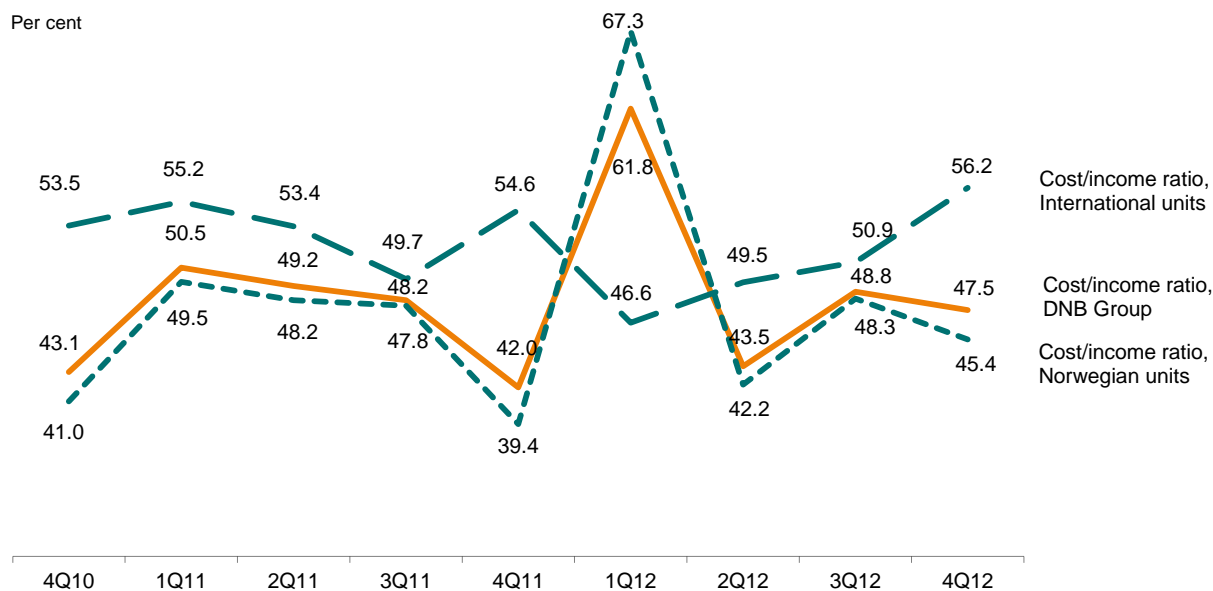
<i>Amounts in NOK million</i>	4Q12	Change	4Q11	Change in per cent
Total operating expenses	5 502	(84)	5 586	(1.5)
Costs for non-core operations		37		
Non-recurring effects				
Impairment losses for goodwill, intangible assets, leases etc.		(49)		
Restructuring costs		89		
Reclassifications etc.		(38)		
Total adjusted operating expenses	5 053	(123)	5 176	(2.4)
Income-related items				
Operational leasing		32		
Performance-based pay		(191)		
Expenses directly related to operations				
Rise in pension expenses		182		
Ordinary wage inflation		80		
IT expenses		(124)		
Marketing etc.		(36)		
Other costs		(65)		

<i>Amounts in NOK million</i>	4Q12	Change	3Q12	Change in per cent
Total operating expenses	5 502	310	5 191	6.0
Costs for non-core operations		(18)		
Non-recurring effects				
Impairment losses for goodwill, intangible assets, leases etc.		313		
Restructuring costs		62		
Reclassifications in insurance operations		(84)		
Total adjusted operating expenses	5 053	37	5 016	0.7
Income-related items				
Operational leasing		13		
Performance-based pay		(165)		
Expenses directly related to operations				
Rise in pension expenses		65		
Travel and training expenses		46		
Fees		25		
IT expenses		18		
Other costs		34		

Changes in operating expenses

<i>Amounts in NOK million</i>	2012	Change	2011	Change in per cent
Total operating expenses	20 947	775	20 172	3.8
Costs for non-core operations		182		
Non-recurring effects				
Impairment losses for goodwill, intangible assets, leases etc.		20		
Restructuring costs		134		
Reclassifications in insurance operations		(84)		
Total adjusted operating expenses	20 156	524	19 632	2.7
Income-related items				
Operational leasing		107		
Performance-based pay		(155)		
Expenses directly related to operations				
Rise in pension expenses		434		
Ordinary wage inflation		313		
Properties and premises		53		
IT expenses		(184)		
Other costs		(44)		

Ordinary cost/income ratio ¹⁾



1) Excluding impairment losses for goodwill and intangible assets.

Number of employees – full-time positions

<i>Full-time positions</i>	31 Dec. 2012	30 Sept. 2012	30 June 2012	31 March 2012	31 Dec. 2011
Retail Banking ¹⁾	4 897	4 909	4 971	4 993	5 040
Large Corporates and International	1 118	1 144	1 150	1 143	1 174
DNB Markets	722	721	717	716	698
Operations ²⁾	1 000	968	1 033	1 041	993
Insurance and Asset Management	1 017	1 035	1 045	1 047	1 060
DNB Baltics and Poland ³⁾	3 083	3 203	3 308	3 321	3 297
Staff and support units ²⁾	1 454	1 447	1 369	1 374	1 359
Total ordinary operations	13 291	13 426	13 592	13 635	13 620

1) Including 137 full-time positions in SalusAnsvar AB. The sale of SalusAnsvar was formally completed in January 2013.

2) In the third quarter of 2012 52 full-time positions were transferred from Operations to HR.

3) The reductions of full-time positions in the third and fourth quarter of 2012 were mainly due to a new strategy in Poland of changing the Bank's business profile from universal to corporate.

IT expenses

<i>Amounts in NOK million</i>	4Q12	3Q12	2Q12	1Q12	4Q11	Full year	
						2012	2011
IT operating expenses	540	505	541	521	517	2 108	2 039
Systems development expenses ¹⁾	493	510	500	517	640	2 019	2 272
Total IT expenses ²⁾	1 033	1 015	1 041	1 038	1 157	4 127	4 311

1) Excluding impairments of IT investments in DNB Baltics and Poland of NOK 191 million in the fourth quarter of 2011.

2) Including salaries and indirect costs.

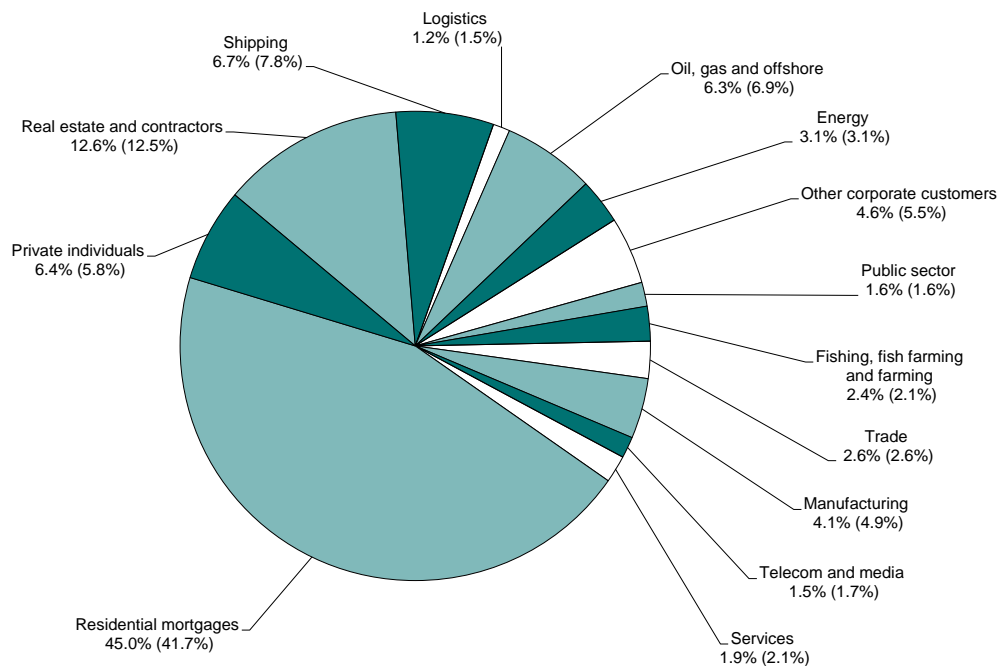
Loans and commitments

Net loans to principal customer groups, nominal amounts ¹⁾

<i>Amounts in NOK billion</i>	31 Dec. 2012	30 Sept. 2012	30 June 2012	31 March 2012	31 Dec. 2011
Private individuals	647.6	636.4	624.6	610.2	599.9
Transportation by sea and pipelines and vessel construction	127.0	130.9	139.5	135.5	143.9
Real estate	184.9	191.2	190.2	189.6	188.0
Manufacturing	45.0	47.9	48.6	50.0	51.6
Services	77.2	79.9	83.9	87.6	86.5
Trade	35.7	36.7	39.9	36.3	36.4
Oil and gas	22.2	26.4	27.9	22.7	24.5
Transportation and communication	31.7	31.4	30.5	31.5	34.3
Building and construction	42.7	44.9	43.6	44.7	43.1
Power and water supply	29.8	32.2	31.7	27.7	28.8
Seafood	18.5	17.8	17.7	17.2	16.9
Hotels and restaurants	6.6	4.6	4.3	4.1	4.1
Agriculture and forestry	9.6	9.0	8.7	7.9	8.9
Central and local government	7.1	4.5	4.6	5.6	6.7
Other sectors	11.3	11.5	12.3	13.4	5.2
Net loans to customers	1 296.8	1 305.2	1 308.0	1 284.1	1 278.9

1) Loans after individual impairment. The breakdown into principal customer groups is based on standardised sector and industry categories set up by Statistics Norway.

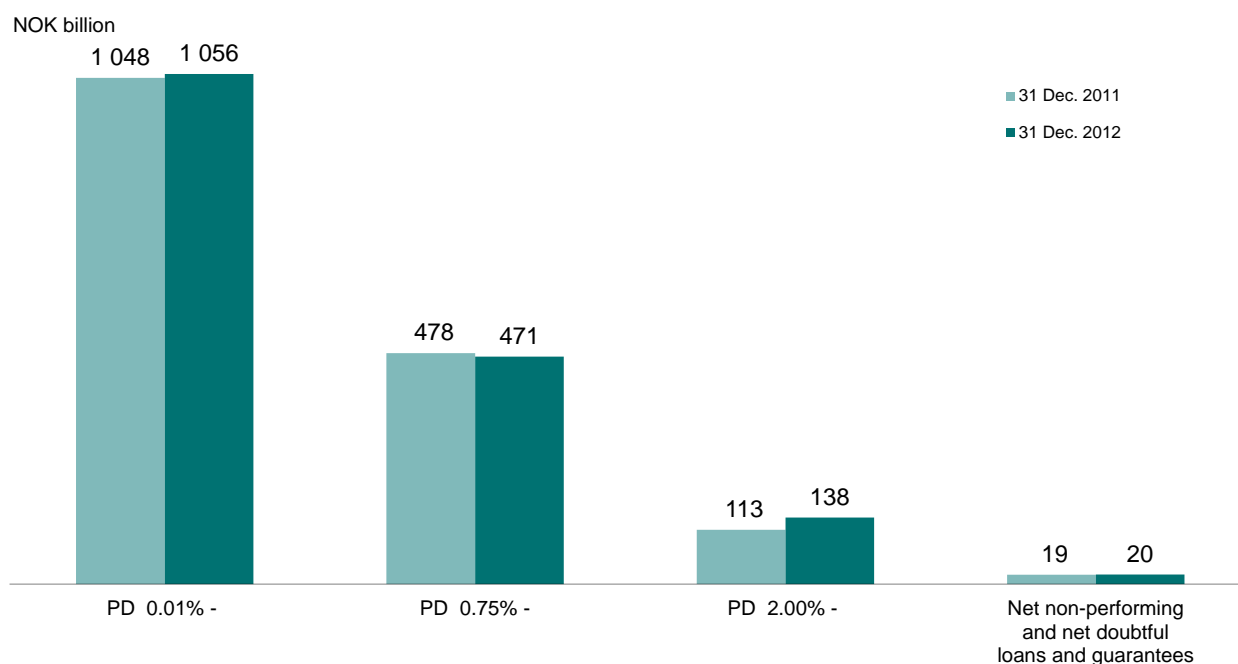
Exposure at default by segments as defined in DNB's management reporting as at 31 December 2012 ^{1) 2)}



1) Distribution of exposure at default based on internal segmentation of customers, excluding net non-performing and net doubtful loans and guarantees. Comparable figures as at 31 December 2011 in parentheses.

2) As from 30 June 2012 the internal segmentation of customers has been changed to give a better reflection of the Groups portfolio. Figures for DNB Baltics and Poland are included and comparable figures have been restated.

Risk classification of portfolio ¹⁾²⁾



- 1) Based on DNB's risk classification system. The volumes represent the expected outstanding amount in the event of default, apart from net non-performing and net loans and guarantees, which represent the net exposures recorded in the accounts. PD = probability of default.
- 2) Figures for the third quarter of 2011 have been restated in consequence of an upward adjustment of PD for certain large corporate models in line with requirements from The Norwegian FSA. In addition, commitment letters to customers have been included in the figures.

DNB's risk classification ¹⁾

Risk class	Probability of default (per cent)		External rating	
	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.

The Group's exposure to the PIIGS countries as at 31 December 2012

Amounts in NOK million	Government debt	International bond portfolio DNB Markets ¹⁾	Other units in the bank	Corporate portfolio DNB Livsforsikring	Total DNB Group	Common portfolio DNB Livsforsikring	of which investments in Treasury bonds
Ireland	0	2 225	164	0	2 389	470	0
Italy	0	2 063	877	0	2 940	1 324	1 149
Greece	0	0	0	0	0	1	0
Spain	0	8 126	1 854	0	9 980	3 486	1 728
Total PIIGS	0	14 344	2 896	0	17 239	5 281	2 877

- 1) Markets' exposure to the PIIGS countries through its international bond portfolio mainly comprises residential mortgage-backed securities (RMBS). The portfolio includes no investments in Treasury bonds.

Impairment of loans and guarantees

<i>Amounts in NOK million</i>	4Q12	3Q12	2Q12	1Q12	4Q11	Full year	
						2012	2011
Write-offs	144	56	62	82	103	344	550
New individual impairment	1 070	920	805	1 005	1 265	3 800	4 120
Total new individual impairment	1 214	976	867	1 087	1 368	4 144	4 670
Reassessed individual impairment	158	200	163	298	228	818	1 015
Recoveries on loans and guarantees previously written off	108	107	95	102	120	412	437
Net individual impairment	949	670	609	688	1 020	2 915	3 217
Change in collective impairment of loans	241	(148)	76	96	(94)	265	227
Impairment of loans and guarantees	1 190	521	685	784	926	3 179	3 445
Total impairment in relation to average volumes, annualised	0.36	0.16	0.21	0.25	0.29	0.24	0.28
- DNB excl. DNB Baltics and Poland	0.37	0.15	0.19	0.24	0.23	0.23	0.19
- DNB Baltics and Poland	0.27	0.43	0.74	0.47	1.56	0.48	2.37

<i>Amounts in NOK million</i>	4Q12	3Q12	2Q12	1Q12	4Q11	Full year	
						2012	2011
<i>Individual impairment</i>							
Retail Banking							
- Private Customer Divisions	7	38	7	59	78	111	186
- Small and medium sized enterprises	317	96	80	160	233	653	411
- DNB Finans ¹⁾	78	68	123	90	29	358	370
Large Corporates and International							
- Nordic Corporates Division	27	(14)	(22)	(12)	144	(21)	406
- International Corporates and Institutions Division	(18)	12	144	4	29	142	402
- Shipping, Offshore and Logistics Division	315	293	142	195	143	943	160
- Energy Division	92	0	0	0	1	92	(8)
- Other units ²⁾	70	60	5	87	1	221	(1)
DNB excl. former DnB NORD	886	554	478	582	657	2 500	1 926
Former DnB NORD							
DNB Baltics and Poland	62	115	132	106	237	415	1 103
Other units	0	0	0	0	126	0	188
Total individual impairment	949	670	609	688	1 020	2 915	3 217
<i>Collective impairment</i>							
DNB excl. DNB Baltics and Poland	268	(90)	108	138	(44)	424	82
DNB Baltics and Poland	(27)	(58)	(32)	(42)	(50)	(159)	146
Total collective impairment of loans	241	(148)	76	96	(94)	265	227
Impairment of loans and guarantees	1 190	521	685	784	926	3 179	3 445

1) Includes leasing, factoring and credit card and consumer financing.

2) Individual impairment of loans and guarantees in JSC DNB Bank and loans and guarantees transferred from the former DnB NORD.

Impairment of loans and guarantees for principal customer groups ¹⁾

<i>Amounts in NOK million</i>	4Q12	3Q12	2Q12	1Q12	4Q11	Full year	
						2012	2011
Private individuals	147	134	182	164	184	626	1 174
Transportation by sea and pipelines and vessel construction	345	341	259	197	196	1 142	336
Real estate	72	101	139	121	279	434	738
Manufacturing	(59)	(5)	(47)	40	63	(71)	171
Services	87	34	(1)	28	40	147	135
Trade	80	73	(63)	48	166	139	203
Oil and gas	0	0	0	35	1	35	1
Transportation and communication	32	22	29	13	3	96	15
Building and construction	128	(34)	71	43	104	208	416
Power and water supply	96	0	1	1	1	98	(7)
Seafood	0	7	1	(2)	13	6	3
Hotels and restaurants	13	(8)	23	6	(6)	35	20
Agriculture and forestry	6	6	(2)	(5)	6	6	16
Other sectors	(1)	(2)	17	2	0	17	2
Total customers	948	670	609	691	1 049	2 917	3 222
Credit institutions	1	(1)	1	(3)	(29)	(2)	(5)
Change in collective impairment of loans	241	(148)	76	96	(94)	265	227
Impairment of loans and guarantees ^{*)}	1 190	521	685	784	926	3 179	3 445

*) Of which individual impairment of guarantees 0 4 10 49 40 63 26

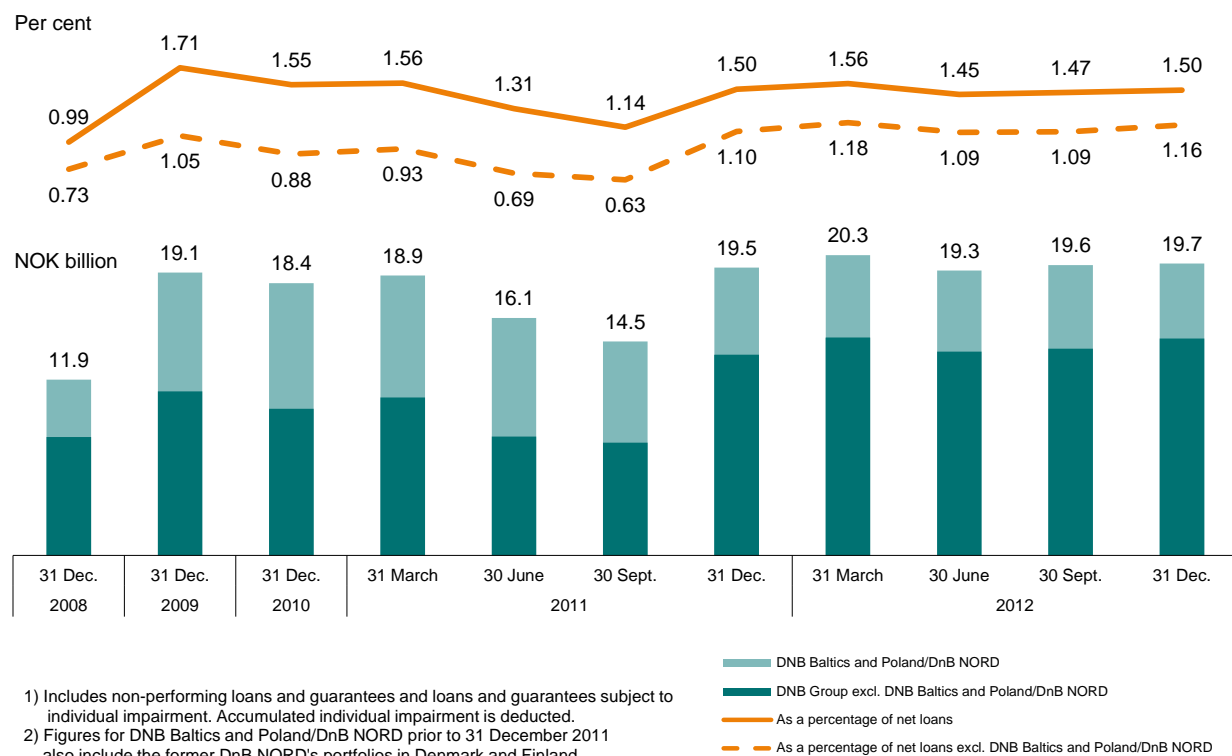
Impairment of loans and guarantees for principal customer groups 4Q12 ¹⁾

<i>Amounts in NOK million</i>	DNB excl. Baltics and Poland	Baltics and Poland	Total
Private individuals	60	87	147
Transportation by sea and pipelines and vessel construction	345	0	345
Real estate	32	41	72
Manufacturing	(15)	(44)	(59)
Services	159	(72)	87
Trade	58	23	80
Oil and gas	0	0	0
Transportation and communication	29	3	32
Building and construction	106	23	128
Power and water supply	96	0	96
Seafood	0	0	0
Hotels and restaurants	5	8	13
Agriculture and forestry	10	(4)	6
Other sectors	0	(1)	(1)
Total customers	885	62	948
Credit institutions	1	0	1
Change in collective impairment of loans	268	(27)	241
Impairment of loans and guarantees ^{*)}	1 155	35	1 190

*) Of which individual impairment of guarantees 0 0 0

1) The breakdown into principal customer groups is based on standardised sector and industry categories set up by Statistics Norway.

Net non-performing and net doubtful loans and guarantees ^{1) 2)}



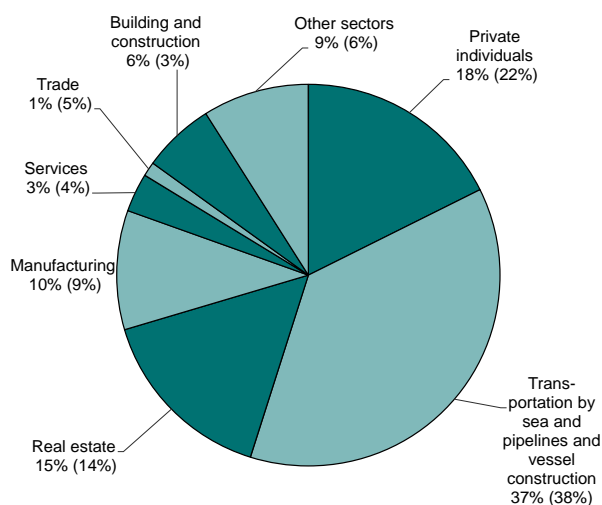
Provision ratio – net non-performing and net doubtful loans and guarantees ¹⁾

Amounts in NOK million	31 Dec. 2012	30 Sept. 2012	30 June 2012	31 March 2012	31 Dec. 2011
Non-performing loans and guarantees	16 515	16 804	16 282	16 965	16 793
Doubtful loans and guarantees	12 697	12 436	12 433	12 621	12 296
Gross non-performing and gross doubtful loans and guarantees	29 212	29 240	28 715	29 586	29 089
Individual impairment	9 472	9 614	9 455	9 289	9 624
Net non-performing and net doubtful loans and guarantees	19 740	19 626	19 260	20 297	19 465
Collective impairment	2 321	2 104	2 289	2 175	2 119
Provision ratio (per cent)	40.4	40.1	40.9	38.7	40.4
Collateral for non-performing and doubtful loans and guarantees	19 148	18 455	18 956	19 425	18 209
Coverage ratio (per cent)	105.9	103.2	106.9	104.4	103.0

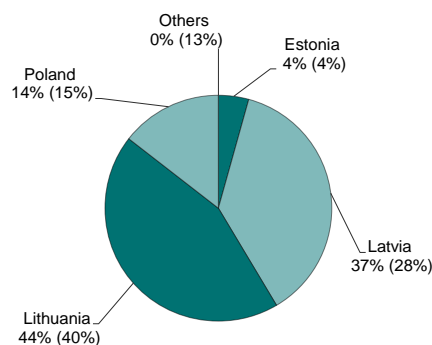
1) Provision ratio includes individual and collective impairment as a percentage of gross non-performing and gross doubtful loans and guarantees.

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

DNB Group excl. DNB Baltics and Poland ²⁾
NOK 14 673 million as at 31 December 2012 (12 703)



DNB Baltics and Poland
NOK 5 067 million as at 31 December 2012 (6 762)



- 1) Includes non-performing loans and guarantees and, in addition, loans and guarantees subject to individual impairment. Comparable figures as at 31 December 2011 in parentheses.
2) The breakdown into principal customer groups is based on standardised sector and industry categories set up by Statistics Norway.

See pages 93-95 for more details on loans and impairment in DNB Baltics and Poland.

Collective impairment for principal customer groups ¹⁾

Amounts in NOK million	31 Dec. 2012	30 Sept. 2012
Private individuals	499	516
Transportation by sea and pipelines and vessel construction	1 264	1 060
Real estate	76	78
Manufacturing	131	132
Services	81	74
Trade	82	59
Oil and gas	3	4
Transportation and communication	28	26
Building and construction	56	53
Power and water supply	7	7
Seafood	60	63
Hotels and restaurants	5	4
Agriculture and forestry	11	10
Other sectors	19	17
Total customers	2 321	2 104
Credit institutions	0	0
Total collective impairment of loans ^{*)}	2 321	2 104

*) Of which collective impairment in DNB Baltics and Poland

315

343

- 1) The breakdown into principal customer groups is based on standardised sector and industry categories set up by Statistics Norway.

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

	Gross non-performing and doubtful loans and guarantees		Total individual impairment		Net non-performing and net doubtful loans and guarantees	
	31 Dec. 2012	31 Dec. 2011	31 Dec. 2012	31 Dec. 2011	31 Dec. 2012	31 Dec. 2011
<i>Amounts in NOK million</i>						
Private individuals	6 214	6 557	2 669	2 786	3 545	3 771
Transportation by sea and pipelines and vessel construction	6 514	4 045	1 268	494	5 246	3 551
Real estate	5 290	5 121	1 605	1 546	3 685	3 575
Manufacturing	2 784	3 676	973	1 604	1 811	2 072
Services	1 384	1 410	811	838	573	572
Trade	985	1 671	615	817	370	854
Oil and gas	75	0	35	0	40	0
Transportation and communication	1 000	761	416	427	584	334
Building and construction	1 697	1 349	667	702	1 030	647
Power and water supply	207	80	102	80	105	0
Seafood	96	100	29	33	67	67
Hotels and restaurants	332	429	127	131	205	298
Agriculture and forestry	331	388	96	128	235	260
Other sectors	49	35	34	13	15	22
Total customers	26 959	25 622	9 447	9 599	17 512	16 023
Credit institutions	25	46	25	25	0	21
Total impaired loans and guarantees	26 984	25 667	9 472	9 624	17 512	16 043
Non-performing loans and guarantees not subject to impairment	2 228	3 422	-	-	2 228	3 422
Total non-performing and doubtful loans and guarantees	29 212	29 089	9 472	9 624	19 740	19 465

Net non-performing and net doubtful loans and guarantees as at 31 December 2012 ¹⁾

	DNB excl. Baltics and Poland	Baltics and Poland	Total
<i>Amounts in NOK million</i>			
Private individuals	2 130	1 415	3 545
Transportation by sea and pipelines and vessel construction	5 246	0	5 246
Real estate	2 067	1 618	3 685
Manufacturing	1 395	416	1 811
Services	373	200	573
Trade	134	236	370
Oil and gas	40	0	40
Transportation and communication	361	223	584
Building and construction	752	278	1 030
Power and water supply	91	14	105
Seafood	66	1	67
Hotels and restaurants	67	138	205
Agriculture and forestry	143	92	235
Other sectors	13	2	15
Total customers	12 878	4 633	17 512
Credit institutions	0	0	0
Total net impaired loans and guarantees	12 878	4 633	17 512
Non-performing loans and guarantees not subject to impairment	1 794	434	2 228
Total net non-performing and doubtful loans and guarantees	14 673	5 067	19 740

1) The breakdown into principal customer groups is based on standardised sector and industry categories set up by Statistics Norway.

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

<i>Amounts in NOK million</i>	31 Dec. 2012	30 Sept. 2012	30 June 2012	31 March 2012	31 Dec. 2011
Retail Banking	5 931	5 997	5 968	6 239	6 272
Large Corporates and International ²⁾	8 743	7 977	7 819	8 493	6 432
DNB Baltics and Poland/DnB NORD ^{2) 3)}	5 067	5 652	5 473	5 565	6 762
Net non-performing and net doubtful loans and guarantees	19 740	19 626	19 260	20 297	19 465
*) Of which Norwegian units	8 513	8 148	7 842	8 862	7 903

- 1) Includes non-performing loans and guarantees and loans and guarantees subject to individual impairment. Accumulated individual impairment is deducted.
- 2) In the first quarter of 2012, net non-performing and net doubtful loans and guarantees totalling NOK 866 million were transferred to Large Corporates and International.
- 3) Figures prior to 31 March 2012 also include the former DnB NORD's portfolios in Denmark and Finland.

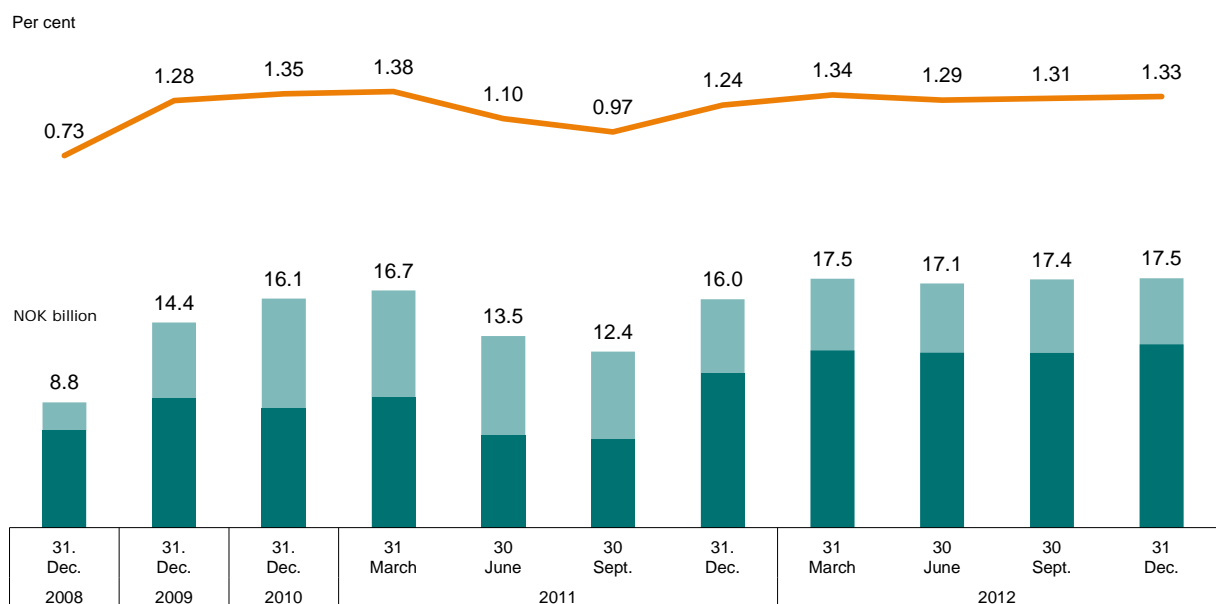
Development in net non-performing and net doubtful loans and guarantees ¹⁾

<i>Amounts in NOK million</i>	4Q12		3Q12		2Q12		1Q12		4Q11	
	Private individuals	Corporate customers	Private individuals	Corporate customers	Private individuals	Corporate customers	Private individuals	Corporate customers	Private individuals	Corporate customers
Net non-performing and net doubtful loans and guarantees at beginning of period	4 039	15 587	4 304	14 956	4 208	16 089	4 392	15 073	4 510	9 956
New non-performing and doubtful loans and guarantees	790	2 894	637	2 987	868	3 047	749	3 192	670	8 273
Transferred to current loans and guarantees	615	2 586	818	2 236	674	4 134	800	2 108	678	2 934
Write-offs etc.	127	242	84	120	98	46	133	68	110	222
Net non-performing and net doubtful loans and guarantees at end of period	4 087	15 653	4 039	15 587	4 304	14 956	4 208	16 089	4 392	15 073

1) Of which DNB Baltics and Poland/DnB NORD:

Net non-performing and net doubtful loans and guarantees at beginning of period	1 512	4 140	1 571	3 902	1 600	3 965	1 636	4 260	1 734	5 113
New non-performing and doubtful loans and guarantees	88	95	41	742	119	187	141	659	60	59
Transferred to current loans and guarantees	100	663	100	477	148	250	176	954	158	892
Write-offs etc.	0	4	0	27	0	0	1	0	0	20
Net non-performing and net doubtful loans and guarantees at end of period	1 500	3 567	1 512	4 140	1 571	3 902	1 600	3 965	1 636	4 260

Net impaired loans and guarantees ^{1) 2)}



1) Includes loans and guarantees on which individual impairment has been recorded.

2) Figures for DNB Baltics and Poland/DnB NORD prior to 31 December 2011 also include the former DnB NORD's portfolios in Denmark and Finland.

— DNB Baltics and Poland/DnB NORD

— DNB Group excl. DNB Baltics and Poland/DnB NORD

— As a percentage of net loans

Provision ratio – net impaired loans and guarantees ¹⁾

Amounts in NOK million	31 Dec. 2012	30 Sept. 2012	30 June 2012	31 March 2012	31 Dec. 2011
Gross impaired loans and guarantees subject to individual impairment	26 984	27 045	26 550	26 772	25 667
Individual impairment	9 472	9 614	9 455	9 289	9 624
Net impaired loans and guarantees	17 512	17 431	17 095	17 483	16 043
Collective impairment	2 321	2 104	2 289	2 175	2 119
Provision ratio (per cent)	43.7	43.3	44.2	42.8	45.8
Collateral for impaired loans and guarantees	15 708	15 204	15 718	15 061	14 853
Coverage ratio (per cent)	101.9	99.5	103.4	99.1	103.6

1) Provision ratio includes individual and collective impairment as a percentage of gross impaired loans and guarantees subject to individual impairment.

Capital adequacy

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

Primary capital

<i>Amounts in NOK million</i>	31 Dec. 2012	30 Sept. 2012	30 June 2012	31 March 2012	31 Dec. 2011	30 Sept. 2011	30 June 2011	31 March 2011	31 Dec. 2010
Share capital	16 269	16 288	16 261	16 275	16 260	16 273	16 253	16 251	16 232
Other equity	111 767	98 329	98 230	101 483	101 555	88 613	88 378	94 931	94 964
50 per cent of profit year to date	-	4 924	3 170	880	-	4 445	3 199	1 426	-
Total equity	128 035	119 541	117 661	118 638	117 815	109 331	107 830	112 608	111 196
Deductions	(12 408)	(10 047)	(9 935)	(13 550)	(13 624)	(10 186)	(9 506)	(17 065)	(16 250)
Equity Tier 1 capital	115 627	109 494	107 726	105 088	104 191	99 145	98 324	95 542	94 946
Perpetual subordinated loan capital securities ^{1) 2)}	3 162	5 997	6 090	6 033	6 159	6 140	5 903	8 233	8 423
Tier 1 capital	118 790	115 491	113 816	111 121	110 350	105 285	104 227	103 775	103 369
Tier 2 capital	16 278	17 746	18 229	21 603	16 566	18 815	20 388	20 766	24 131
Total eligible primary capital ³⁾	135 068	133 237	132 045	132 724	126 916	124 100	124 615	124 541	127 500
Risk-weighted volume, basis for transitional rule, Basel I	1 226 117	1 242 502	1 269 008	1 275 327	1 269 037	1 259 577	1 178 973	1 150 609	1 144 757
80 per cent of RWA, transitional rule	980 894	994 002	1 015 206	1 020 262	1 015 230	1 007 661	943 178	920 487	915 806
Net risk-weighted volume Insurance	94 538	98 353	101 176	103 987	96 345	118 726	121 295	119 003	112 599
Risk-weighted volume, transitional rule	1 075 672	1 092 354	1 116 382	1 124 249	1 111 574	1 126 388	1 064 474	1 039 491	1 028 404
Minimum capital requirement, transitional rules	86 054	87 388	89 311	89 940	88 926	90 111	85 158	83 159	82 272
Equity Tier 1 capital ratio, transitional rules (%)	10.7	10.0	9.6	9.3	9.4	8.8	9.2	9.2	9.2
Tier 1 capital ratio, transitional rules (%)	11.0	10.6	10.2	9.9	9.9	9.3	9.8	10.0	10.1
Capital ratio, transitional rules (%)	12.6	12.2	11.8	11.8	11.4	11.0	11.7	12.0	12.4
Equity Tier 1 capital ratio, transitional rules, excl. 50 per cent of profit for the period (%)	-	9.6	9.4	9.3	-	8.4	8.9	9.1	-
Tier 1 capital ratio, transitional rules, excl. 50 per cent of profit for the period (%)	-	10.1	9.9	9.8	-	9.0	9.5	9.8	-
Capital ratio, transitional rules, excl. 50 per cent of profit for the period (%)	-	11.7	11.5	11.7	-	10.6	11.4	11.8	-
Risk-weighted volume, Basel II	1 023 825	1 029 025	1 054 388	1 044 412	1 061 772	1 060 777	992 912	946 028	945 175
Minimum capital requirement, Basel II	81 906	82 322	84 351	83 553	84 942	84 862	79 433	75 682	75 614
Equity Tier 1 capital ratio, Basel II (%)	11.3	10.6	10.2	10.1	9.8	9.3	9.9	10.1	10.0
Tier 1 capital ratio, Basel II (%)	11.6	11.2	10.8	10.6	10.4	9.9	10.5	11.0	10.9
Capital ratio, Basel II (%)	13.2	12.9	12.5	12.7	12.0	11.7	12.6	13.2	13.5
Risk-weighted volume, full IRB	959 319	956 724	963 337	965 796	973 948	955 846	877 925	841 087	841 772
Minimum capital requirement, full IRB	76 746	76 538	77 067	77 264	77 916	76 468	70 234	67 287	67 342
Equity Tier 1 capital ratio, full IRB (%)	12.1	11.4	11.2	10.9	10.7	10.4	11.2	11.4	11.3
Tier 1 capital ratio, full IRB (%)	12.4	12.1	11.8	11.5	11.3	11.0	11.9	12.3	12.3
Capital ratio, full IRB (%)	14.1	13.9	13.7	13.7	13.0	13.0	14.2	14.8	15.1
Equity Tier 1 capital ratio, Basel III (%)	12.1	10.8	10.6	-	-	-	-	-	-

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

2) As at 31 December 2012, calculations of capital adequacy for the banking group and the DNB Group included a total of NOK 233 million in subordinated loan capital in associated companies.

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

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

Specification of capital requirements

Amounts in NOK million	31 Dec. 2012	30 Sept. 2012	30 June 2012	31 March 2012	31 Dec. 2011	30 Sept. 2011	30 June 2011	31 March 2011	31 Dec. 2010
IRB approach									
Corporate	29 417	29 861	30 710	29 773	30 453	29 113	25 504	25 102	25 103
Specialised Lending (SL)	192	180	306	289	286	166	133	124	117
Retail - mortgage loans	5 655	5 629	5 522	5 480	5 515	5 407	4 981	4 861	4 533
Retail - other exposures	1 839	2 000	1 983	1 977	1 891	1 869	1 813	1 778	1 778
Securitisation	1 893	853	775	704	752	827	778	649	735
Total credit risk, IRB approach	38 997	38 522	39 296	38 223	38 898	37 382	33 209	32 514	32 266
Standardised approach									
Central government	10	9	14	5	10	4	4	2	146
Institutions	2 040	1 888	1 858	2 108	1 922	2 050	1 781	1 919	1 783
Corporate	19 227	19 399	20 634	20 095	22 278	22 305	21 134	19 548	19 607
Specialised Lending (SL)	0	0	0	0	0	0	0	0	476
Retail - mortgage loans	2 189	1 818	1 861	1 665	1 674	1 613	1 507	1 331	1 294
Retail - other exposures	1 872	2 781	3 046	2 825	2 857	2 605	2 530	2 295	2 474
Equity positions	262	325	237	239	288	322	249	369	372
Securitisation	69	94	117	109	143	81	89	101	117
Other assets	758	1 102	893	993	901	999	874	642	688
Total credit risk, standardised approach	26 426	27 417	28 660	28 038	30 074	29 981	28 168	26 207	26 957
Total credit risk	65 423	65 939	67 957	66 261	68 971	67 363	61 377	58 721	59 224
Market risk									
Position risk, debt instruments	3 110	3 071	2 869	3 539	2 833	3 056	3 260	2 340	2 429
Position risk, equity instruments	104	98	91	96	95	46	43	40	37
Currency risk	0	0	0	0	0	0	162	146	0
Commodity risk	5	-	-	-	-	-	-	-	-
Total market risk	3 219	3 168	2 960	3 635	2 928	3 102	3 464	2 525	2 466
Operational risk	5 718	5 386	5 386	5 386	5 386	4 956	4 956	4 956	4 956
Net insurance, after eliminations	7 563	7 868	8 094	8 319	7 708	9 498	9 704	9 520	9 008
Deductions	(27)	(39)	(45)	(47)	(50)	(56)	(38)	(39)	(39)
Total risk-weighted volume and capital requirements before transitional rule	81 897	82 322	84 351	83 553	84 942	84 862	79 462	75 683	75 614
Additional capital requirements according to transitional rules	4 157	5 066	4 959	6 387	3 984	5 249	5 725	7 477	6 658
Total capital requirements	86 054	87 388	89 310	89 940	88 926	90 111	85 187	83 160	82 272

Basel II implementation - further progress

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

Portfolios	Reporting methods for credit risk in capital adequacy calculations	
	31 Dec. 2012	31 Dec. 2013 ¹⁾
Retail:		
- mortgage loans, DNB Bank and DNB Boligkreditt	IRB ²⁾	IRB ²⁾
- qualifying revolving retail exposures, DNB Bank ³⁾	IRB ²⁾	IRB ²⁾
- loans in DNB Finans Norway	IRB ²⁾	IRB ²⁾
Corporates:		
- small and medium-sized corporates, DNB Bank	Advanced IRB	Advanced IRB
- large corporate clients (scorecard models), DNB Bank	Advanced IRB	Advanced IRB
- large corporate clients (simulation models), DNB Bank	Standardised	Advanced IRB
- leasing, DNB Bank	Advanced IRB	Advanced IRB
- corporate clients, DNB Næringskreditt	Advanced IRB	Advanced IRB
Securitisation positions:		
- international bond portfolio, DNB Markets	IRB ²⁾	IRB ²⁾
Institutions:		
- banks and financial institutions, DNB Bank	Standardised	Advanced IRB
Exceptions:		
- approved exceptions: government and municipalities, equity positions	Standardised	Standardised
- temporary exceptions: DNB Baltics and Poland, DNB Luxembourg, JSC DNB Bank and various other small portfolios	Standardised	Standardised

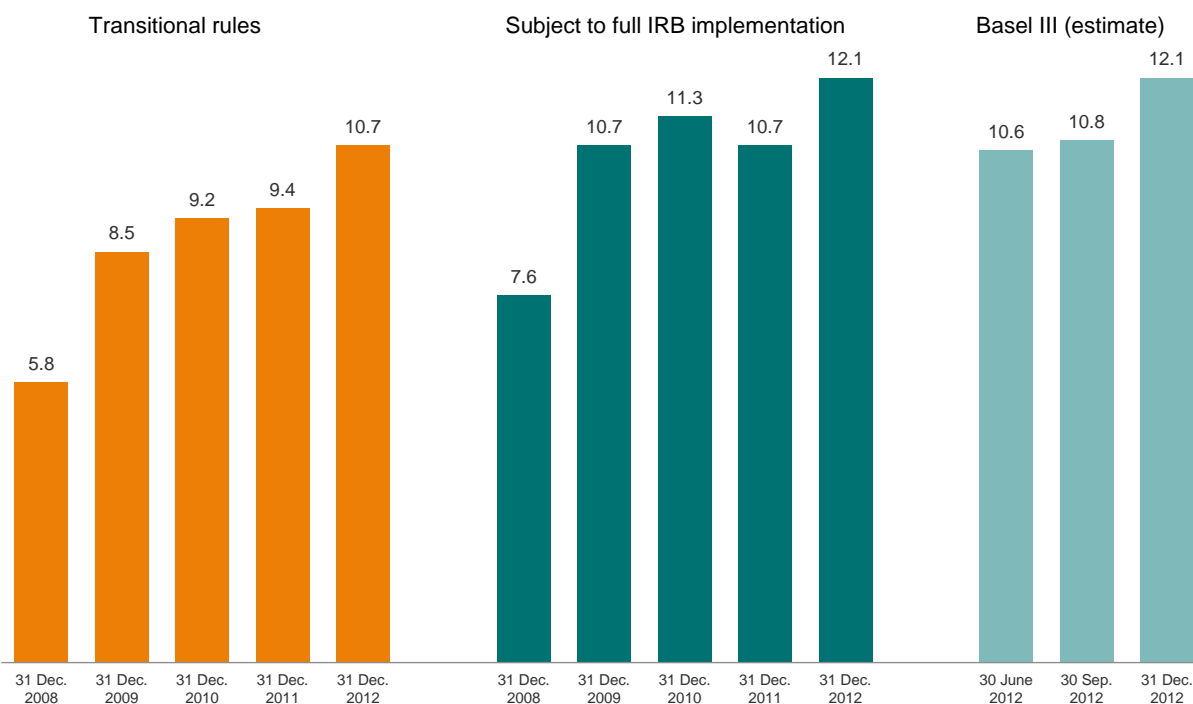
1) As according to implementation plan. The conversion is, however, subject to final approval from the Norwegian FSA.

2) There is only one IRB approach for retail exposures and securitisation positions.

3) Reported according to the IRB category Retail - other exposures.

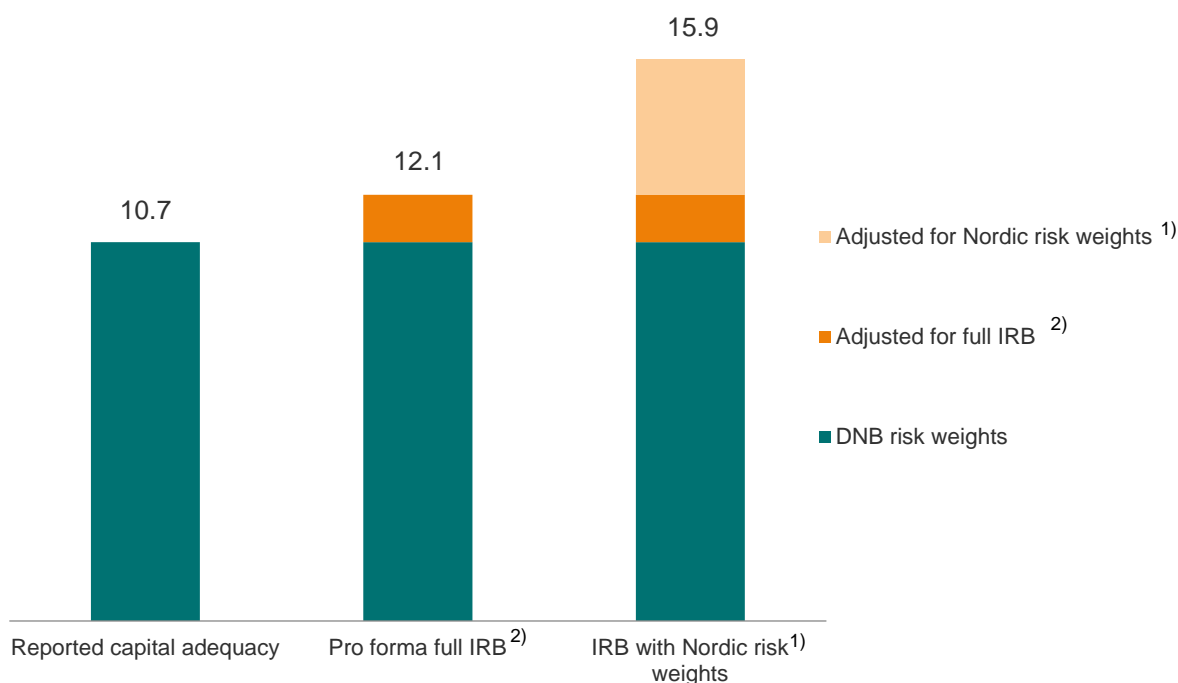
Equity Tier 1 capital ratio

Per cent



Equity Tier 1 capital ratio according to Nordic rules as at 31 December 2012

Per cent



1) DNB's risk weights are conservatively set due to the Norwegian FSA's requirements. When calculating the equity Tier 1 capital ratio according to Nordic rules, it is assumed that DNB's risk weights correspond to average observed risk weights reported by Nordic peers on similar portfolios. For home mortgages, the risk weights reflect the average for two major Swedish mortgage lenders, while for corporate exposures the risk weights reflect the level reported by two other banks in the Nordic region which measure their portfolios according to the advanced IRB approach. It should be noted that the differences in risk weights may be explained by two factors: different underlying risks and different measurement/calibration of similar risk. It is difficult to quantify the two factors based on available public information. The figures should therefore be seen as illustrative.

2) Pro forma full IRB reflects what the ratio would have been excluding the transition floor and assuming that portfolios not yet approved by the Norwegian FSA for IRB measurement will be approved according to the application.

Financial results

Income statement

<i>Amounts in NOK million</i>	4Q12	3Q12	2Q12	1Q12	4Q11	Full year	
						2012	2011
Total interest income	15 002	15 926	16 080	16 060	15 996	63 068	60 075
Total interest expenses	7 901	9 098	9 446	9 407	9 204	35 853	34 823
Net interest income	7 101	6 828	6 634	6 653	6 792	27 216	25 252
Commission and fee income etc.	2 363	2 285	2 377	2 274	2 087	9 299	9 135
Commission and fee expenses etc.	563	587	580	607	592	2 337	2 256
Net gains on financial instruments at fair value	1 363	906	2 646	(1 006)	3 397	3 910	7 661
Net gains on assets in DNB Livsforsikring	3 430	4 286	1 940	4 562	4 269	14 219	5 834
Guaranteed returns, strengthened premium reserve and allocations to policyholders in DNB Livsforsikring	3 117	4 077	1 836	4 157	4 124	13 187	5 772
Premium income etc. included in the risk result in DNB Livsforsikring	1 196	1 586	991	1 330	1 291	5 102	4 941
Insurance claims etc. included in the risk result in DNB Livsforsikring	1 370	1 617	992	1 442	1 247	5 421	4 853
Premium income, DNB Skadeforsikring	324	313	310	303	288	1 250	1 094
Insurance claims etc., DNB Skadeforsikring	246	207	218	254	225	925	849
Profit from companies accounted for by the equity method	177	246	141	225	111	789	77
Net gains on investment property	(16)	4	(184)	(144)	(132)	(340)	(32)
Other income	518	492	609	522	474	2 141	1 775
Net other operating income	4 061	3 628	5 204	1 607	5 599	14 501	16 754
Total income	11 162	10 456	11 837	8 261	12 392	41 717	42 006
Salaries and other personnel expenses	2 749	2 867	2 789	2 768	2 618	11 174	10 279
Other expenses	1 899	1 779	1 866	1 907	2 098	7 451	7 722
Depreciation and impairment of fixed and intangible assets	854	545	494	430	870	2 322	2 172
Total operating expenses	5 502	5 191	5 149	5 105	5 586	20 947	20 172
Pre-tax operating profit before impairment	5 660	5 265	6 689	3 156	6 806	20 769	21 833
Net gains on fixed and intangible assets	(65)	20	37	7	(1)	(1)	19
Impairment of loans and guarantees	1 190	521	685	784	926	3 179	3 445
Pre-tax operating profit	4 406	4 763	6 041	2 378	5 878	17 589	18 407
Taxes	601	1 256	1 553	618	1 790	4 028	5 423
Profit from operations held for sale, after taxes	4	0	92	0	0	96	(5)
Profit for the period	3 810	3 507	4 580	1 760	4 089	13 657	12 979
Earnings/diluted earnings per share (NOK)	2.34	2.15	2.82	1.08	2.51	8.39	7.98
Earnings per share excluding operations held for sale (NOK)	2.34	2.15	2.76	1.08	2.51	8.33	7.99

Balance sheet

<i>Amounts in NOK million</i>	31 Dec. 2012	30 Sept. 2012	30 June 2012	31 March 2012	31 Dec. 2011
Cash and deposits with central banks	298 892	367 409	410 135	433 396	224 581
Due from credit institutions	37 136	42 424	32 258	35 018	28 754
Loans to customers	1 297 892	1 307 047	1 308 599	1 284 526	1 279 259
Commercial paper and bonds at fair value	224 750	198 774	196 935	199 431	177 980
Shareholdings	48 288	47 884	49 417	53 024	53 012
Financial assets, customers bearing the risk	28 269	27 600	25 391	25 770	23 776
Financial derivatives	96 584	101 302	90 707	81 555	96 693
Commercial paper and bonds, held to maturity	157 330	190 312	170 499	168 644	166 965
Investment property	39 496	45 060	45 573	43 049	42 796
Investments in associated companies	2 882	2 795	2 552	2 407	2 189
Intangible assets	6 718	7 035	7 097	7 020	7 003
Deferred tax assets	1 058	631	633	640	643
Fixed assets	10 825	6 966	6 780	6 569	6 336
Assets held for sale	417	15	9	1 092	1 054
Other assets	14 309	23 871	25 762	28 811	15 055
Total assets	2 264 845	2 369 123	2 372 347	2 370 952	2 126 098
Due to credit institutions	251 388	293 530	294 125	353 395	279 553
Deposits from customers	810 959	843 340	853 877	805 985	740 036
Financial derivatives	63 274	66 207	60 857	56 039	64 365
Debt securities issued	708 047	727 925	729 309	717 598	635 157
Insurance liabilities, customers bearing the risk	28 269	27 600	25 391	25 770	23 776
Liabilities to life insurance policyholders in DNB Livsforsikring	221 185	220 574	218 081	218 093	212 271
Insurance liabilities, DNB Skadeforsikring	1 780	1 914	1 954	1 945	1 589
Payable taxes	6 831	3 267	1 584	356	634
Deferred taxes	1 461	3 860	4 029	4 856	4 897
Other liabilities	18 451	26 851	32 591	34 342	17 767
Liabilities held for sale	76	0	0	361	383
Provisions	770	660	610	525	570
Pension commitments	3 228	3 133	3 138	3 149	3 123
Subordinated loan capital	21 090	25 799	25 968	29 021	24 163
Total liabilities	2 136 810	2 244 659	2 251 516	2 251 434	2 008 284
Share capital	16 269	16 288	16 261	16 275	16 260
Share premium reserve	22 609	22 609	22 609	22 609	22 609
Other equity	89 158	85 567	81 961	80 634	78 946
Total equity	128 035	124 464	120 831	119 518	117 815
Total liabilities and equity	2 264 845	2 369 123	2 372 347	2 370 952	2 126 098

Key figures

	4Q12	3Q12	2Q12	1Q12	4Q11	Full year	
						2012	2011
Interest rate analysis							
1 Combined weighted total average spread for lending and deposits (%)	1.22	1.18	1.18	1.16	1.14	1.18	1.12
2 Average spread for ordinary lending to customers (%)	2.18	2.01	1.98	1.83	1.64	2.00	1.59
3 Average spread for deposits from customers (%)	(0.27)	(0.13)	(0.11)	0.04	0.28	(0.12)	0.30
Rate of return/profitability							
4 Net other operating income, per cent of total income	36.4	34.7	44.0	19.5	45.2	34.8	39.9
5 Cost/income ratio (%)	47.5	48.8	43.5	61.8	42.0	49.5	47.1
6 Return on equity, annualised (%)	12.0	11.4	15.3	6.0	13.8	11.2	11.4
7 RARORAC, annualised (%)	20.5	22.2	20.5	19.7	16.2	20.6	16.6
8 RORAC, annualised (%)	23.0	21.2	27.8	9.5	23.3	20.4	19.1
9 Average equity including allocated dividend (NOK million)	126 344	122 865	120 508	118 271	117 766	121 997	113 934
10 Return on average risk-weighted volume, annualised (%)	1.40	1.26	1.64	0.63	1.50	1.23	1.22
Financial strength							
11 Equity Tier 1 capital ratio at end of period (%)	10.7	9.6	9.4	9.3	9.4	10.7	9.4
12 Equity Tier 1 capital ratio incl. 50 per cent of profit for the period (%)	-	10.0	9.6	9.3	-	-	-
13 Tier 1 capital ratio at end of period (%)	11.0	10.1	9.9	9.8	9.9	11.0	9.9
14 Tier 1 capital ratio incl. 50 per cent of profit for the period (%)	-	10.6	10.2	9.9	-	-	-
15 Capital ratio at end of period (%)	12.6	11.7	11.5	11.7	11.4	12.6	11.4
16 Capital ratio incl. 50 per cent of profit for the period (%)	-	12.2	11.8	11.8	-	-	-
17 Equity Tier 1 capital at end of period (NOK million)	115 627	104 570	104 556	104 209	104 191	115 627	104 191
18 Risk-weighted volume at end of period (NOK million)	1 075 672	1 092 354	1 116 382	1 124 248	1 111 574	1 075 672	1 111 574
Loan portfolio and impairment							
19 Individual impairment relative to average net loans to customers, annualised (%)	0.29	0.20	0.19	0.22	0.32	0.22	0.27
20 Impairment relative to average net loans to customers, annualised	0.36	0.16	0.21	0.25	0.29	0.24	0.28
21 Net non-performing and net doubtful loans and guarantees, per cent of net loans	1.50	1.47	1.45	1.56	1.50	1.50	1.50
22 Net non-performing and net doubtful loans and guarantees at end of period (NOK million)	19 740	19 626	19 260	20 297	19 465	19 740	19 465
Liquidity							
23 Ratio of customer deposits to net loans to customers at end of period (%)	62.5	64.5	65.3	62.7	57.8	62.5	57.8
Total assets owned or managed by DNB							
24 Customer assets under management at end of period (NOK billion)	459	520	506	510	506	459	506
25 Total combined assets at end of period (NOK billion)	2 473	2 639	2 633	2 636	2 395	2 473	2 395
26 Average total assets (NOK billion)	2 369	2 416	2 400	2 269	2 196	2 364	2 148
27 Customer savings at end of period (NOK billion)	1 270	1 363	1 360	1 317	1 246	1 270	1 246
Staff							
28 Number of full-time positions at end of period	13 291	13 426	13 592	13 635	13 620	13 291	13 620
The DNB share							
29 Number of shares at end of period (1 000)	1 628 799	1 628 799	1 628 799	1 628 799	1 628 799	1 628 799	1 628 799
30 Average number of shares (1 000)	1 628 799	1 628 799	1 628 799	1 628 799	1 628 799	1 628 799	1 628 799
31 Earnings per share (NOK)	2.34	2.15	2.82	1.08	2.51	8.39	7.98
32 Earnings per share excluding operations held for sale (NOK)	2.34	2.15	2.76	1.08	2.51	8.33	7.99
33 Dividend per share (NOK) ¹⁾	-	-	-	-	-	2.10	2.00
34 Total shareholder's return (%)	0.2	22.6	(17.2)	25.0	(1.4)	23.7	(25.2)
35 Dividend yield (%)	-	-	-	-	-	2.98	3.42
36 Equity per share including allocated dividend at end of period (NOK)	78.61	76.41	74.18	73.38	72.33	78.61	72.33
37 Share price at end of period (NOK)	70.40	70.25	58.95	73.20	58.55	70.40	58.55
38 Price/earnings ratio	7.53	8.15	5.34	16.92	5.82	8.45	7.33
39 Price/book value	0.90	0.92	0.79	1.00	0.81	0.90	0.81
40 Market capitalisation (NOK billion)	114.7	114.4	96.0	119.2	95.4	114.7	95.4

1) Proposed dividend for 2012.

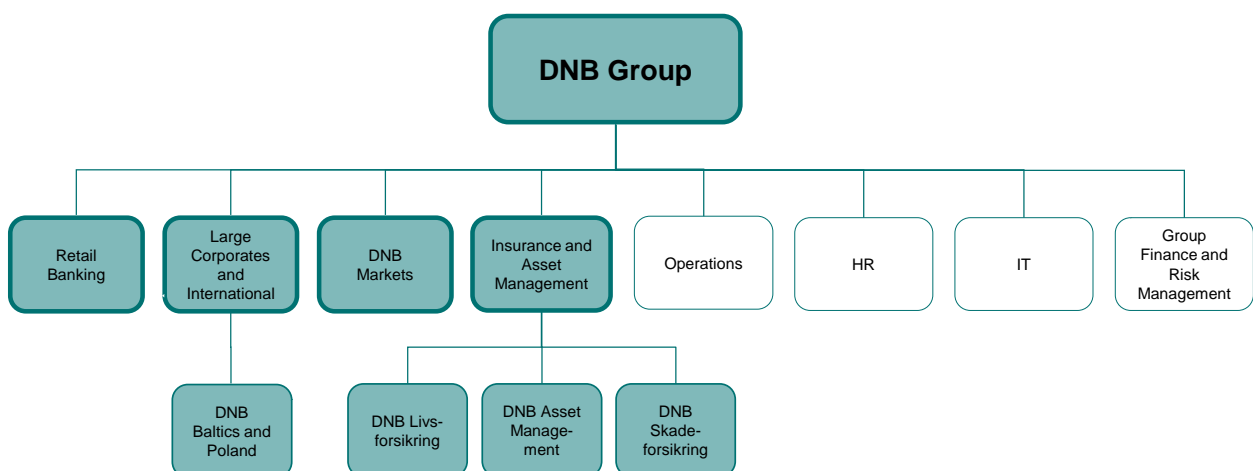
For definitions of selected key figures, see next page.

Definitions to key figures

- 1, 2, 3 Based on nominal values excluding impaired loans, measured against the 3-month money market rate.
- 5 Total operating expenses relative to total income. Total expenses exclude impairment losses for goodwill and other intangible assets.
- 6 Average equity is calculated on the basis of recorded equity.
- 7 RARORAC (Risk-Adjusted Return On Risk-Adjusted Capital) is defined as risk-adjusted profits relative to risk-adjusted capital requirement. Risk-adjusted profits indicate the level of profits in a normalised situation. The risk-adjusted capital requirement is described in further detail in note 4 Segments in DNB Group's fourth quarter report 2012.
- 8 RORAC (Return On Risk-Adjusted Capital) is defined as profits for the period relative to risk-adjusted capital requirement. Profits for the period are adjusted for the difference between recorded interest on average equity and interest on risk-adjusted capital.
- 10 Profit for the period relative to average risk-weighted volume.
- 24 Total assets under management for customers in Insurance and Asset Management.
- 25 Total assets and customer assets under management.
- 27 Total deposits from customers, assets under management and equity-linked bonds.
- 29 The Annual General Meeting on 25 April 2012 authorised the Board of Directors of DNB ASA to acquire own shares for a total face value of up to NOK 732 959 487, corresponding to 4.5 per cent of share capital. The shares may be purchased through the stock market. Each share may be purchased at a price between NOK 10 and NOK 150. The authorisation is valid for a period of 12 months from 25 April 2012. Acquired shares shall be redeemed in accordance with regulations on the reduction of capital. An agreement has been signed with Norwegian Government/Ministry of Trade and Industry for the redemption of a proportional share of government holdings to ensure that the government's percentage ownership does not change as a result of the redemption of repurchased shares.
- 31 Holdings of own shares are not included in calculations of earnings per share.
- 32 Excluding operations held for sale. Holdings of own shares are not included in calculations of the number of shares.
- 34 Closing price at end of period less closing price at beginning of period, including dividends reinvested in DNB shares on the dividend payment date, relative to closing price at beginning of period.
- 37 Equity at end of period relative to number of shares at end of period.
- 38 Closing price at end of period relative to annualised earnings per share.
- 39 Closing price at end of period relative to recorded equity at end of period.
- 40 Number of shares multiplied by the closing share price at end of period.

Section 3

Business areas



Business areas – financial performance

DNB's business areas operate as independent profit centres and have responsibility for serving all of the Group's customers and for the total range of products and services.

Throughout 2012, activities in DNB were organised in the business areas: Retail Banking, Large Corporates and International, DNB Markets and Insurance and Asset Management. In addition, operations in the Baltics and Poland Division were reported as a separate profit centre.

The income statement and balance sheet for the business areas have been prepared on the basis of internal financial reporting for the functional organisation of the DNB Group into business areas. Figures for the business areas are based on DNB's management model and the Group's accounting principles. Historical figures are restated in accordance with the Group's current principles for allocating costs and capital between business areas. The figures for business areas are based on a number of assumptions, estimates and discretionary distributions. Internal transfer rates used between the business areas are determined based on observable market rates, e.g. NIBOR. Additional costs relating to the Group's long-term funding are charged to the business areas. According to the Group's liquidity management policy, a minimum of 90 per cent of lending should be financed through stable deposits and long-term funding. The additional costs thus arising were charged to the business areas. In the management accounts, Retail Banking and Large Corporates and International are measured based on the business areas' ordinary operations. Volatile IFRS effects are not allocated to the business areas.

With effect from the first quarter of 2012, profits from repossessed operations which are fully consolidated in the DNB Group (included in the Group Centre) are presented net under "Profit from repossessed operations" for each of the business areas. Figures for previous periods have been restated.

Return on capital for the business areas is presented in the descriptions of each area in this section. Return on capital is measured as the business area's profits after taxes relative to the required average risk-adjusted capital, and the quarterly figures are annualised. The areas' risk-adjusted capital requirements are based on the risk involved in operations. The capital requirements are measured in accordance with DNB's total risk model.

Internal pricing

DNB's financial management model and operational organisation entail the sale of products and services between the business areas in the Group. The pricing of such intra-group transactions is regulated by internal agreements based on market terms.

Certain customers and transactions of major importance require extensive cooperation within the Group. To stimulate such cooperation, operating income and expenses relating to some of these customers and transactions are recorded in the accounts of the relevant business areas. This refers primarily to income from customer trading in DNB Markets, but also includes income from Insurance and Asset Management. Such double entries are presented under "Income attributable to product suppliers", related costs under "Costs attributable to product suppliers" and impairment under "Impairment attributable to product suppliers". In the fourth quarter of 2012, the net result from such transactions totalled NOK 515 million. Double entries are eliminated in the group accounts.

Services provided by staff and support units will as far as possible be scaled and priced according to use. Joint expenses incurred by group staff units and other group expenditures that cannot be debited according to use, are charged to the business areas' accounts on the basis of special distribution formulas. Costs relating to the Group's equity transactions, including strategic investments, and direct shareholder-related expenses and costs concerning the Group's governing bodies are not charged to the business areas.

Changes in net interest income

<i>Amounts in NOK million</i>	4Q12	Change 3Q12-4Q12	Change 4Q11-4Q12
Net interest income	7 101	273	309
Retail Banking	4 378	159	565
Large Corporates and International	2 362	54	(79)
DNB Markets	111	(36)	(135)
Insurance and Asset Management	(14)	9	(22)
DNB Baltics and Poland	260	9	(69)
Other	5	79	48

Changes in net other operating income

<i>Amounts in NOK million</i>	4Q12	Change 3Q12-4Q12	Change 4Q11-4Q12
Net other operating income	4 061	433	(1 538)
Retail Banking	1 234	(54)	2
Large Corporates and International	985	142	183
DNB Markets	1 450	(230)	202
Insurance and Asset Management	919	(94)	96
DNB Baltics and Poland	221	(5)	(5)
Other	(748)	674	(2 017)

Changes in operating expenses

<i>Amounts in NOK million</i>	4Q12	Change 3Q12-4Q12	Change 4Q11-4Q12
Operating expenses	5 502	310	(84)
Retail Banking	2 865	(42)	(64)
Large Corporates and International	939	48	15
DNB Markets	513	(29)	29
Insurance and Asset Management	473	(90)	(102)
DNB Baltics and Poland	508	166	(62)
Other	204	257	99

Changes in impairment of loans and guarantees

<i>Amounts in NOK million</i>	4Q12	Change 3Q12-4Q12	Change 4Q11-4Q12
Impairment of loans and guarantees	1 190	669	264
Retail Banking	467	313	193
Large Corporates and International	670	421	334
DNB Baltics and Poland	36	(21)	(181)
Other	17	(43)	(82)

Extracts from income statement, full year

	Retail Banking		Large Corporates and International		DNB Markets		Insurance and Asset Management		DNB Baltics and Poland		Other operations/ eliminations		DNB Group	
	Full year		Full year		Full year		Full year		Full year		Full year		Full year	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
<i>Amounts in NOK million</i>														
Net interest income - ordinary operations	15 883	13 805	8 750	7 584	552	842	(357)	(375)	1 039	1 268	1 348	2 128	27 216	25 252
Interest on allocated capital ²⁾	481	592	585	661	157	165	306	457	22	51	(1 551)	(1 925)	0	0
Net interest income	16 364	14 397	9 335	8 245	710	1 007	(51)	82	1 061	1 319	(203)	203	27 216	25 252
Other operating income	3 970	3 681	1 309	1 097	6 838	5 152	3 814	3 009	886	763	(2 316)	3 051	14 501	16 754
Income attributable to product suppliers	1 135	1 328	2 344	2 100	0	0	0	0	0	0	(3 478)	(3 428)	0	0
Net other operating income	5 105	5 010	3 653	3 196	6 838	5 152	3 814	3 009	886	763	(5 794)	(377)	14 501	16 754
Total income	21 469	19 406	12 987	11 441	7 547	6 159	3 763	3 091	1 948	2 082	(5 998)	(174)	41 717	42 006
Other operating expenses	10 895	10 659	2 600	2 463	2 170	1 999	2 185	2 333	1 558	1 484	1 539	1 235	20 947	20 172
Cost attributable to product suppliers	562	658	972	873	0	0	0	0	0	0	(1 534)	(1 531)	0	0
Operating expenses	11 457	11 317	3 572	3 336	2 170	1 999	2 185	2 333	1 558	1 484	5	(296)	20 947	20 172
Pre-tax operating profit before impairment	10 012	8 089	9 415	8 106	5 378	4 160	1 578	758	389	598	(6 003)	122	20 769	21 833
Net gains on fixed and intangible assets	0	2	0	0	(3)	0	0	0	(3)	9	4	8	(1)	19
Impairment of loans and guarantees	1 139	877	1 674	1 175	0	0	0	0	256	1 280	110	113	3 179	3 445
Impairment loss attributable to product suppliers	0	0	0	1	0	0	0	0	0	0	0	(1)	0	0
Profit from repossessed operations	(48)	0	(148)	(197)	0	0	0	0	0	0	196	197	0	0
Pre-tax operating profit	8 825	7 214	7 594	6 734	5 375	4 160	1 578	758	130	(673)	(5 913)	215	17 589	18 407

Extracts from income statement, fourth quarter

	Retail Banking		Large Corporates and International		DNB Markets		Insurance and Asset Management		DNB Baltics and Poland		Other operations/ eliminations ¹⁾		DNB Group	
	4Q12		4Q11		4Q12		4Q11		4Q12		4Q11		4Q12	
	4Q12	4Q11	4Q12	4Q11	4Q12	4Q11	4Q12	4Q11	4Q12	4Q11	4Q12	4Q11	4Q12	4Q11
<i>Amounts in NOK million</i>														
Net interest income - ordinary operations	4 274	3 646	2 242	2 252	79	195	(76)	(107)	259	315	324	492	7 101	6 792
Interest on allocated capital ²⁾	104	166	120	189	32	50	62	115	1	15	(318)	(535)	0	0
Net interest income	4 378	3 812	2 362	2 440	111	245	(14)	8	260	329	5	(43)	7 101	6 792
Other operating income	937	892	351	286	1 450	1 247	919	823	221	226	183	2 126	4 061	5 599
Income attributable to product suppliers	297	340	634	516	0	0	0	0	0	0	(931)	(856)	0	0
Net other operating income	1 234	1 232	985	802	1 450	1 247	919	823	221	226	(748)	1 269	4 061	5 599
Total income	5 612	5 044	3 346	3 242	1 560	1 493	905	831	481	555	(742)	1 226	11 162	12 392
Other operating expenses	2 717	2 752	671	705	513	483	473	576	508	570	620	500	5 502	5 586
Cost attributable to product suppliers	148	176	268	219	0	0	0	0	0	0	(416)	(395)	0	0
Operating expenses	2 865	2 929	939	924	513	483	473	576	508	570	204	104	5 502	5 586
Pre-tax operating profit before impairment	2 747	2 116	2 407	2 318	1 048	1 009	431	255	(27)	(15)	(946)	1 122	5 660	6 806
Net gains on fixed and intangible assets	1	0	0	0	(3)	0	0	0	(6)	(4)	(56)	3	(65)	(1)
Impairment of loans and guarantees	467	274	670	338	0	0	0	0	36	217	17	97	1 190	926
Impairment loss attributable to product suppliers	0	0	0	(2)	0	0	0	0	0	0	0	2	0	0
Profit from repossessed operations	(35)	0	(2)	(136)	0	0	0	0	0	0	38	136	0	0
Pre-tax operating profit	2 246	1 842	1 734	1 846	1 045	1 009	431	255	(69)	(236)	(982)	1 162	4 406	5 878

1) Other operations/eliminations:	Eliminations of income/cost attributable to product suppliers		Other eliminations		Group Centre ¹⁾		Total	
	4Q12	4Q11	4Q12	4Q11	4Q12	4Q11	4Q12	4Q11
<i>Amounts in NOK million</i>								
Net interest income - ordinary operations	0	0	(15)	(28)	338	520	323	492
Interest on allocated capital ²⁾	0	0	0	0	(318)	(535)	(318)	(535)
Net interest income	0	0	(15)	(28)	20	(15)	5	(43)
Other operating income	0	0	(402)	(265)	585	2 391	183	2 126
Income attributable to product suppliers	(931)	(856)	0	0	0	0	(931)	(856)
Net other operating income	(931)	(856)	(402)	(265)	585	2 391	(748)	1 269
Total income	(931)	(856)	(416)	(293)	604	2 376	(743)	1 226
Other operating expenses	0	0	(416)	(293)	1 036	793	620	500
Cost attributable to product suppliers	(416)	(395)	0	0	0	0	(416)	(395)
Operating expenses	(416)	(395)	(416)	(293)	1 036	793	204	104
Pre-tax operating profit before impairment	(514)	(461)	0	0	(432)	1 583	(946)	1 122
Net gains on fixed and intangible assets	0	0	0	0	(56)	3	(56)	3
Impairment loss on loans and guarantees	0	0	0	0	17	97	17	97
Impairment loss attributable to product suppliers	0	2	0	0	0	0	0	2
Profit from repossessed operations	0	0	0	0	38	136	38	136
Pre-tax operating profit	(515)	(463)	0	0	(467)	1 625	(982)	1 162

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

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

^{*)} <i>Group Centre - pre-tax operating profit in NOK million</i>	4Q12	4Q11
+ Interest on unallocated equity etc.	263	179
+ Income from equities investments	(99)	(14)
+ Gains on fixed and intangible assets	(56)	2
+ Mark-to-market adjustments Treasury and fair value on loans	(283)	97
+ Basis swaps	235	2 017
+ Eksportfinans ASA	140	112
+ Net gains on investment property	4	(116)
- Unallocated impairment of loans and guarantees	17	97
- Allocated to employees	54	52
- Ownership-related expenses (costs relating to shareholders, investor relations, strategic planning etc.)	107	61
- Unallocated pension expenses	130	11
- Unallocated IT expenses	87	54
- Funding costs on goodwill	10	15
- Impairment losses for intangible assets	202	190
Other	(64)	(173)
Pre-tax operating profit	(467)	1 625

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

Main average balance sheet items

	Retail Banking		Large Corporates and International		DNB Markets		Insurance and Asset Management		DNB Baltics and Poland		Other operations/ eliminations		DNB Group	
	4Q12	4Q11	4Q12	4Q11	4Q12	4Q11	4Q12	4Q11	4Q12	4Q11	4Q12	4Q11	4Q12	4Q11
<i>Amounts in NOK billion</i>														
Loans to customers ¹⁾	868.7	809.2	383.9	395.0	2.9	1.9	1.9	1.4	52.6	54.6	(1.8)	(2.5)	1 308.2	1 259.6
Deposits from customers ¹⁾	463.6	424.4	308.9	249.5	42.7	44.7			29.1	22.3	(3.5)	(1.7)	840.8	739.3
Assets under management ²⁾							511.8	524.5					511.8	524.5
Allocated capital ³⁾	21.2	22.1	24.8	25.2	6.6	6.7	12.9	15.2	3.5	3.8				

Key figures

	Retail Banking		Large Corporates and International		DNB Markets		Insurance and Asset Management		DNB Baltics and Poland		Other operations		DNB Group	
	4Q12	4Q11	4Q12	4Q11	4Q12	4Q11	4Q12	4Q11	4Q12	4Q11	4Q12	4Q11	4Q12	4Q11
<i>Per cent</i>														
Cost/income ratio ⁴⁾	51.0	58.1	28.1	28.5	32.9	32.4	52.3	69.3	105.6	68.4			47.5	42.0
Ratio of deposits to loans ^{1) 5)}	53.4	52.5	80.5	63.2					55.4	40.9			64.3	58.7
Return on allocated capital, annualised ³⁾	30.3	23.8	20.0	20.9	45.5	42.9	14.5	9.8	(6.3)	(19.9)			23.0	23.3
Full-time positions as at 31 Dec ⁶⁾	4 897	5 040	1 118	1 174	722	698	1 017	1 060	3 083	3 297	2 454	2 352	13 291	13 620

- 1) Loans to customers include accrued interest, impairment and value adjustments. Amounts due from credit institutions are not included. Correspondingly, deposits from customers include accrued interest and value adjustments. Amounts due to credit institutions are not included.
- 2) The figures include total assets in DNB Livsforsikring which was NOK 270.6 billion as at 31 December 2012 and NOK 258.8 billion as at 31 December 2011. With effect from 2012, total assets in DNB Private Equity, totalling NOK 5.9 billion, have been included. Figures for previous periods have been restated.
- 3) The allocated capital and return on allocated capital are for the business areas calculated on the basis of internal measurement of risk-adjusted capital requirement. Recorded capital is used for the Group.
- 4) Total operating expenses relative to total income.
- 5) Deposits from customers relative to loans to customers.
- 6) Historical figures for DNB Baltics and Poland do not include DnB NORD's operations and branches in Finland and Denmark which have been closed down or transferred to DNB in Oslo.

Market shares lending and deposits, Norwegian customers

Retail customers ¹⁾

<i>Per cent</i>	30 Nov. 2012	30 Sept. 2012	30 June 2012	31 March 2012	31 Dec. 2011
Total lending to households ^{2) 3)}	27.8	27.8	27.8	27.8	27.9
Bank deposits from households ^{2) 4)}	32.8	32.8	32.7	32.6	32.7

<i>Per cent</i>	30 Sept. 2011	30 June 2011	31 March 2011	31 Dec. 2010	30 Sept. 2010
Total lending to households ^{2) 3)}	27.8	27.6	27.4	27.5	27.6
Bank deposits from households ^{2) 4)}	32.5	32.4	32.3	32.4	32.3

1) Based on nominal values.

2) Households are defined as employees, recipients of property income, pensions and social contributions, students etc., housing cooperatives etc. and unincorporated enterprises within households.

3) Total lending includes all credits extended to Norwegian customers by domestic commercial and savings banks, state banks, insurance companies and finance companies.

4) Domestic commercial and savings banks.

Source: Statistics Norway, DNB

Corporate customers ^{1) 2)}

<i>Per cent</i>	30 Nov. 2012	30 Sept. 2012	30 June 2012	31 March 2012	31 Dec. 2011
Of total lending to corporate clients ^{3) 5)}	13.5	13.6	13.6	13.7	13.7
Of deposits from corporate clients ⁴⁾	37.1	37.4	37.5	37.5	37.4

<i>Per cent</i>	30 Sept. 2011	30 June 2011	31 March 2011	31 Dec. 2010	30 Sept. 2010
Of total lending to corporate clients ^{3) 5)}	13.6	13.5	13.4	13.6	13.8
Of deposits from corporate clients ⁴⁾	36.6	34.9	34.7	35.3	34.6

1) Based on nominal values.

2) Updated according to adjusted data from Statistics Norway.

3) Overall lending includes all credits extended to Norwegian customers by domestic commercial and savings banks, state banks, insurance companies, finance companies and foreign institutions, as well as bonds and commercial paper. Excluding lending to financial institutions, central government and social security services.

4) Excluding deposits from financial institutions, central government and social security services.

5) Increased revised figures for total credit from foreign institutions have decreased the historical market shares with 0.1-0.2 percentage points .

Source: Statistics Norway, DNB

Retail Banking

DNB aims to maintain its leading market position and stand out as the customers' best financial partner in Norway. Karin Bing Orkland, group executive vice president, headed the business area in 2012.

Retail Banking included:

- The retail market activities (private individuals and small and medium-sized enterprises) of DNB Bank and Nordlandsbanken
- DNB Boligkreditt (excluding funding activities)
- DNB Finans
- Residential real estate broking activities in Norway through DNB Eiendom
- Residential real estate broking activities in Sweden through Svensk Fastighetsförmedling
- SalusAnsvar, a company distributing financial services in Sweden.¹⁾

1) An agreement on the sale of SalusAnsvar AB in Sweden was signed at the end of third quarter of 2012. The sale was formally completed in late January 2013.

Customers and markets

- Serving 2.1 million private customers and 220 000 corporate customers, of which 822 000 customers with loans
- 1.5 million customers subscribe to loyalty programmes and product packages
- 1.6 million customers have agreed to receive notifications from the bank, such as account statements, via e-mail
- 77.3 million payment transactions were carried out through the Internet banks in 2012
- 5.6 million payment transactions were carried out through in-store postal and banking outlets in 2012
- 61.3 million SMS messages were received in 2012
- Brand names
 - DNB
 - Nordlandsbanken¹⁾
 - Cresco

1) Nordlandsbanken ASA was formally merged with DNB Bank on 1 October 2012. For a transitional period of up to two years, Nordlandsbanken will be a brand in DNB.

Organisation and distribution

DNB offers a wide range of financial products and services through Norway's largest distribution network, in terms of number of contact points with customers. The major distribution channels are:

- Branch offices/private customer service centres: 185
- Investment Advisory Services for private customers: 36
- Investment Advisory Services for corporate customers: 63
- In-store postal and banking outlets: 2 311
- Post offices: 179
- Internet and telephone
- Real estate outlets in Norway: 136
- Real estate outlets in Sweden: 226

DNB Bank ASA and Norway Post have an agreement relating to the distribution of financial services through the postal network. The agreement is mainly based on transaction-specific prices and a common aim to increase the number of financial services distributed through the postal network. DNB and Norway Post have established joint service solutions provided through in-store postal outlets where customers can carry out everyday banking transactions in their local supermarkets. The distribution of standard banking services through in-store banking outlets is based on an agreement between DNB and NorgesGruppen.

Employees

At end-December 2012, the business area had a staff of 4 897 full-time positions including 138 in SalusAnsvar. Positions in Norway numbered 4 574 including 624 in Norwegian subsidiaries, and the number of positions in international units excluding SalusAnsvar were 186.

Cooperation with other group entities

Cross selling of products is one of the major strengths of the DNB Group. Through its distribution network Retail Banking offers:

- Asset management services, life and pension insurance and non-life insurance (Insurance and Asset Management)
- Financial instruments (DNB Markets)

Financial performance

Amounts in NOK million	4Q12	3Q12	2Q12	1Q12	4Q11	Full year	
						2012	2011
Net interest income - ordinary operations	4 274	4 107	3 789	3 712	3 646	15 883	13 805
Interest on allocated capital ¹⁾	104	111	121	145	166	481	592
Net interest income	4 378	4 219	3 910	3 858	3 812	16 364	14 397
Other operating income	937	1 047	1 089	897	892	3 970	3 681
Income attributable to product suppliers	297	242	297	298	340	1 135	1 328
Net other operating income	1 234	1 289	1 386	1 196	1 232	5 105	5 010
Total income	5 612	5 507	5 296	5 054	5 044	21 469	19 406
Other operating expenses	2 717	2 781	2 699	2 698	2 752	10 895	10 659
Cost attributable to product suppliers	148	125	142	147	176	562	658
Operating expenses	2 865	2 906	2 841	2 845	2 929	11 457	11 317
Pre-tax operating profit before impairment	2 747	2 601	2 455	2 208	2 116	10 012	8 089
Net gains on fixed and intangible assets	1	0	(1)	0	0	0	2
Impairment loss on loans and guarantees ²⁾	467	154	196	322	274	1 139	877
Impairment loss attributable to product suppliers	0	0	0	0	0	0	0
Profit from repossessed operations ³⁾	(35)	(5)	(3)	(4)	0	(48)	0
Pre-tax operating profit	2 246	2 442	2 255	1 882	1 842	8 825	7 214

Loans to customers (NOK billion) ⁴⁾	868.7	855.8	840.3	824.4	809.2	847.4	784.0
Deposits from customers (NOK billion) ⁴⁾	463.6	459.4	439.5	432.2	424.4	448.8	404.9
Allocated capital (NOK billion) ⁵⁾	21.2	20.1	20.3	21.4	22.1	20.7	21.1
Cost/income ratio (%)	51.0	51.9	53.6	56.3	58.1	53.1	58.3
Ratio of deposits to loans (%)	53.4	53.7	52.3	52.4	52.5	53.0	51.6
Return on allocated capital, annualised (%) ⁵⁾	30.3	34.8	32.1	25.5	23.8	30.6	24.6

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

2) Including collective impairment.

3) With effect from the first quarter of 2012, profits from repossessed operations which are fully consolidated in the DNB Group are presented net under "Profit from repossessed operations" in the business areas.

4) Average balances. Loans to customers include accrued interest and impairment. Amounts due from credit institutions are not included. Correspondingly, deposits from customers include accrued interest. Due to credit institutions are not included.

5) The allocated capital and return on allocated capital are calculated on the basis of internal measurement of risk-adjusted capital requirement. Allocated capital was adjusted downward in the third quarter of 2011 due to changes in the calculation models.

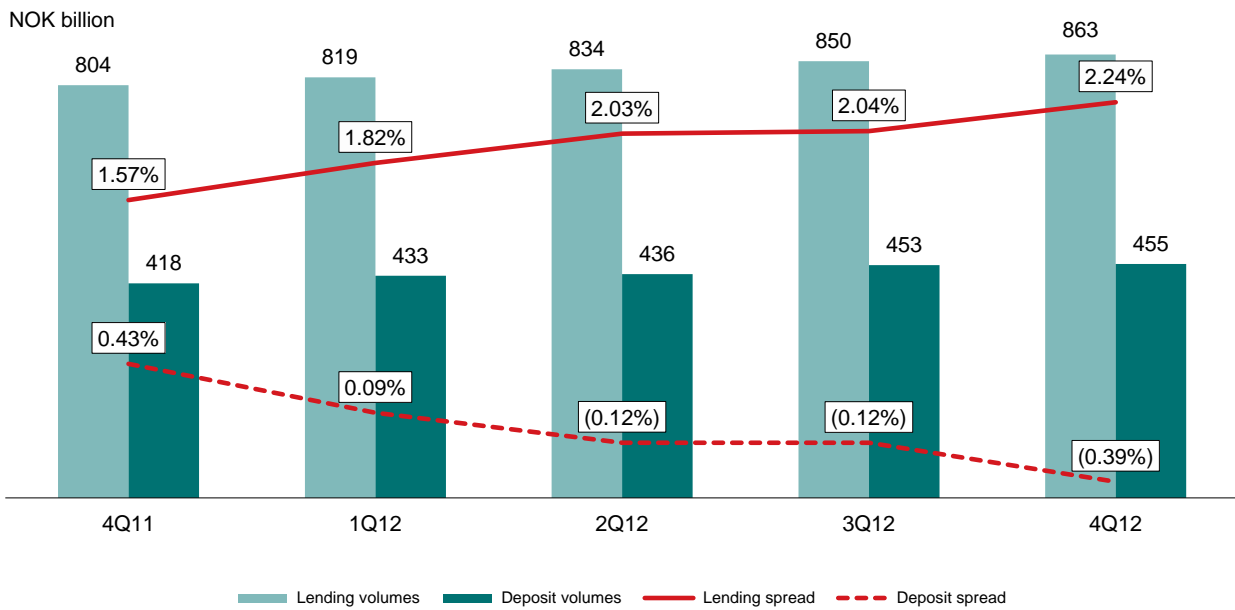
Net interest income

Amounts in NOK million	Average volumes			Spreads in per cent			Net interest income		
	4Q12	3Q12	4Q11	4Q12	3Q12	4Q11	4Q12	3Q12	4Q11
Loans to customers ^{1) 2)}	862 930	850 095	803 534	2.24	2.04	1.57	4 868	4 366	3 173
Deposits from customers ¹⁾	455 300	453 225	417 531	(0.39)	(0.12)	0.43	(443)	(135)	453
Allocated capital	21 225	20 097	22 136	1.93	2.21	2.99	104	111	166
Other							(151)	(124)	21
Total net interest income							4 378	4 219	3 812

1) Based on nominal values.

2) Excluding impaired loans.

Development in average volumes and interest spreads ¹⁾



1) Lending to and deposits from customers. Nominal values, excluding impaired loans.

Residential mortgages

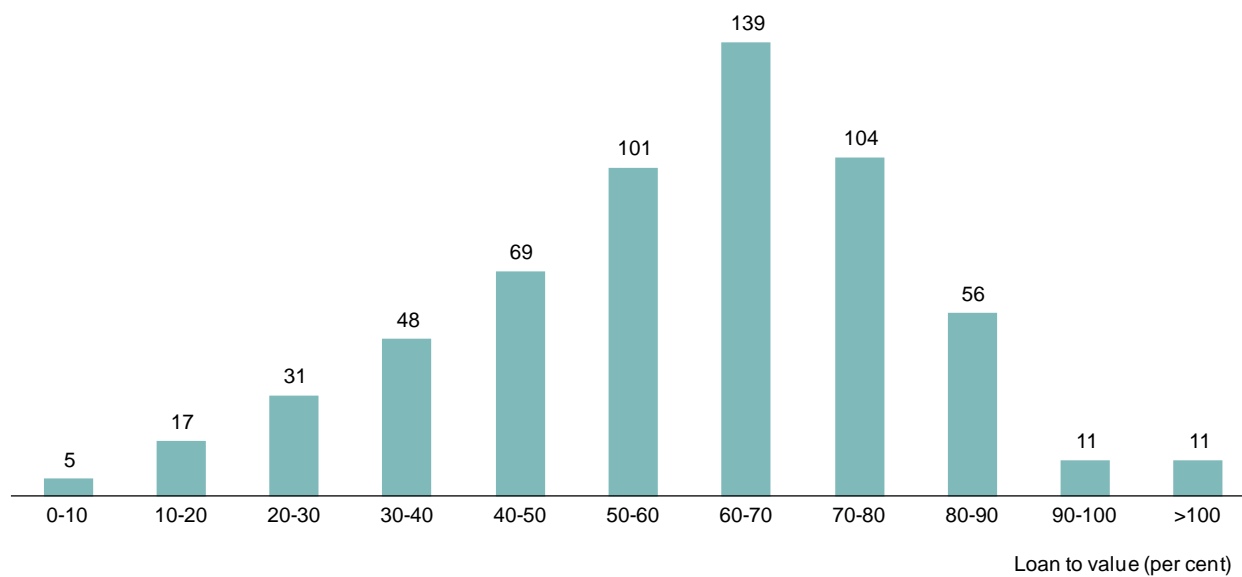
Distribution of lending according to collateral value ¹⁾



1) Distribution of residential mortgages in the business area Retail Banking within actual collateral categories.

Distribution of loan to value ¹⁾

NOK billion



1) Total residential mortgages in DNB Bank ASA and DNB Boligkreditt AS distributed by collateral value.

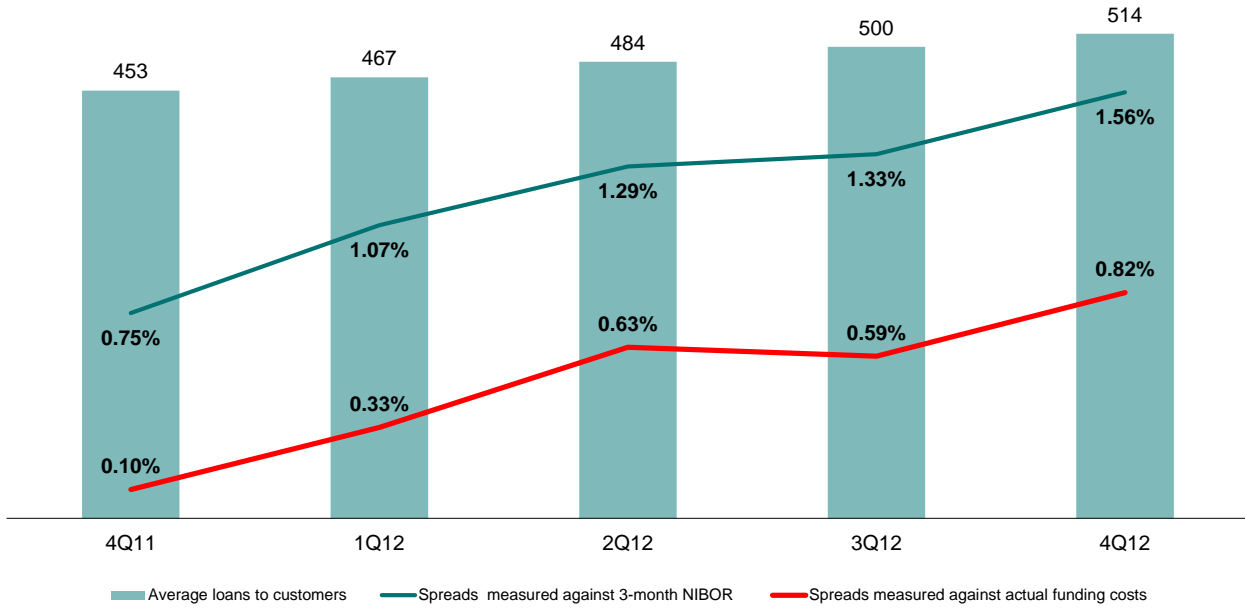
Distribution of loan to value per risk grade ¹⁾

	Risk grade			Total
	1-4	5-7	8-12	
Loan to value in per cent:				
0-40	14.5 %	2.9 %	0.2 %	17.6 %
40-60	22.9 %	6.3 %	0.4 %	29.6 %
60-75	24.4 %	8.9 %	0.7 %	34.0 %
75-85	8.1 %	4.5 %	0.4 %	12.9 %
>85	3.6 %	2.0 %	0.3 %	5.9 %
Total	73.5 %	24.6 %	1.9 %	100.0 %

1) Residential mortgages distributed by collateral value and risk grade.

DNB Boligkreditt - Average mortgage lending - volumes and spreads ¹⁾

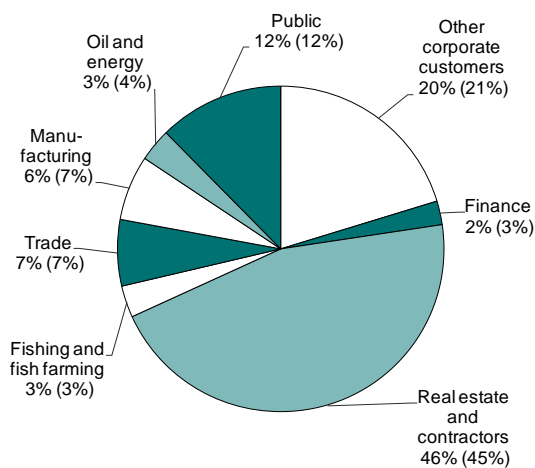
NOK billion



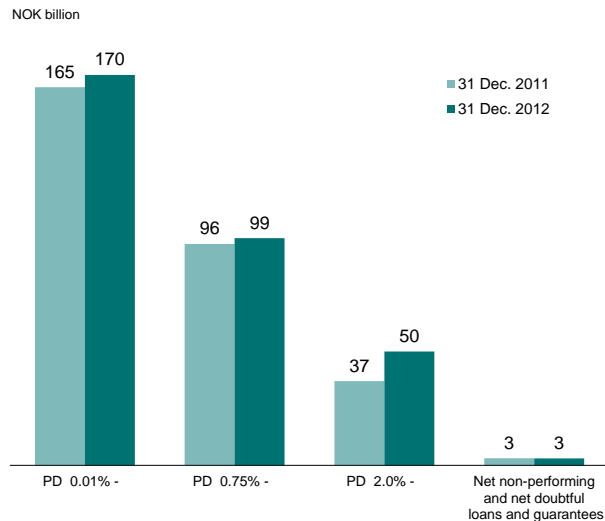
1) Residential mortgages in DNB Boligkreditt represented around 90 per cent of Retail Banking's total residential mortgages to customers in Norway. The lending spreads measured against actual funding costs for the company are gross spreads before administrative expenses, risk cost and cost of capital.

Corporate customers in Retail Banking

Exposure at default according to sector ¹⁾



Risk classification of portfolio ²⁾



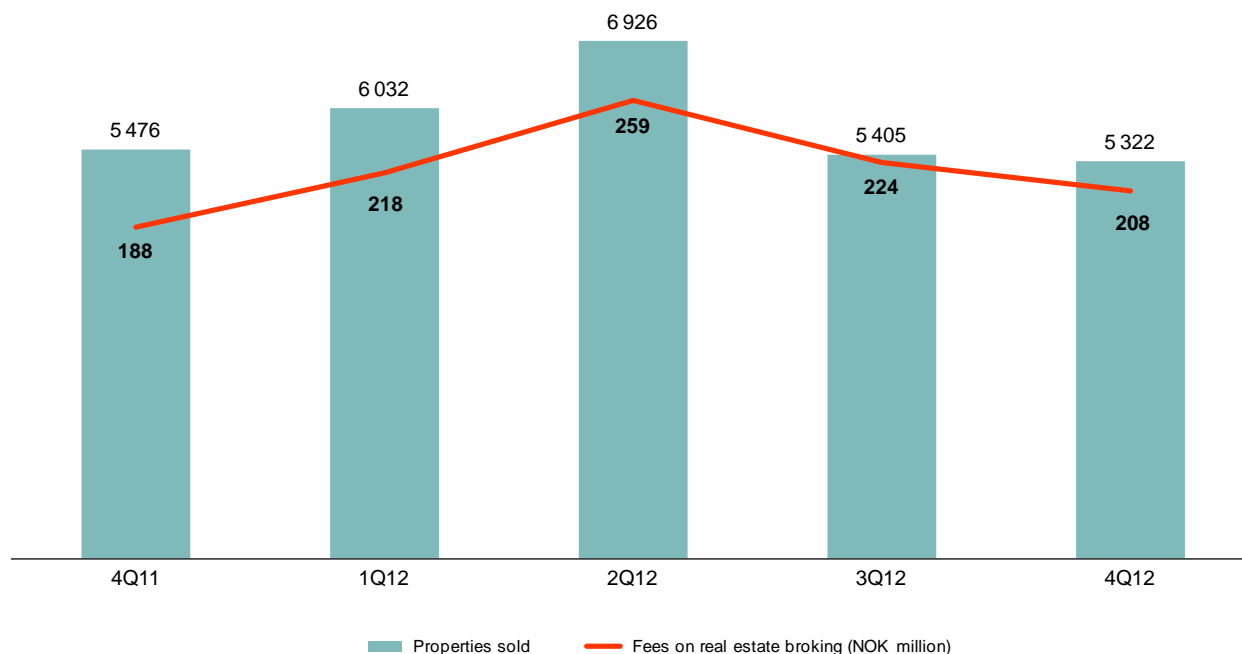
1) Corporate customers. Figures as at 31 December 2012. Percentages as at 31 December 2011 in parentheses.

2) Based on DNB's risk classification system. The volumes represent the expected outstanding amount in the event of default, apart from net non-performing and net doubtful loans and guarantees, which represent the net exposures recorded in the accounts. PD = probability of default.

Residential real estate broking

DNB is a market leader within the real estate broking business in Norway. DNB is also the largest provider of real estate brokerage services in the Nordic region through the operations in DNB Eiendom and Svensk Fastighetsförmedling. DNB Eiendom had 136 sales offices located in DNB branches at end-December 2012, and Svensk Fastighetsförmedling had 226 outlets in Sweden. In addition to fee income, real estate broking operations generate business in the form of residential mortgages and savings.

Real estate broking in Norway



Properties sold and market shares ¹⁾

Properties sold	4Q12	3Q12	2Q12	1Q12	4Q11	Full year	
						2012	2011
DNB Eiendom	4 810	5 111	6 127	4 762	4 326	20 810	18 340
Postbanken Eiendom	512	294	799	1 270	1 150	2 875	5 271
Total properties sold	5 322	5 405	6 926	6 032	5 476	23 685	23 611
Market shares, per cent ²⁾						18.5	19.3

1) Norwegian operations only.

2) Management's estimates.

DNB Finans

DNB Finans is providing consumer and equipment finance and card based products.

Net lending to customers - average volumes

<i>Amounts in NOK billion</i>	4Q12	3Q12	2Q12	1Q12	4Q11	Full year	
						2012	2011
Motor vehicle finance, leasing and factoring	52.0	52.2	50.7	50.5	48.8	51.4	47.2
Consumer finance	18.4	17.8	17.9	17.1	16.9	17.8	16.4
Total net lending to customers	70.3	70.0	68.7	67.6	65.6	69.2	63.6

- There was a 2.7 per cent increase in new leasing and lending contracts in the fourth quarter of 2012 compared to the corresponding period in 2011.
- The value of processed factoring invoices was up 7.5 per cent.
- Consumer finance activities generated healthy profits in the fourth quarter of 2012.
- As at 31 December 2012, the entity had issued nearly 2.2 million credit and charge cards.

Business profile

DNB Finans is the leading provider of consumer and equipment finance in Norway. DNB Finans coordinates DNB's credit card based products and consumer finance activities, servicing both the bank's own customers and customers acquired through cooperation with vendors. Within asset based finance, DNB Finans offers automotive and equipment leasing and loans to both the bank's and own direct customers as well as through vendors. In addition, DNB Finans is the market leader within factoring in Norway, and, through the Autolease brand, a top three player in the Scandinavian market for operational vehicle leasing and fleet management.

DNB Finans' operations in Denmark are concentrated around Autolease. In Sweden there is a broader presence, with both automotive and equipment finance products and services targeted at bank, direct and vendor distribution. Within automotive finance DNB Finans holds a top five position in Sweden. Credit card based products are being developed for the Swedish market.

Large Corporates and International

Large Corporates and International (LCI) aims to offer good solutions to customers and continue to build strong customer relationships for the future. Leif Teksum, group executive vice president, headed the business area in 2012.

LCI is organised in four global industry divisions, four geographic divisions and a product and support division. The global industry divisions develop and maintain the business area's industry strategies and serve the largest Norwegian corporates. The geographic divisions implement the industry strategies and serve customers in their respective local markets.

The presentation of LCI is based on the global industry divisions including related activities in the geographic divisions.

- Global business segment divisions
 - Nordic Corporates
 - International Corporates
 - Energy
 - Shipping, Offshore and Logistics
- Geographical divisions
 - Americas
 - Central Europe, Middle East and Africa
 - Asia
 - Northern Europe
- Product and support division
 - Business Management and Products

The subsidiaries JSC DNB Bank (Russia) and DNB Luxembourg S.A. are separate entities in LCI.

Employees

At end-December 2012, the business area had a staff of 1 118 full-time positions, with 483 positions in Norway and 635 in international units.

Financial performance

<i>Amounts in NOK million</i>	4Q12	3Q12	2Q12	1Q12	4Q11	Full year	
						2012	2011
Net interest income - ordinary operations	2 242	2 163	2 154	2 192	2 252	8 750	7 584
Interest on allocated capital ¹⁾	120	145	152	168	189	585	661
Net interest income	2 362	2 308	2 306	2 360	2 440	9 335	8 245
Other operating income	351	313	322	324	286	1 309	1 097
Income attributable to product suppliers	634	530	622	558	516	2 344	2 100
Net other operating income	985	842	944	881	802	3 653	3 196
Total income	3 346	3 150	3 250	3 241	3 242	12 987	11 441
Other operating expenses	671	652	589	689	705	2 600	2 463
Cost attributable to product suppliers	268	240	242	221	219	972	873
Operating expenses	939	892	831	910	924	3 572	3 336
Pre-tax operating profit before impairment	2 407	2 258	2 418	2 332	2 318	9 415	8 106
Net gains on fixed and intangible assets	0	0	0	0	0	0	0
Impairment loss on loans and guarantees ²⁾	670	250	357	397	338	1 674	1 175
Impairment loss attributable to product suppliers	0	0	0	0	(2)	0	1
Profit from repossessed operations ³⁾	(2)	(63)	36	(119)	(136)	(148)	(197)
Pre-tax operating profit	1 734	1 946	2 097	1 816	1 846	7 594	6 734

Loans to customers (NOK billion) ⁴⁾	383.9	399.5	402.6	397.9	395.0	396.0	367.3
Deposits from customers (NOK billion) ⁴⁾	308.9	294.7	288.5	260.9	249.5	288.3	234.7
Allocated capital (NOK billion) ⁵⁾	24.8	26.0	25.4	24.7	25.2	25.2	23.6
Cost/income ratio (%)	28.1	28.3	25.6	28.1	28.5	27.5	29.2
Ratio of deposits to loans (%)	80.5	73.8	71.7	65.6	63.2	72.8	63.9
Return on allocated capital, annualised (%) ⁵⁾	20.0	21.4	23.9	21.3	20.9	21.7	20.6

- 1) The interest is calculated on the basis of internal measurement of the risk-adjusted capital requirement.
- 2) Including collective impairment from 2011.
- 3) With effect from the first quarter of 2012, profits from repossessed operations which are fully consolidated in the DNB Group are presented net under "Profit from repossessed operations" in the business areas. Figures for previous periods have been restated.
- 4) Average balances. Loans to customers include accrued interest and impairment losses. Amounts due from credit institutions are not included. Correspondingly, deposits from customers include accrued interest. Amounts due to credit institutions are not included.
- 5) The allocated capital and return on allocated capital are calculated on the basis of internal measurement of risk-adjusted capital requirement. Allocated capital was adjusted downward in the third quarter of 2011 due to changes in the calculation models.

Average total volumes

<i>Amounts in NOK billion</i>	4Q12	3Q12	2Q12	1Q12	4Q11	Full year	
						2012	2011
Loans ¹⁾	384	400	403	398	395	396	367
Guarantees	73	75	76	74	69	74	61
Total loans and guarantees	457	474	478	471	464	470	428
Adjusted for exchange rate movements	457	464	469	466	459	470	434
Commercial paper during the period	17	17	17	16	17	67	53
Syndicated loans during the period ²⁾	4	1	3	6	2	14	13
Bond issues during the period	16	13	10	19	18	57	59

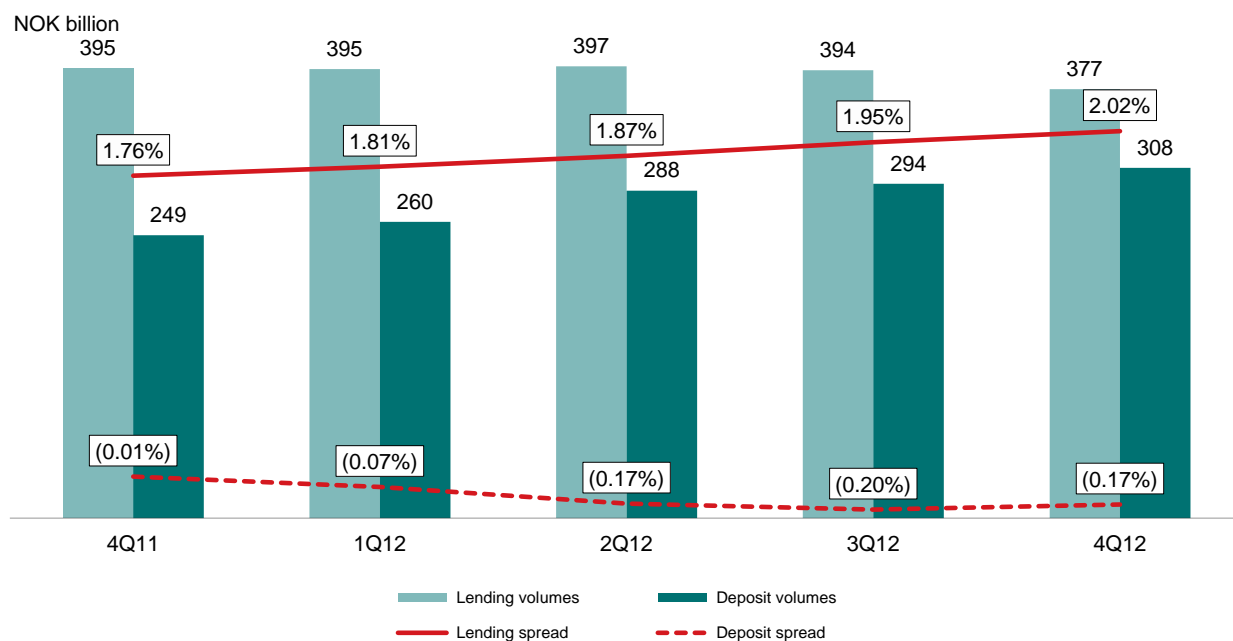
- 1) Average balances. Loans to customers includes accrued interest and impairment losses. Amounts due from credit institutions are not included.
- 2) Difference between DNB underwriting and DNB final hold. Figures for previous quarters in 2012 have been changed.

Net interest income

<i>Amounts in NOK million</i>	Average volumes			Spreads in per cent			Net interest income		
	4Q12	3Q12	4Q11	4Q12	3Q12	4Q11	4Q12	3Q12	4Q11
Loans to customers ¹⁾	377 017	393 820	395 274	2.02	1.95	1.76	1 912	1 934	1 750
Deposits from customers ¹⁾	307 849	293 837	248 586	(0.17)	(0.20)	(0.01)	(132)	(148)	(5)
Allocated capital	24 808	26 032	25 185	1.93	2.21	2.99	120	145	189
Other							463	377	507
Total net interest income							2 362	2 308	2 440

- 1) Based on nominal values excluding impaired loans.

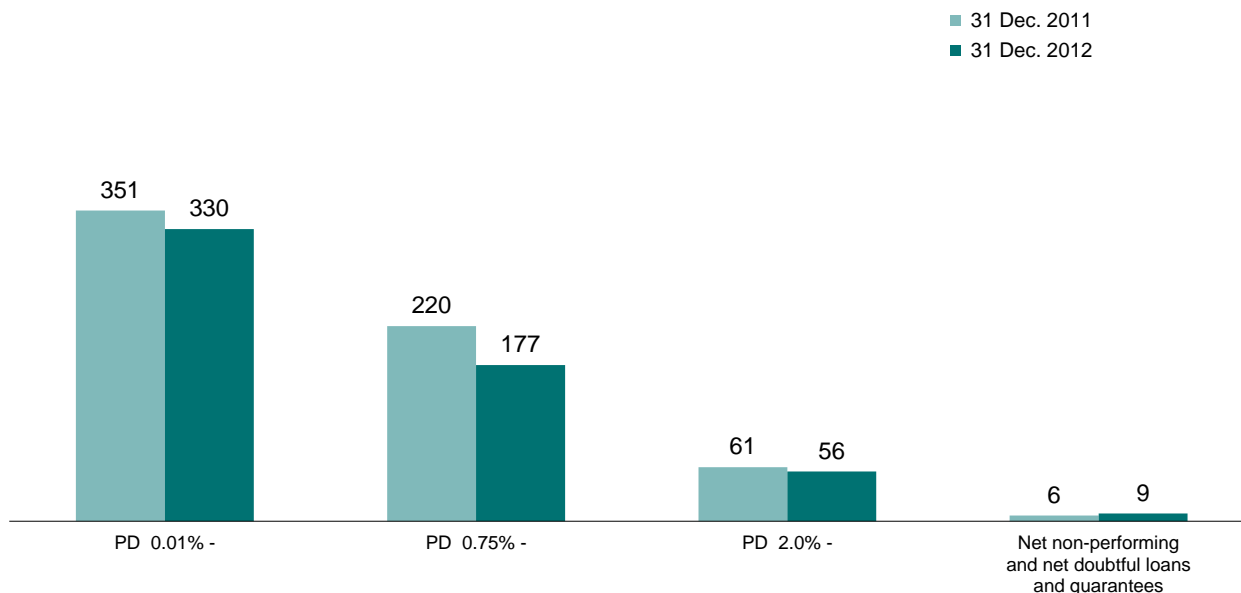
Development in average volumes and interest spreads ¹⁾



1) Lending to and deposits from customers. Nominal values, excluding impaired loans.

Risk classification of portfolio ¹⁾

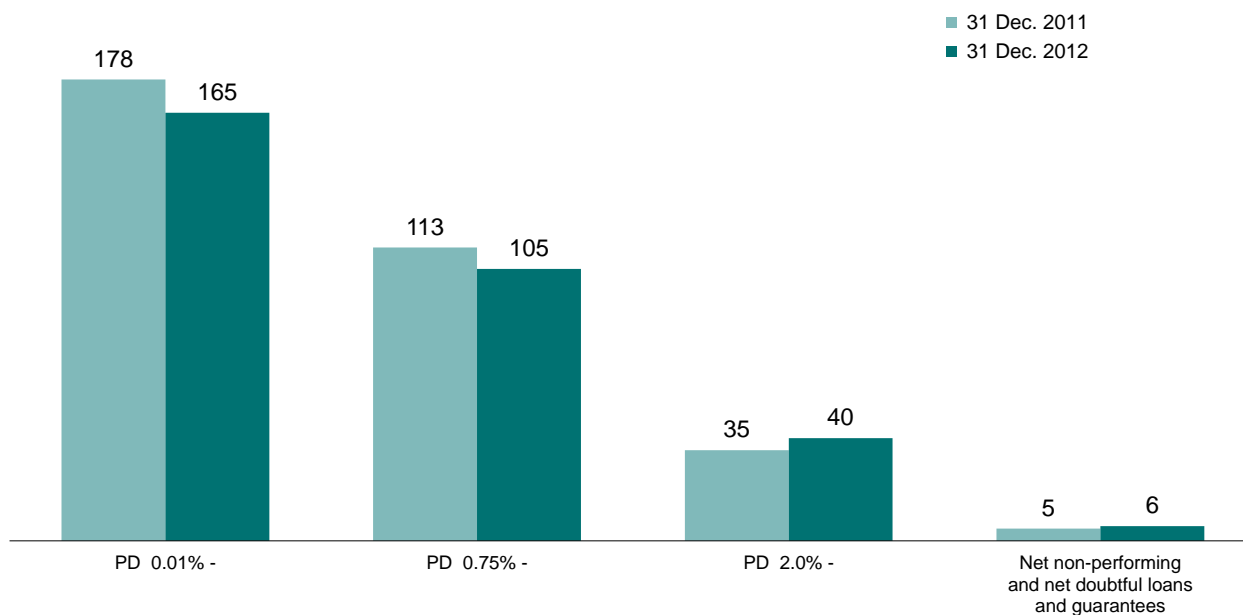
NOK billion



1) Based on DNB's risk classification system. The volumes represent the expected outstanding amount in the event of default, apart from net non-performing and net doubtful loans and guarantees, which represent the net exposures recorded in the accounts. Figures as at 31 December 2011 have been restated in consequence of an upward adjustment of PD for certain large corporate models in line with requirements from the Norwegian FSA. In addition, commitment letters have been included in the figures. PD = probability of default.

Risk classification of international portfolio ^{1) 2)}

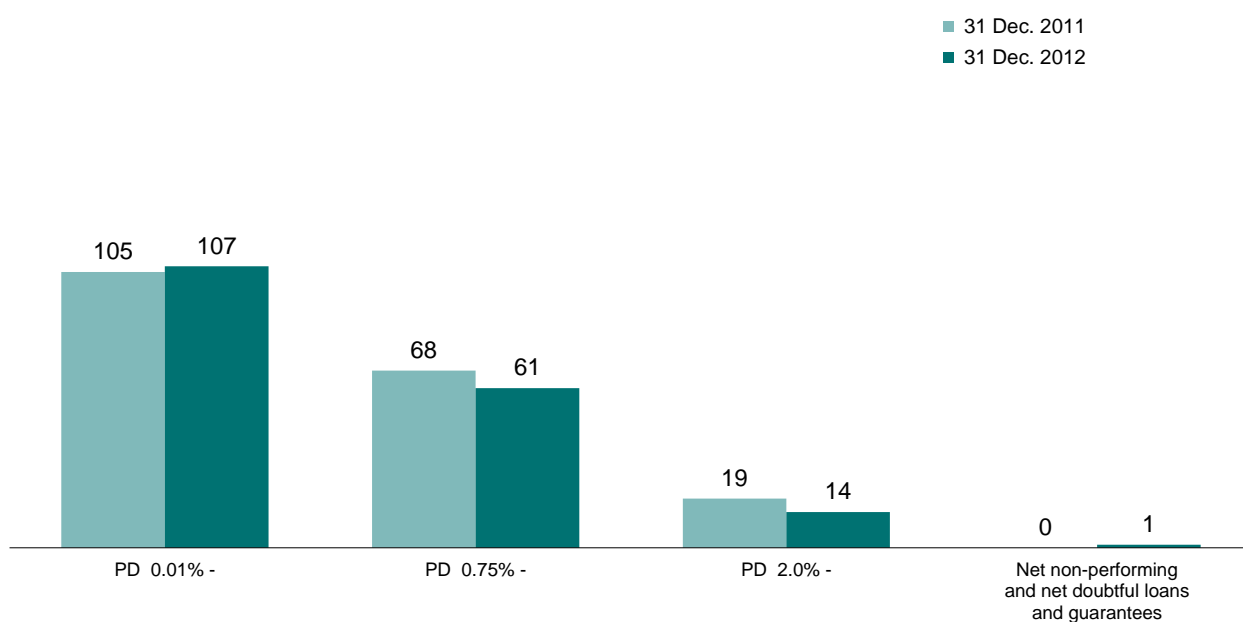
NOK billion



- 1) Based on DNB's risk classification system. The volumes represent the expected outstanding amount in the event of default, apart from net non-performing and net doubtful loans and guarantees, which represent the net exposures recorded in the accounts. Figures as at 31 December 2011 have been restated in consequence of an upward adjustment of PD for certain large corporate models in line with requirements from the Norwegian FSA. In addition, commitment letters have been included in the figures. PD = probability of default.
- 2) The international portfolio comprises business recorded outside Norway.

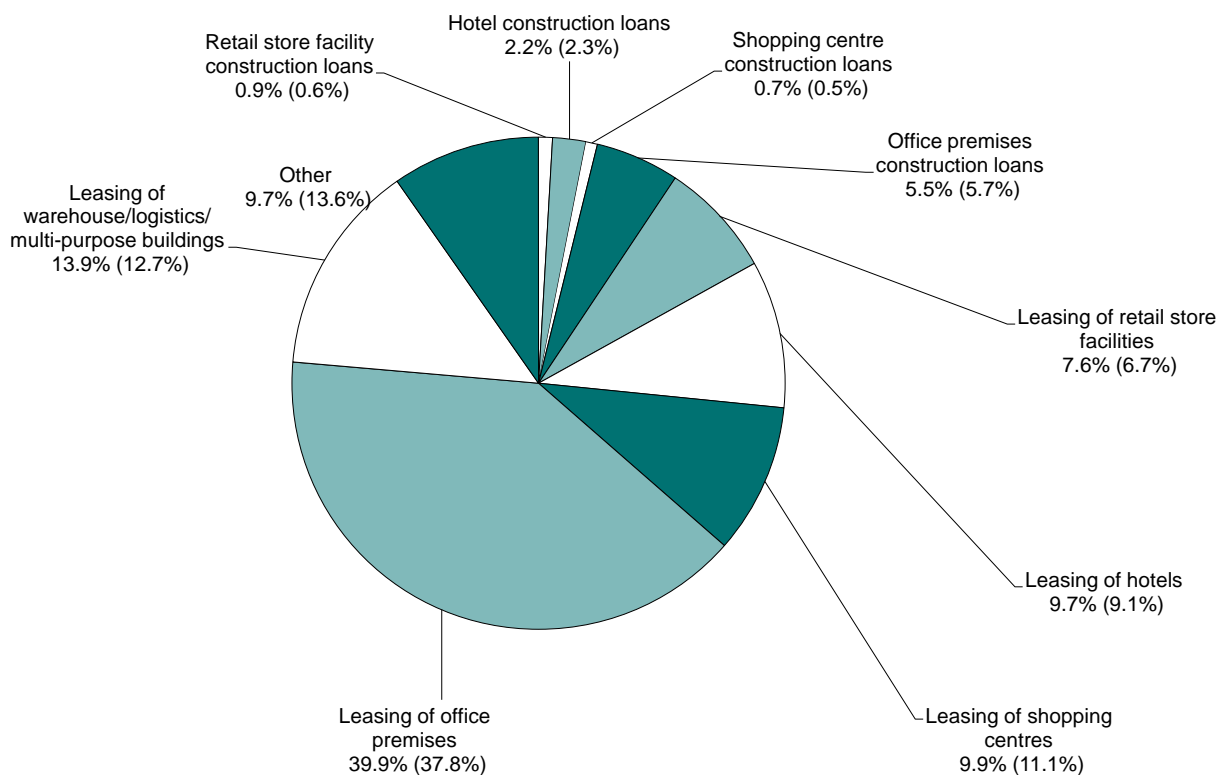
Risk classification of commercial property exposure ^{1) 2)}

NOK billion

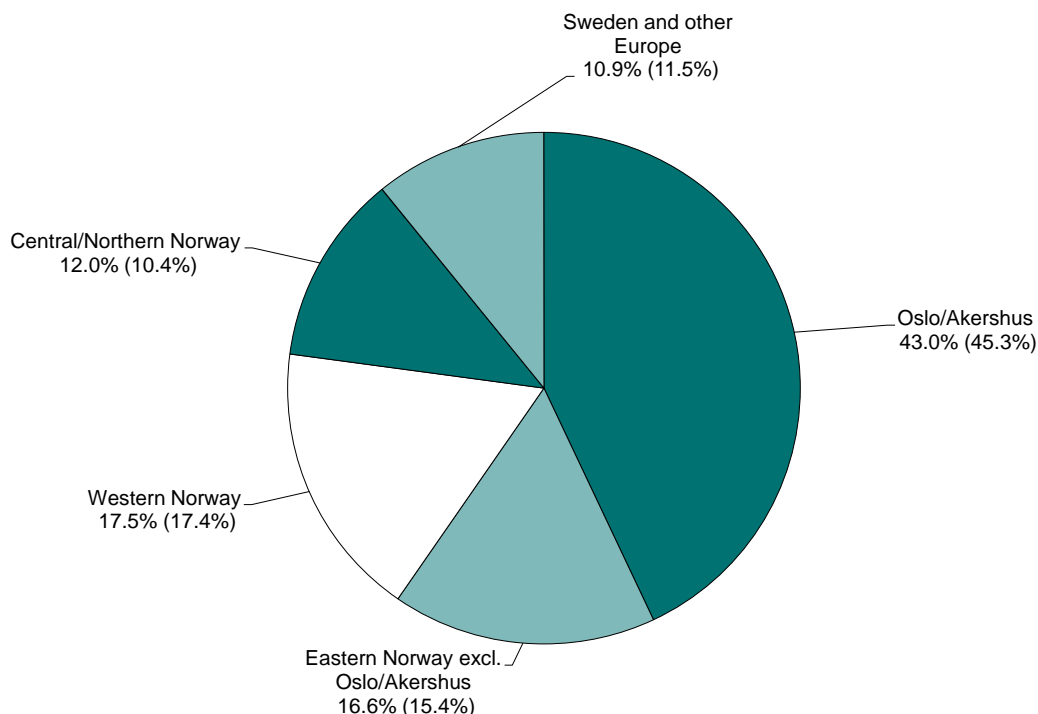


- 1) Based on DNB's risk classification system. The volumes represent the expected outstanding amount in the event of default, apart from net non-performing and net doubtful loans and guarantees, which represent the net exposures recorded in the accounts. Figures as at 31 December 2011 have been restated in consequence of an upward adjustment of PD for certain large corporate models in line with requirements from the Norwegian FSA. In addition, commitment letters have been included in the figures. PD = probability of default.
- 2) The numbers are totals for the DNB Group excluding DNB Baltics and Poland and include exposure recorded in both LCI and Retail Banking. The definition of this segment was adjusted in the second quarter of 2012 to reflect the actual underlying commercial property risk. Comparable figures have been restated. Figures as at 31 December 2011 do not include the former DnB NORD's portfolios in Denmark and Finland.

Commercial property exposure according to segment as at 31 December 2012 ¹⁾



Geographic distribution of commercial property exposure as at 31 December 2012 ¹⁾



1) The numbers are totals for the DNB Group excluding DNB Baltics and Poland and include exposure recorded in both LCI and Retail Banking. The definition of this segment was adjusted in the second quarter of 2012 to reflect the actual underlying commercial property risk. Comparable figures as at 31 December 2011 in parentheses have been restated. Figures as at 31 December 2011 do not include the former DnB NORD's portfolios in Denmark and Finland.

Nordic Corporates Division

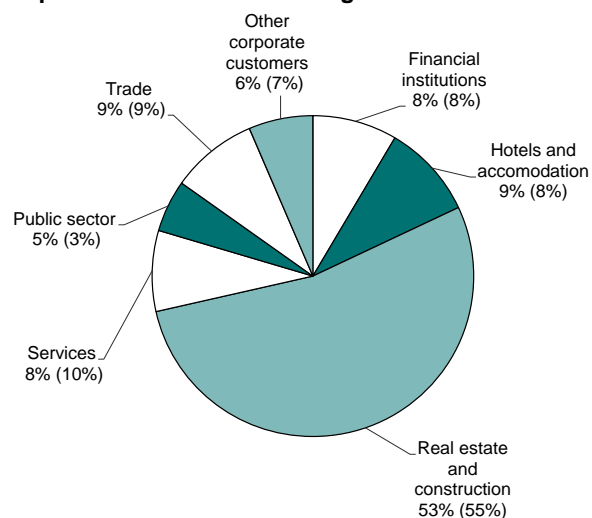
- The Nordic Corporates Division serves the bank's largest Norwegian and Nordic corporate clients within the retail and service industries, commercial real estate and contractors, financial institutions, the public sector and non-government organisations. The division also serves international clients in the same segments.
- DNB has a very strong market position in these segments in Norway. The majority of Norway's largest corporations are banking with DNB.
- Commercial real estate broking services are offered through the subsidiary DNB Næringsmegling AS.

Average volumes

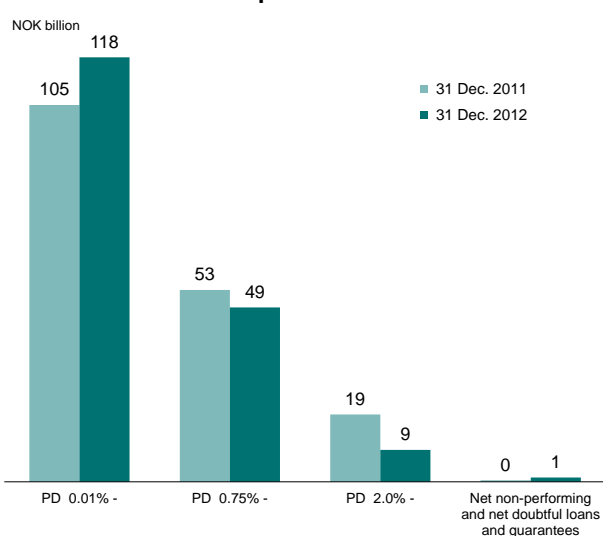
Amounts in NOK billion	4Q12	3Q12	2Q12	1Q12	4Q11	Full year	
						2012	2011
Loans to customers ¹⁾	131	135	138	133	131	134	124
- Adjusted for exchange rate movements ¹⁾	131	134	138	133	131	134	124
Guarantees	15	16	15	16	15	15	14
Deposits from customers ¹⁾	127	124	115	97	87	116	81

1) Loans to customers includes accrued interest, impairment losses and value adjustments. Amounts due from credit institutions are not included. Correspondingly, deposits from customers include accrued interest. Amounts due to credit institutions are not included.

Exposure at default according to sector ¹⁾



Risk classification of portfolio ²⁾



1) Figures as at 31 December 2012. Percentages as at 31 December 2011 in parentheses.

2) Based on DNB's risk classification system. The volumes represent the expected outstanding amount in the event of default, apart from net non-performing and net doubtful loans and guarantees, which represent the net exposures recorded in the accounts. Figures as at 31 December 2011 have been restated in consequence of an upward adjustment of PD for certain large corporate models in line with requirements from the Norwegian FSA. In addition, commitment letters have been included in the figures. PD = probability of default.

International Corporates Division

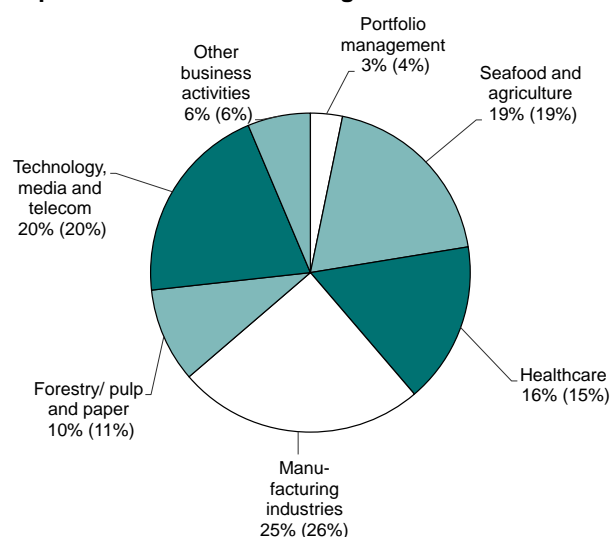
- The International Corporates Division serves large Norwegian corporates, international companies with business in Norway and international customers in the following sectors: foods, sea food, telecom, media, technology, healthcare, packaging industry and general manufacturing.
- The division serves a majority of the Norwegian companies in the defined industries as lead bank as well as selected corporates internationally within LCI's international sector strategies.

Average volumes

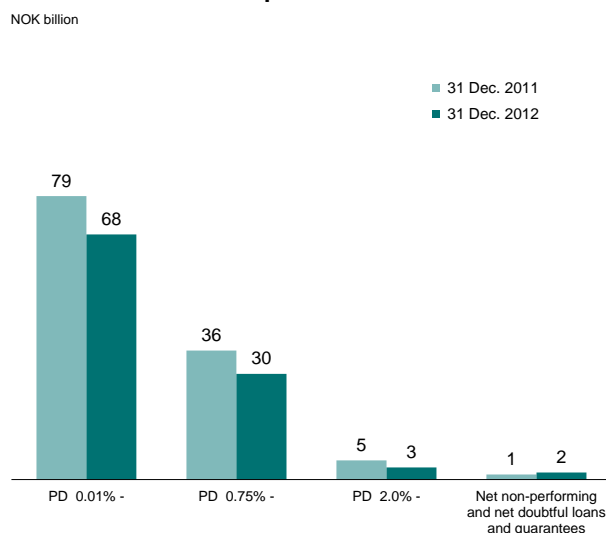
Amounts in NOK billion	4Q12	3Q12	2Q12	1Q12	4Q11	Full year	
						2012	2011
Loans to customers ¹⁾	67	69	72	70	70	69	62
- Adjusted for exchange rate movements ¹⁾	67	68	70	69	69	69	63
Guarantees	12	11	11	10	10	11	9
Deposits from customers ¹⁾	50	41	42	32	37	39	36

1) Loans to customers includes accrued interest, impairment losses and value adjustments. Amounts due from credit institutions are not included. Correspondingly, deposits from customers include accrued interest. Amounts due to credit institutions are not included.

Exposure at default according to sector ¹⁾



Risk classification of portfolio ²⁾



1) Figures as at 31 December. Percentages as at 31 December 2011 in parentheses.

2) Based on DNB's risk classification system. The volumes represent the expected outstanding amount in the event of default, apart from net non-performing and net doubtful loans and guarantees, which represent the net exposures recorded in the accounts. Figures as at 31 December 2011 have been restated in consequence of an upward adjustment of PD for certain large corporate models in line with requirements from the Norwegian FSA. In addition, commitment letters have been included in the figures. PD = probability of default.

Energy Division

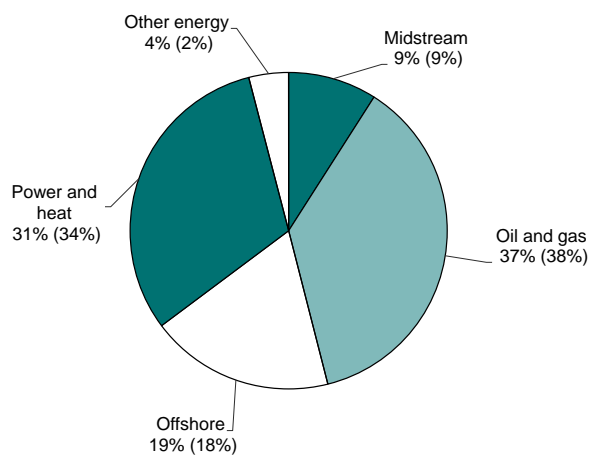
- The Energy Division serves customers in Norway and internationally in the oil and gas, oilfield services, power and renewable industries.
- The oil and gas and oilfield services industries are amongst the largest sectors in the world. Huge investments are needed in order to meet future demand for oil and gas. DNB has been active in these sectors for over 40 years.
- The power and renewable industries are fast growing sectors with focus on low-carbon-emission energy production. Considerable investments are needed in order to meet future ambitions within renewable energy. The bank has a strong focus on renewable energy, with main emphasis on hydro power, but also on wind and solar power.

Average volumes

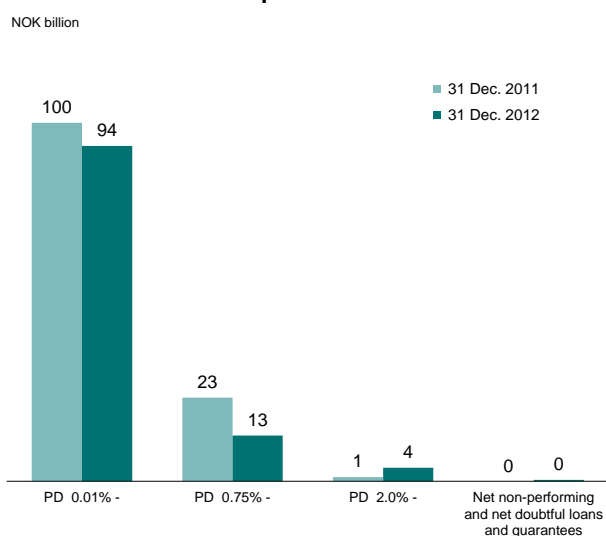
Amounts in NOK billion	4Q12	3Q12	2Q12	1Q12	4Q11	Full year	
						2012	2011
Loans to customers ¹⁾	50	53	51	48	48	50	42
- Adjusted for exchange rate movements ¹⁾	50	52	50	47	47	50	42
Guarantees	32	34	38	38	33	35	27
Deposits from customers ¹⁾	59	57	58	58	49	58	43

1) Loans to customers includes accrued interest, impairment losses and value adjustments. Amounts due from credit institutions are not included. Correspondingly, deposits from customers include accrued interest. Amounts due to credit institutions are not included.

Exposure at default according to sector ¹⁾



Risk classification of portfolio ²⁾



1) Figures as at 31 December 2012. Percentages as at 31 December 2011 in parentheses.

2) Based on DNB's risk classification system. The volumes represent the expected outstanding amount in the event of default, apart from net non-performing and net doubtful loans and guarantees, which represent the net exposures recorded in the accounts. Figures as at 31 December 2011 have been restated in consequence of an upward adjustment of PD for certain large corporate models in line with requirements from the Norwegian FSA. In addition, commitment letters have been included in the figures. PD = probability of default.

Shipping, Offshore and Logistics Division

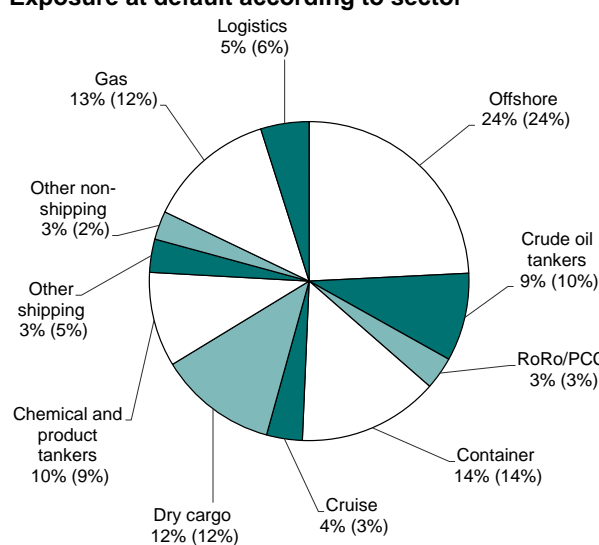
- The Shipping, Offshore and Logistics Division provides commercial and investment banking services to high-quality Norwegian and international shipping, offshore and logistics clients.
- DNB is a world leading arranger of syndicated loans to the shipping and offshore sectors.
- The division aims to achieve satisfactory risk-adjusted profitability by being one of the leading international shipping banks.
- The division aims to be the preferred strategic discussion partner for clients.
- The division focuses on competence development to further improve the quality and range of client services.

Average volumes

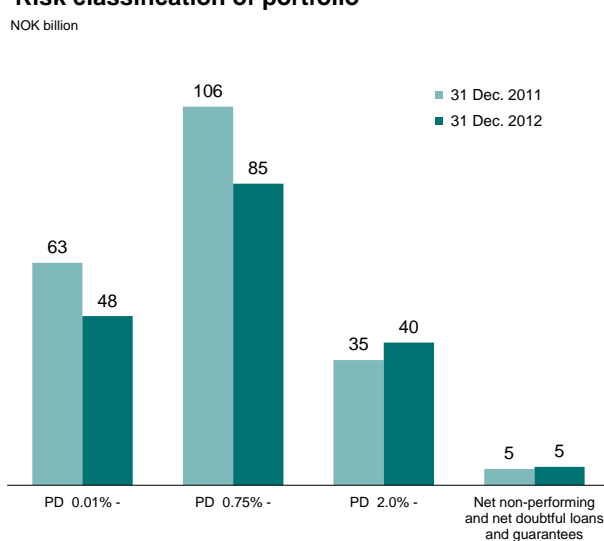
Amounts in NOK billion	4Q12	3Q12	2Q12	1Q12	4Q11	Full year	
						2012	2011
Loans to customers ¹⁾	132	139	140	141	141	138	134
- Adjusted for exchange rate movements ¹⁾	132	134	136	139	139	138	139
Guarantees	10	10	9	8	10	9	10
Deposits from customers ¹⁾	65	67	70	62	65	66	66

1) Loans to customers includes accrued interest, impairment losses and value adjustments. Amounts due from credit institutions are not included. Correspondingly, deposits from customers include accrued interest. Amounts due to credit institutions are not included.

Exposure at default according to sector ¹⁾



Risk classification of portfolio ²⁾



1) Figures as at 31 December 2012. Percentages as at 31 December 2011 in parentheses.

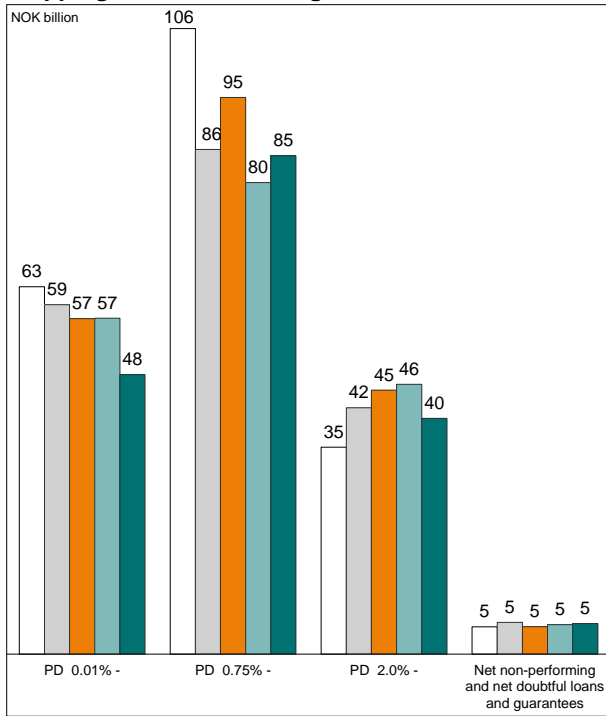
2) Based on DNB's risk classification system. The volumes represent the expected outstanding amount in the event of default, apart from net non-performing and net doubtful loans and guarantees, which represent the net exposures recorded in the accounts. Figures as at 31 December 2011 have been restated in consequence of an upward adjustment of PD for certain large corporate models in line with requirements from the Norwegian FSA. In addition, commitment letters have been included in the figures. PD = probability of default.

Portfolio

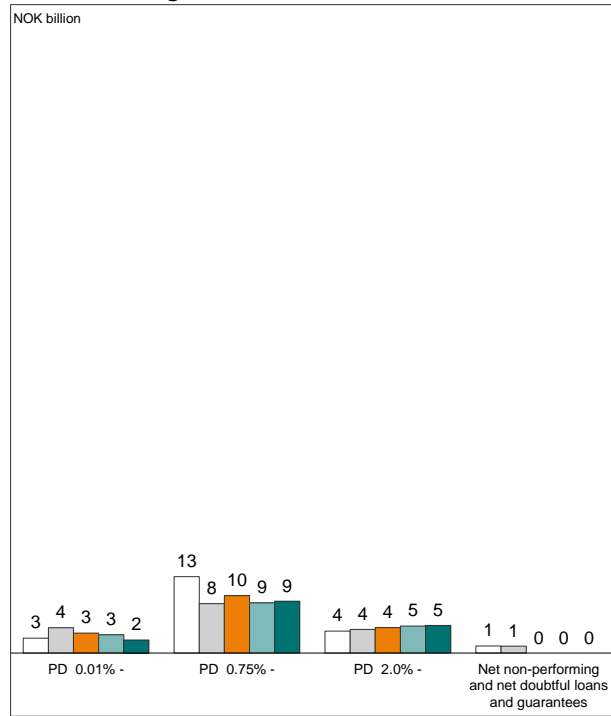
- DNB has a diversified portfolio in the maritime sector, as shown above.
- DNB expects weak dry bulk, container and tanker markets.
- Clients within the dry bulk segment are mainly well-established operators.
- The container portfolio mainly comprises companies that are among the major operators and tonnage providers.
- Within the crude tanker portfolio, clients are mainly leading international tanker owners.

Risk classification of portfolio – according to segment ¹⁾

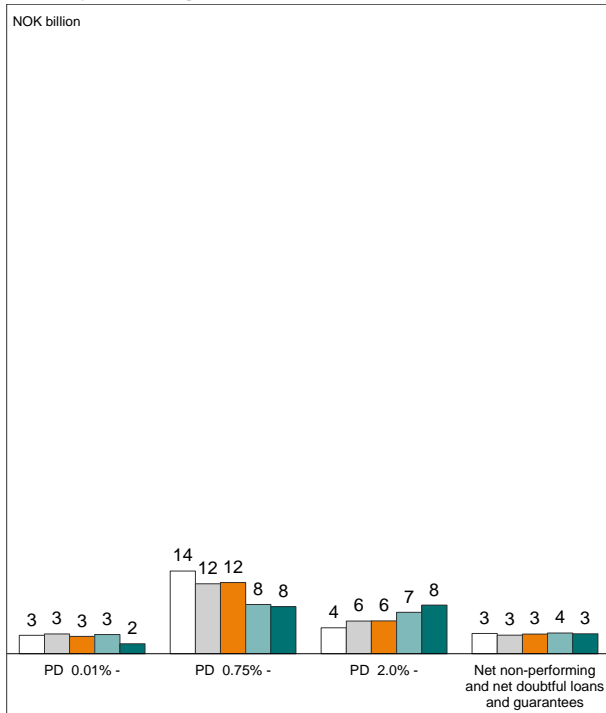
Shipping, Offshore and Logistics Division total



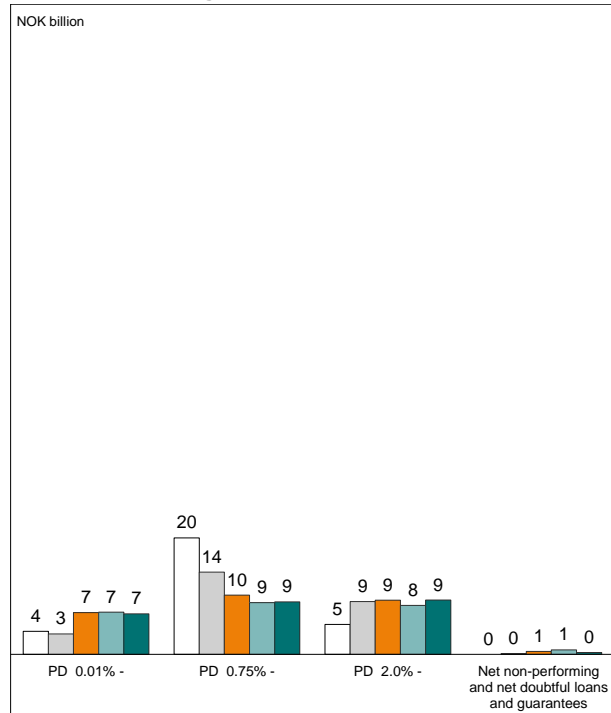
The tanker segment



The dry bulk segment



The container segment



31 Dec. 2011
 31 March 2012
 30 June 2012
 30 Sept. 2012
 31 Dec. 2012

1) Based on DNB's risk classification system. The volumes represent the expected outstanding amount in the event of default, apart from net non-performing and net doubtful loans and guarantees, which represent the net exposures recorded in the accounts. Figures for previous periods have been restated in consequence of an upward adjustment of PD for certain large corporate models in line with requirements from the Norwegian FSA. In addition, commitment letters have been included in the figures. PD = probability of default.

JSC DNB Bank (Russia) part of the Business Management and Products Division

JSC DNB Bank (Russia) is a regional bank serving corporate and retail customers and has a firm foothold in the Murmansk region in Russia. The bank holds a general licence for banking operations throughout Russia. The bank will be the fundament for further development of DNB's business in the Murmansk and Arkhangelsk region.

Average volumes

<i>Amounts in NOK billion</i>	4Q12	3Q12	2Q12	1Q12	4Q11	Full year	
						2012	2011
Loans to customers ¹⁾	0.6	0.6	0.5	0.5	0.4	0.5	0.4
Guarantees	-	-	-	-	-	-	-
Deposits from customers ¹⁾	0.5	0.5	0.5	0.5	0.5	0.5	0.6

- 1) Loans to customers includes accrued interest, impairment losses and value adjustments. Amounts due from credit institutions are not included. Correspondingly, deposits from customers include accrued interest and value adjustments. Amounts due to credit institutions are not included.

DNB Luxembourg S.A.

DNB Luxembourg S.A. is a fully licensed bank with two business areas: Private banking and mortgage-financing of secondary homes outside Norway. The target customer base is Norwegians living outside Norway and/or with international interests.

Average volumes

<i>Amounts in NOK billion</i>	4Q12	3Q12	2Q12	1Q12	4Q11	Full year	
						2012	2011
Loans to customers ^{1) 2)}	1.8	1.8	1.8	1.7	2.1	1.8	3.0
Guarantees	-	-	-	-	-	-	-
Deposits from customers ¹⁾	3.9	4.4	5.3	4.9	4.5	4.6	3.6

- 1) Loans to customers includes accrued interest, impairment losses and value adjustments. Amounts due from credit institutions are not included. Correspondingly, deposits from customers include accrued interest. Amounts due to credit institutions are not included.
2) The reduction in lending is partly due to the transfer of bank-guaranteed loans to Norway.

DNB Markets

DNB Markets is Norway's largest provider of securities and investment banking services. Ottar Ertzeid, group executive vice president, is head of DNB Markets.

DNB Markets comprises the following units:

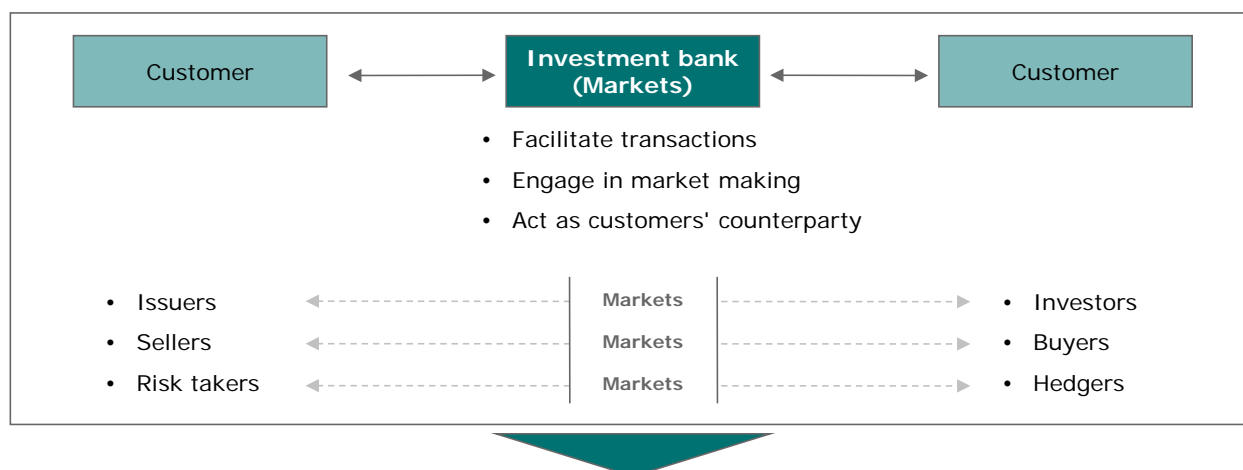
- Fixed Income/Currencies/Commodities
- Equities
- Corporate Finance
- Securities Services

The Group Treasury is organised within DNB Markets though profits and losses for the unit are not recorded under this business area.

DNB Markets aims to be the leading investment bank for Norwegian and Norwegian-related customers, as well as international clients requiring services relating to Norway and the Norwegian krone. Clients outside Norway are served through the Group's international units, especially shipping, energy and seafood clients.

DNB Markets is a full-service investment bank with leading market positions in Norway. The business area has:

- A diversified business/revenues mix (products and customers)
- A sound mix of customer and trading activities
- Cost and capital-efficient operations



Through its diversified business and products, DNB Markets is well positioned to capitalise on the Group's customer base and interest rate and currency positions.

Products and services

- Currency, interest rate and commodity derivatives.
- Securities and other investment products.
- Debt and equity financing in capital markets, as well as merger and acquisition and other advisory and corporate finance services.
- Custodial and other securities services.

Customers and market shares

- In spite of intensifying competition, DNB Markets maintained its leading market position in Norway within foreign exchange and interest rate activities.
- Manager for the greatest number of Norwegian kroner bond and commercial paper issues in NOK in the domestic market in the fourth quarter of 2012 (Source: Stamdata, Bloomberg).
- The largest brokerage house on Oslo Børs within fixed income securities in the secondary market in the fourth quarter of 2012 (Source: Oslo Stock Exchange).
- Leading within domestic securities services (Source: Oslo Stock Exchange).
- 53.7 per cent of limited companies use DNB Markets as registrar in the Norwegian Central Securities Depository (Source: Norwegian Central Securities Depository).

Employees

DNB Markets staff located in offices in Norway and abroad represents 722 full-time positions.

Financial performance

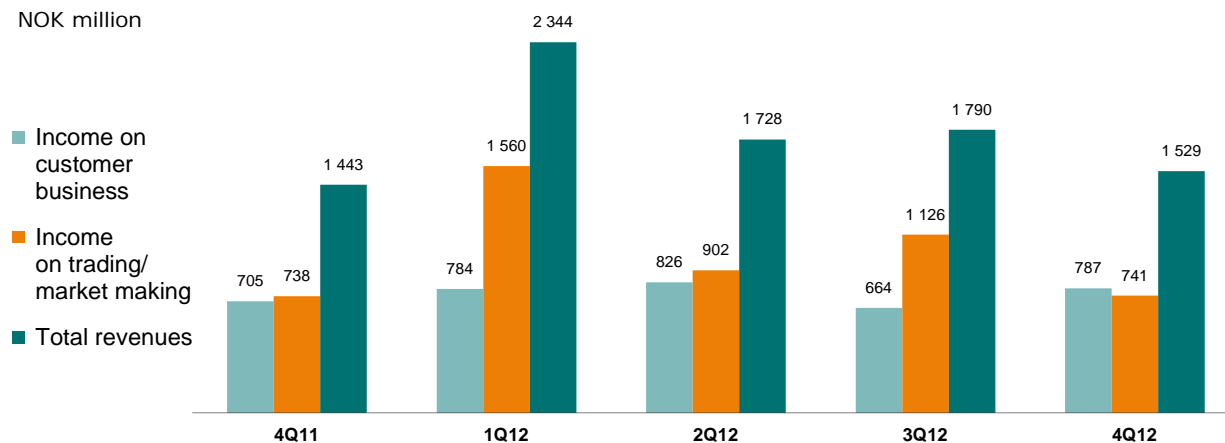
<i>Amounts in NOK million</i>	4Q12	3Q12	2Q12	1Q12	4Q11	Full year	
						2012	2011
Net interest income - ordinary operations	79	111	169	193	195	552	842
Interest on allocated capital ¹⁾	32	36	45	45	50	157	165
Net interest income	111	147	214	238	245	710	1 007
Net other operating income	1 450	1 679	1 558	2 150	1 247	6 838	5 152
Total income	1 560	1 826	1 773	2 388	1 493	7 547	6 159
Operating expenses	513	541	571	545	483	2 170	1 999
Pre-tax operating profit before impairment	1 048	1 285	1 202	1 843	1 009	5 378	4 160
Net gains on fixed and intangible assets	(3)	0	0	0	0	(3)	0
Impairment loss on loans and guarantees	0	0	0	0	0	0	0
Pre-tax operating profit	1 045	1 285	1 202	1 843	1 009	5 375	4 160
Allocated capital (NOK billion) ²⁾	6.6	6.6	7.4	6.6	6.7	6.8	5.9
Cost/income ratio (%)	32.9	29.6	32.2	22.8	32.4	28.8	32.5
Return on allocated capital, annualised (%) ²⁾	45.5	56.1	46.8	80.9	42.9	57.0	51.0

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

2) The allocated capital and return on allocated capital are calculated on the basis of internal measurement of the risk-adjusted capital requirement.

Income distribution

NOK million



Total revenues	1 443	2 344	1 728	1 790	1 529
Interest on allocated capital	50	45	45	36	32
Total income	1 493	2 388	1 773	1 826	1 560

Revenues within various segments, quarterly*Amounts in NOK million*

	4Q12	3Q12	2Q12	1Q12	4Q11
FX, interest rate and commodity derivatives	361	358	419	415	407
Investment products	81	70	107	110	137
Corporate finance	290	177	240	212	106
Securities services	56	59	60	46	55
Total customer revenues	787	664	826	784	705
Net income international bond portfolio	399	714	274	781	51
Other market making/trading revenues	342	413	628	779	687
Total trading revenues	741	1 126	902	1 560	738
Interest income on allocated capital	32	36	45	45	50
Total income	1 560	1 826	1 773	2 388	1 493

Revenues within various segments, annual*Amounts in NOK million*

	2012	2011	2010	2009	2008
FX, interest rate and commodity derivatives	1 554	1 476	1 317	1 665	1 936
Investment products	367	432	399	766	574
Corporate finance	920	770	903	570	643
Securities services	220	230	218	190	333
Total customer revenues	3 061	2 908	2 838	3 191	3 486
Net income international bond portfolio	2 168	591	1 151	1 147	(707)
Other market making/trading revenues	2 161	2 495	1 337	2 761	2 600
Total trading revenues	4 329	3 086	2 488	3 908	1 893
Interest income on allocated capital	157	165	145	144	305
Total income	7 547	6 159	5 471	7 243	5 685

Distribution and cooperation with other entities

Maintaining a broad distribution network and effective cooperation with other business areas within the Group is a key priority for DNB Markets. Customers are served through:

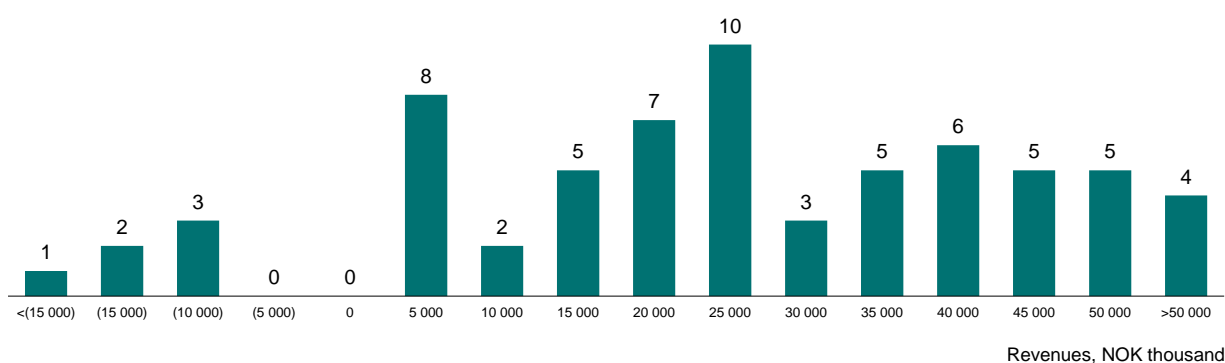
- Central units located in Oslo.
- International offices (Stockholm, London, New York, Houston, Santiago, Singapore and Shanghai) and 12 regional offices in Norway.
- DNB Markets established a corporate finance unit in Stockholm in the third quarter of 2012.

Daily revenue statistics

<i>Amounts in NOK thousand</i>	Fourth quarter		Full year	
	2012	2011	2012	2011
Minimum	(32 896)	(89 113)	(35 177)	(123 659)
Maximum	128 994	78 148	163 748	116 728
Average	25 347	24 669	28 317	23 695
Loss days	6	14	27	34
Gain days	60	50	234	225

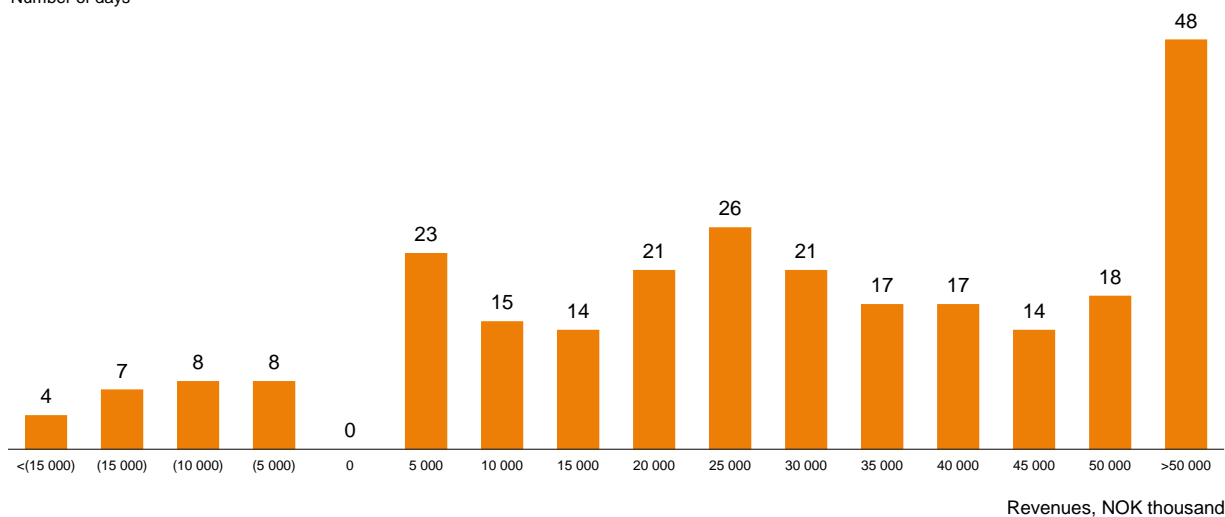
Daily revenue distribution in the fourth quarter of 2012

Number of days



Daily revenue distribution in 2012

Number of days



Risk profile

DNB Markets has a moderate risk profile. Customer activities represent the main business. Trading activities support customer activities with products and prices, with focus on Norwegian kroner products.

Value-at-Risk ¹⁾

Market risk arises as a consequence of open positions in foreign exchange, interest rates and equities. The risk is linked to variations in financial results due to fluctuations in market prices or exchange rates.

<i>Amounts in NOK thousand</i>	31 Dec. 2012	Fourth quarter 2012		
	Actual	Average	Maximum	Minimum
Currency risk	9 730	16 479	24 990	9 410
Interest rate risk	29 800	32 929	42 000	18 780
Equities	5 560	2 031	10 910	1 001
Diversification effects ²⁾	(8 320)	(10 314)		
Total	36 770	41 125		

1) Value-at-Risk is the maximum loss that could be incurred on trading positions from one day to the next at a 99 per cent confidence level.

2) Diversification effects refer to currency and interest rate risk only.

Interest rate sensitivity

The value of financial investments recorded on and off the balance sheet is affected by interest rate movements. The table below shows potential losses for DNB resulting from parallel one percentage point changes in all interest rates. The calculations are based on a hypothetical situation where interest rate movements in all currencies are unfavourable for DNB relative to the Group's positions. Also, all interest rate movements within the same interval are assumed to be unfavourable for the Group. The calculations are based on the Group's positions as at 31 December 2012 and market rates at the same date.

Potential losses for DNB resulting from parallel one percentage point changes in all interest rates

<i>Amounts in NOK million</i>	Up to 1 month	From 1 month to 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	Total
Trading portfolio						
NOK	68	14	424	15	502	148
USD	2	58	34	45	21	66
EUR	38	83	356	7	189	54
GBP	1	2	12	7	3	0
SEK	9	2	10	6	1	8
Other currencies	16	13	11	9	6	35
Banking portfolio						
NOK	255	37	109	115	31	329
EUR	0	0	1	14	5	20
Total						
NOK	323	23	533	130	533	477
USD	2	58	34	45	21	66
EUR	38	82	357	21	184	74
GBP	1	2	12	7	3	0
SEK	9	2	10	6	1	8
Other currencies	16	13	11	9	6	35

Insurance and Asset Management

The business area Insurance and Asset Management consisted of DNB Livsforsikring ASA and DNB Asset Management Holding AS and their respective subsidiaries, in addition to DNB Skadeforsikring. The business area was headed by Tom Rathke.

Insurance and Asset Management was responsible for life insurance, pension savings, non-life insurance and asset management operations and aspires to be the most attractive provider of these services in the Norwegian market. An important instrument in achieving this position was to develop a customer-oriented and cost-effective organisation with strong distribution power. Insurance and Asset Management would focus on profitable growth while ensuring competitive returns for the owner and customers.

Financial performance

Amounts in NOK million	4Q12	3Q12	2Q12	1Q12	4Q11	Full year	
						2012	2011
Total income ¹⁾	905	990	865	1 003	831	3 763	3 091
Operating expenses	473	564	558	589	576	2 185	2 333
Pre-tax operating profit ¹⁾	432	426	307	414	255	1 578	758
Taxes	(37)	(75)	(41)	(95)	(122)	(248)	182
Operating profit	469	501	348	509	377	1 826	576
Assets under management (NOK billion) ²⁾	481	543	529	534	529	481	529
Allocated capital (NOK billion) ³⁾	12.9	12.0	14.2	13.7	15.2	13.2	16.3
Return on allocated capital, annualised (%) ³⁾	14.5	16.7	9.8	14.9	9.8	13.8	3.5
Cost/income ratio (%)	52.3	56.9	64.6	58.7	69.3	58.1	75.5
Number of full-time positions at end of period	1 017	1 035	1 045	1 047	1 060	1 017	1 060
<i>of which DNB Livsforsikring</i>	692	703	718	716	733	692	733
<i>of which DNB Asset Management</i>	198	208	211	212	215	198	215
<i>of which DNB Skadeforsikring</i>	127	124	116	119	112	127	112

*) of which DNB Livsforsikring:							
Pre-tax operating profit including interest on allocated capital	282	319	215	381	141	1 196	469
Difference between recorded equity and allocated capital	(23)	(29)	(14)	(17)	0	(83)	54
Recorded pre-tax operating profit	305	348	229	398	141	1 279	415

*) of which DNB Asset Management:							
Pre-tax operating profit	47	51	39	42	78	179	235

*) of which DNB Skadeforsikring:							
Pre-tax operating profit including interest on allocated capital	103	57	52	(9)	36	203	54
Difference between recorded equity and allocated capital	2	2	2	4	4	10	16
Recorded pre-tax operating profit	101	55	50	(12)	32	193	38

1) Total income includes interest on allocated capital. The interest is calculated on the basis of internal measurement of risk-adjusted capital requirement.

2) Assets at end of period.

3) The allocated capital and return on allocated capital are calculated on the basis of internal measurement of risk-adjusted capital requirement.

Descriptions of the financial performance of DNB Livsforsikring, DNB Asset Management and DNB Skadeforsikring are divided into three separate sections on the next pages.

DNB Livsforsikring

DNB Livsforsikring comprises DNB Livsforsikring ASA including subsidiaries. DNB Livsforsikring provides both products with guaranteed returns and products with a choice of investment profile.

DNB Livsforsikring aims to be Norway's strongest provider of pension savings. DNB Livsforsikring seeks continued growth within the company's business segments and aims to deliver competitive results to its policyholders and owner. Devoting further efforts to improving cost efficiency, providing top-quality advisory services, maintaining high levels of service and customer relationship management, exploiting the DNB Group's distribution network and serving as an attractive entry portal for customers into the DNB Group will be instrumental in reaching these targets.

Business model

DNB Livsforsikring's products fall into three main categories:

- Guaranteed products without profit sharing, where the company's main source of income is advance premium payments which cover the guaranteed rate of return and the insurance risk
- Fee-based products without interest guarantees
- Guaranteed products where the total profit is split between policyowners and the company.

In addition, the corporate portfolio (i.e. shareholders' equity, subordinated loans etc) is managed as a separate investment portfolio.

		Reserves (NOK billion)	Annual guaranteed return on policyholders' funds (In per cent)
Fee-based products with guarantee	Corporate sector - defined benefit	68	3.1
	Public sector - defined benefit	38	2.9
	Individual sector - defined benefit	8	2.0
Fee-based products without guarantee	Unit linked - individual	8	
	Defined contribution - corporate	20	
	Risk products - individual	0	
	Risk products - corporate	1	
Profit sharing with guarantee	Paid-up policies (profit sharing 20/80) ¹⁾	62	3.4
	Previously established individual products (profit sharing 35/65) ²⁾	44	3.4
Corporate portfolio		20	

1) The owner's shares of the positive interest result and the risk result are 20 and 50 per cent, respectively. The entire administration result accrues to the owner.

2) Previously established individual products are products sold prior to 1 January 2008, when new regulations for insurance companies entered into force. The owner's share of the positive result is 35 per cent.

Products

- Group pension schemes to businesses and the public sector, the most important products being defined-benefit and defined-contribution occupational pension schemes.
- Employer's liability insurance to the corporate market.
- Long-term savings alternatives in the form of individual pension agreements and annuities in the retail market.
- Products are offered with guaranteed returns or with a choice of investment profile.
- Risk products in both the corporate and individual markets.
- Savings products from other units in the DNB Group, including mutual funds from DNB Asset Management and equity-linked bonds from DNB Markets.

Organisation and markets

The business area is represented in most parts of Norway through sales offices and also provides services through DNB's distribution networks and independent agents, as well as via the Internet.

Employees

DNB Livsforsikring gives priority to retaining and developing a high level of expertise within insurance products, management and other relevant areas of competence. At end-December 2012, DNB Livsforsikring's staff included 692 permanent full-time positions and 36 temporary employees.

Financial performance

Amounts in NOK million	4Q12	3Q12	2Q12	1Q12	4Q11	Full year	
						2012	2011
Net result from equities	234	837	(966)	1 504	2 199	1 609	(4 780)
Net result from other asset classes ¹⁾	2 473	2 866	2 808	2 869	1 536	11 016	9 381
Value-adjusted financial result ^{1) 2)}	2 707	3 703	1 842	4 373	3 735	12 626	4 601
Guaranteed return on policyholders' funds	1 777	1 740	1 767	1 714	1 756	6 998	6 857
Financial result after guaranteed returns	931	1 963	75	2 658	1 979	5 628	(2 256)
+ From market value adjustment reserve	491	(1 033)	1 175	(1 309)	(409)	(676)	2 181
Recorded interest result before the application of/ (transfers to) additional allocations	1 422	930	1 250	1 349	1 570	4 952	(74)
Application of/(transfers to) additional allocations	0	0	0	0	(1 062)	0	524
Recorded interest result	1 422	930	1 250	1 349	508	4 952	450
Risk result ³⁾	(166)	(26)	(6)	(102)	62	(300)	129
Administration result	24	2	(6)	(12)	(162)	7	(192)
Upfront pricing of risk and guaranteed rate of return	145	146	146	142	136	580	531
Transferred from/(to) security reserve	(8)	(6)	5	(10)	(18)	(19)	(41)
Provisions for higher life expectancy, group pension ⁴⁾	929	663	998	733	464	3 323	464
Allocations to policyholders, products with guaranteed returns	184	36	162	236	(80)	618	(2)
Net profit	305	348	229	398	141	1 279	416
Taxes	(79)	(105)	(66)	(104)	(154)	(355)	101
Profit	384	453	295	502	294	1 634	314
Return on allocated capital, annualised ⁵⁾	12.5	15.8	8.7	15.8	8.5	13.1	2.5
*) Of which property revaluation ⁶⁾	55	6	42	70	225	173	945

1) Excluding unrealised gains on long-term securities.

2) See table below. For developments in the asset mix and return on assets from products with guaranteed returns, see tables on pages 82 and 79.

3) The risk result includes an increase in premium reserves for individual pensions. See the table "Provisions for higher life expectancy" on page 78.

4) Provisions for higher life expectancy include a proposed increase in premium reserves for group pensions of NOK 929 million for the fourth quarter of 2012 and NOK 3 323 million for 2012. The provisions are financed through the interest and risk result and were finally determined at year-end. In 2011, the premium reserves for group pensions were increased by NOK 464 million to reflect higher life expectancy. See the table "Provisions for higher life expectancy" on page 78.

5) The return on allocated capital is calculated on the basis of internal measurement of the risk-adjusted capital requirement.

6) Changes in the value of directly owned properties, DNB Scandinavian Property Fund and properties owned through joint ventures. The total value of investment properties was NOK 38.0 billion as at 31 December 2012.

Result

<i>Amounts in NOK million</i>	4Q12	3Q12	2Q12	1Q12	4Q11	Full year	
						2012	2011
Upfront pricing of risk and guaranteed rate of return	145	146	146	142	136	580	531
Return on corporate portfolio	134	159	44	211	(6)	547	(8)
Total inadequate additional allocations ¹⁾	0	0	0	0	35	0	(18)
Owner's share of interest result, common portfolio ^{2) 3)}	94	17	86	87	-	282	0
Owner's share of risk result, common portfolio ^{3) 4)}	75	12	16	(80)	(25)	23	(27)
Administration result, common portfolio + unit linked ⁵⁾	6	(10)	(26)	(32)	(52)	(63)	(89)
Risk result and interest result, unit linked ⁶⁾	1	4	0	0	(8)	4	(9)
Risk products ⁷⁾	(150)	21	(37)	71	60	(95)	35
Pre-tax operating profit	305	348	229	398	141	1 279	415

- 1) The owner must cover any negative return on financial assets. If the return on financial assets is between nil and the guaranteed rate of return, the owner must cover the difference for contracts for which no or inadequate additional allocations have been made.
- 2) Including the owner's share of the interest result from paid-up policies and previously established individual products. The owner's shares of the positive interest result from paid-up policies and previously established individual products are 20 and 35 per cent, respectively. Previously established individual products are products sold prior to 1 January 2008, when new regulations for insurance activity entered into force.
- 3) 35 per cent of the increase in reserves to cover higher life expectancy within individual annuity and pension insurance will be charged to the owner. This charge is included under 'Owner's share of risk result'. If there is a negative result within individual annuity and pension insurance, the owner is required to cover more than 35 per cent of the increase in reserves.
- 4) For parts of the common portfolio, including paid-up policies, 50 per cent of the positive risk result may be allocated to the risk equalisation fund. The positive risk result for previously established individual products will be allocated to the owner according to the profit sharing model, i.e. by 35 per cent. A negative result will be charged to the owner.
- 5) The administration result from the low, moderate and high-risk portfolios and from paid-up policies will be allocated to the owner. If the overall result for previously established individual products shows a profit, the administration result will be divided between policyholders and the owner (65/35). A negative result will be charged to the owner.
- 6) The risk result and interest result from unit linked products were previously shown under Administration result, common portfolio + unit linked. Figures for previous periods have been restated accordingly.
- 7) Includes employer's liability insurance and group life insurance.

Provisions for higher life expectancy

As Norwegian life insurance companies offer life-long pension payments, higher life expectancy in the population is one of many risk factors.

<i>Amounts in NOK million</i>	4Q12	3Q12	2Q12	1Q12	4Q11	Full year			
						2012	2011	2010	2009
Group pension ¹⁾	929	663	998	733	464	3 323	464	-	-
Individual pension ^{2) *)}	110	100	83	118	75	410	300	973	177
Total	1 039	763	1 080	851	539	3 733	764	973	177

*) Of which attributable to the owner

	4Q12	3Q12	2Q12	1Q12	4Q11	2012	2011	2010	2009
	39	35	29	41	75	144	300	341	62

- 1) Provisions representing 5-7 per cent of the premium reserve within group pension schemes may be required over the next few years, depending on whether Statistics Norway's low or medium alternative for life expectancy is used. The company expects to be able to finance the increase through a positive interest result, though the length of the escalation plan and the contribution from equity remain to be clarified. As part of the upward adjustment of life expectancy, provisions for group pension insurance were increased by NOK 3 323 million in 2012. The provisions are financed through the interest and risk result and were finally determined at year-end.
- 2) DNB Livsforsikring strengthened its reserves during 2009 to 2012 in order to reflect higher life expectancy for individual pension insurance. Provisions for higher life expectancy of NOK 110 million were made in the fourth quarter of 2012 of which NOK 39 million was charged to the owner. Provisions of NOK 410 million were made for the full year 2012.

Tax charge in DNB Livsforsikring after the introduction of the "exemption model" ¹⁾

<i>Amounts in NOK million</i>	Full year				
	2012	2011	2010	2009	2008
Tax charge	(355)	101	(672)	(175)	427

- 1) In the fiscal budget for 2013, the government proposed a change in tax regulations for life insurance to limit the use of the exemption model to returns which accrue to the owner with effect from 1 January 2012. The expected consequence is an increased tax cost and lower profitability. The transitional effects 2012 was positive 256 MNOK as unrealised loss became deductible upon realisation. This effect is included in the result this year.

Value-adjusted return on assets

Per cent	4Q12	3Q12	2Q12	1Q12	4Q11	Full year	
						2012	2011
Return - common portfolio ¹⁾							
Financial assets							
Norwegian equities	(1.5)	6.8	(4.2)	11.4	11.3	12.3	(11.7)
International equities ²⁾	2.8	5.0	(5.2)	10.0	9.2	12.6	(6.3)
Norwegian bonds	1.3	2.7	1.7	1.5	0.9	7.3	5.8
International bonds	1.5	2.6	2.7	2.3	0.0	9.4	7.2
Money market instruments	0.6	0.6	0.6	0.7	0.9	2.5	3.1
Bonds held to maturity	1.3	1.2	1.3	1.2	1.3	5.0	5.1
Investment property	1.1	1.3	1.5	1.5	2.0	5.4	7.9
Value-adjusted return on assets I ³⁾	1.2	1.6	0.8	1.9	1.7	5.7	2.1
Value-adjusted return on assets II ⁴⁾	1.5	2.5	0.9	2.2	1.6	7.3	2.8
Recorded return on assets ^{5) *)}	1.4	1.2	1.4	1.3	1.5	5.4	3.2
Value-adjusted return on assets I, annualised ³⁾	4.9	6.8	3.4	8.1	7.2	5.9	3.3
Value-adjusted return on assets II, annualised ⁴⁾	6.2	10.4	3.6	9.4	6.7	7.5	4.3
Return - corporate portfolio							
Value-adjusted return on assets I ³⁾	0.6	0.9	0.3	1.2	0.7	3.1	1.2

*) Recorded return broken down on sub-portfolios in the common portfolio:

Previously established individual products	1.4	0.9	1.3	1.4	1.6	5.1	3.0
Paid-up policies							
- with low risk	1.5	1.1	1.7	1.1	1.4	5.4	3.4
- with moderate risk	1.5	1.2	1.5	1.2	1.5	5.5	3.3
- with high risk	1.5	1.3	1.6	1.3	1.6	5.7	1.9
Common portfolio							
- with low risk	1.4	1.1	1.4	1.2	1.2	5.1	3.5
- with moderate risk	1.4	1.3	1.3	1.5	1.5	5.6	3.5
- with high risk	1.5	1.5	1.2	1.8	1.6	6.2	2.8
Public market ⁶⁾	1.4	1.2	1.4	1.2		5.3	
Recorded return on assets	1.4	1.2	1.4	1.3	1.5	5.4	3.2

1) Returns are calculated on a quarterly basis.

2) International equities include DNB Livsforsikring's exposure in hedge funds, private equities and real estate funds.

3) Excluding changes in value of commercial paper and bonds held to maturity.

4) Including unrealised gains on commercial paper and bonds held to maturity.

5) Excluding unrealised gains on financial instruments.

6) At year-end 2011, DNB Livsforsikring chose to establish a separate portfolio for public sector customers. The portfolio will carry lower risk, and prices will be adapted to the public market.

Key figures per sub-portfolio as at 31 December 2012

	Corporate portfolio	Common portfolio									
		Total common portfolio	Advance pricing of guaranteed rate of return				Public market	Profit sharing			Previously established individual products
			Common portfolio with			low risk		moderate risk	high risk		
			low risk	moderate risk	high risk						
Recorded return on assets	3.1	5.4	5.1	5.6	6.2	5.3	5.4	5.5	5.7	5.1	
Value-adjusted return on assets	3.1	5.7	5.4	5.9	6.5	5.6	5.7	5.8	6.0	5.4	
Asset class breakdown: ¹⁾											
- Equity exposure	3.6	7.1	6.1	9.1	13.2	7.7	4.7	6.3	8.1	3.6	
- Money market instruments	83.7	18.0	23.1	20.1	16.0	21.5	9.7	8.1	6.3	25.6	

1) The only differences between the portfolios are their respective exposures to equities and money markets instruments. The equity exposure includes financial derivatives and exposure in private equity, hedge funds and property funds.

Premium income

<i>Amounts in NOK million</i>	4Q12	3Q12	2Q12	1Q12	4Q11	Full year	
						2012	2011
Total premiums due ^{1) 2)}	3 563	4 320	2 838	7 756	3 008	18 478	18 203
Inflow of reserves	150	433	703	675	566	1 961	5 061
Outflow of reserves	647	458	596	1 534	705	3 236	3 142
Net premiums paid	3 066	4 295	2 945	6 896	2 870	17 203	20 122
Outflow of reserves	647	458	596	1 534	705	3 236	3 142
Total premium income	3 713	4 753	3 541	8 430	3 575	20 439	23 264

1) Of which group pensions - defined benefit

2) Of which group pensions - defined contribution

1 485 2 705 1 345 5 278 1 128 10 813 9 860

957 862 810 846 795 3 475 3 068

Reconciliation of DNB Livsforsikring's and the Group's income statement

The table below shows how items on DNB Livsforsikring's income statement are included in the Group's income statement.

	4Q12	3Q12	2Q12	1Q12	4Q11	Full year	
						2012	2011
<u>DNB Group:</u>							
Net gains on assets in DNB Livsforsikring	3 482	4 318	1 935	4 548	4 255	14 283	5 795
Guaranteed returns, strengthened premium reserve and allocations to policyholders in DNB Livsforsikring	3 162	4 077	1 836	4 157	4 124	13 232	5 772
Premium income etc. included in the risk result in DNB Livsforsikring	1 196	1 586	991	1 330	1 291	5 102	4 941
Insurance claims etc. included in the risk result in DNB Livsforsikring	1 370	1 617	992	1 442	1 247	5 421	4 853
Net financial and risk result in DNB Livsforsikring	146	210	98	279	176	733	112
<u>DNB Livsforsikring:</u>							
Recorded interest result	1 422	930	1 250	1 349	508	4 952	450
Allocations to policyholders, products with guaranteed returns	1 113	699	1 160	969	385	3 941	462
Risk result	(166)	(26)	(6)	(102)	62	(300)	129
Transferred from/(to) security reserve	(8)	(6)	5	(10)	(18)	(19)	(41)
+ Costs from subsidiaries which are fully consolidated in DNB Livsforsikring's accounts	11	10	9	11	8	40	36
Net financial and risk result in DNB Livsforsikring	146	210	98	279	176	733	112

<u>DNB Group:</u>							
Commissions and fees income etc.	576	584	576	569	426	2 305	2 162
Commissions and fees expenses etc.	78	84	84	84	78	330	315
Other income	7	8	7	8	9	30	29
Operating expenses	347	370	368	374	392	1 459	1 573
Administration result including upfront pricing of risk and guaranteed rate of return	158	138	131	119	(34)	547	303
<u>DNB Livsforsikring:</u>							
Upfront pricing of risk and guaranteed rate of return	145	146	146	142	136	580	531
Administration result	24	2	(6)	(12)	(162)	7	(192)
- Costs from subsidiaries which are fully consolidated in DNB Livsforsikring's accounts	11	10	9	11	8	40	36
Administration result including upfront pricing of risk and guaranteed rate of return	158	138	131	119	(34)	547	303

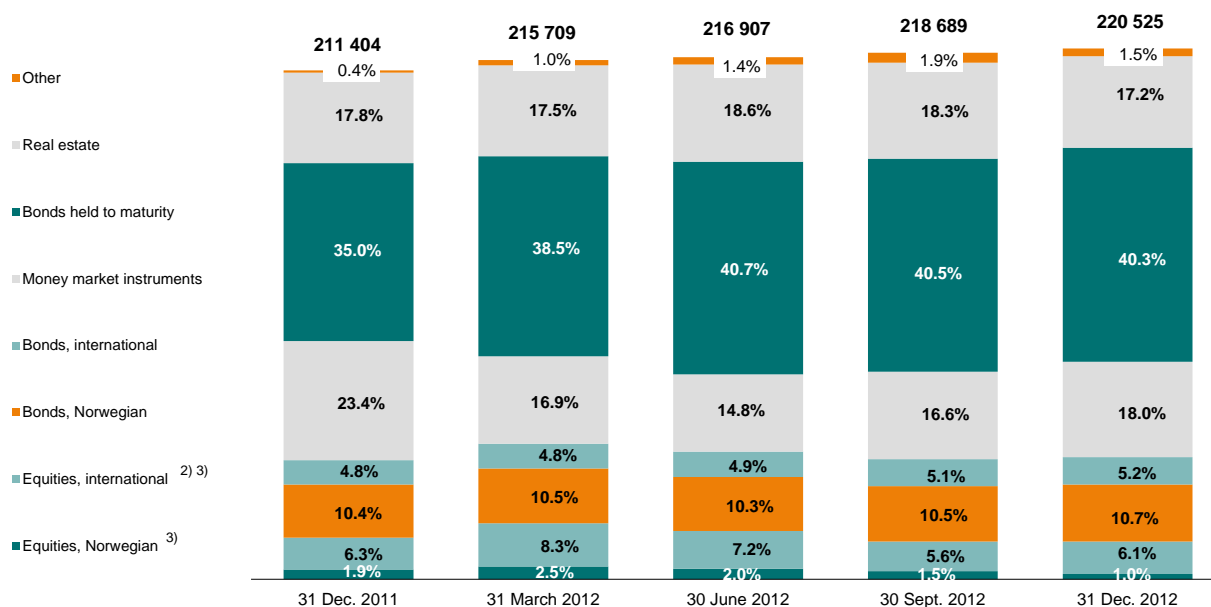
Balance sheets ¹⁾

Amounts in NOK million	31 Dec. 2012	30 Sept. 2012	30 June 2012	31 March 2012	31 Dec. 2011
Due from credit institutions	7 476	5 543	5 669	5 588	4 999
Loans to customers	1 941	1 927	2 044	1 926	1 858
Commercial paper and bonds	64 952	62 688	60 169	66 550	72 810
Shareholdings	37 816	39 072	39 328	41 925	40 607
Financial assets, customers bearing the risk	28 269	27 600	25 391	25 770	23 776
Financial derivatives	1 279	1 548	1 350	1 246	1 470
Commercial paper and bonds, held to maturity	88 948	88 493	88 308	83 528	73 954
Investment property	37 968	39 935	40 396	37 764	37 632
Investments in associated companies	17	17	16	16	16
Intangible assets	211	208	213	219	240
Deferred tax assets	295	200	77	0	0
Fixed assets	4	6	7	9	10
Other assets	1 395	3 293	3 636	2 828	1 460
Total assets	270 570	270 529	266 605	267 368	258 831
Financial derivatives	665	1 161	1 096	1 183	2 322
Insurance liabilities, customers bearing the risk ^{*)}	28 269	27 600	25 391	25 770	23 776
Liabilities to life insurance policyholders in DNB Livsforsikring ^{**)}	221 185	220 574	218 081	218 093	212 271
Payable taxes	16	20	2	41	214
Deferred taxes	0	0	0	279	382
Other liabilities	2 782	2 703	4 009	4 300	2 646
Pension commitments	229	231	223	222	224
Subordinated loan capital	1 302	2 502	2 516	2 491	2 509
Total liabilities	254 448	254 791	251 320	252 378	244 343
Share capital	1 621	1 621	1 621	1 621	1 621
Share premium reserve	3 875	3 875	3 875	3 875	3 875
Other equity	10 626	10 242	9 789	9 494	8 992
Total equity	16 122	15 738	15 285	14 990	14 488
Total liabilities and equity	270 570	270 529	266 605	267 368	258 831
^{*)} Of which group pensions - defined contribution	19 997	18 984	17 021	16 609	14 821
^{**)} Of which group pensions - defined benefit	168 248	166 573	164 045	163 479	158 561

1) The figures encompass DNB Livsforsikring ASA including subsidiaries as included in the DNB Group accounts before eliminations of intra-group transactions and balances.

Financial exposure - common portfolio ¹⁾

Amounts in NOK million



1) The figures represent net exposure after derivative contracts.

2) International equities include DNB Livsforsikring's exposure in hedge funds, private equities and real estate funds.

3) Equity exposure per sub-portfolio in the common portfolio, see table on page 80.

Financial exposure per sub-portfolio as at 31 December 2012

<i>Amounts in NOK million</i>	Common portfolio with			Public market	Paid-up policies with			Previously established individual products	Total common portfolio	Corporate portfolio	Total
	Low risk	Moderate risk	High risk		Low risk	Moderate risk	High risk				
Equities, Norwegian	27	789	558	440	138	189	33	27	2 201	675	2 876
Equities, international	200	3 910	2 288	2 500	1 540	1 288	175	1 578	13 479	5	13 484
Bonds, Norwegian	400	5 517	2 312	4 080	3 820	2 496	275	4 734	23 634	85	23 719
Bonds, international	193	2 664	1 116	1 970	1 844	1 205	133	2 286	11 411	0	11 411
Money market instruments	864	10 340	3 455	8 181	3 457	1 878	163	11 299	39 637	16 185	55 822
Bonds held to maturity	1 352	18 640	7 809	13 783	18 181	11 880	1 310	15 992	88 946	0	88 946
Real estate	643	8 863	3 713	6 553	6 136	4 009	442	7 604	37 962	6	37 968
Other	55	760	318	562	526	344	38	652	3 255	2 370	5 625
Total	3 734	51 483	21 569	38 068	35 641	23 289	2 569	44 172	220 525	19 326	239 851

Market shares in Norway

<i>Per cent</i>	30 Sept. 2012	31 Dec. 2011	30 Sept. 2011
Of insurance funds including products with a choice of investment profile	28.4	28.9	29.2
- Corporate market	38.7	39.2	39.5
- Public market	10.2	10.5	10.5
- Retail market	52.3	52.2	53.5

Source: Finance Norway (FNO)

Cooperation with other group entities

- By taking advantage of the strength of the DNB Group's total distribution network, DNB Livsforsikring is well positioned to enjoy continued market growth.
- In the fourth quarter of 2012, other business areas accounted for 58.1 per cent of the sales of DNB Livsforsikring's products in the retail market, compared with 67.2 per cent in the corresponding period of 2011.

Solvency capital ^{1) 2)}

<i>Amounts in NOK million</i>	31 Dec. 2012	30 Sept. 2012	30 June 2012	31 March 2012	31 Dec. 2011
Interim profit, accumulated	0	3 803	2 756	1 367	0
Market value adjustment reserve	1 085	1 577	544	1 719	409
Additional allocations	4 874	4 959	4 996	5 132	5 171
Security reserve	219	207	200	206	196
Risk equalisation fund	900	821	821	821	821
Equity	15 222	13 667	13 667	13 667	13 667
Subordinated loan capital and perpetual subordinated loan capital securities	1 300	2 485	2 508	2 484	2 503
Unrealised gains on long-term securities	5 881	5 137	3 226	3 121	2 444
Solvency capital	29 482	32 654	28 719	28 516	25 211
Buffer capital ³⁾	12 706	15 625	13 749	13 680	11 527

1) According to prevailing regulations for the statutory accounts of life insurance companies.

2) The table shows the composition of and development in solvency capital. All these elements, with the exception of part of the security reserve, can be used to meet the guaranteed rate of return on policyholders' funds.

3) Buffer capital represents the sum of equity and subordinated loan capital in excess of the minimum statutory capital requirement, interim profits, additional allocations and the market value adjustment reserve.

Capital adequacy and solvency margin capital ¹⁾

<i>Amounts in NOK million</i>	31 Dec. 2012	30 Sept. 2012	30 June 2012	31 March 2012	31 Dec. 2011
Capital adequacy ²⁾					
Total eligible primary capital	16 021	14 647	14 597	14 633	14 869
Capital adequacy ratio (%)	16.7	14.7	14.3	14.0	15.3
Core capital	14 947	13 492	13 414	13 474	13 521
Core capital (%)	15.6	13.6	13.1	12.9	13.9
Risk-weighted assets	95 689	99 403	102 183	104 615	97 133
Solvency margin capital ³⁾					
Solvency margin capital	19 007	17 630	17 596	17 703	17 953
Solvency margin capital exceeding minimum requirement	9 263	7 859	8 041	8 121	8 621
Solvency margin capital in per cent of solvency margin capital requirement (%)	195	180	184	185	192

- 1) Prepared in accordance with prevailing regulations for life insurance companies. New regulations are expected upon the introduction of Solvency II.
- 2) Capital adequacy regulations regulate the relationship between the company's primary capital and the investment exposure on the asset side of the balance sheet. Life insurance companies are subject to a minimum capital adequacy requirement of 8 per cent.
- 3) Solvency margin capital is measured against the solvency margin requirement, which is linked to the company's insurance commitments on the liabilities side of the balance sheet. The solvency margin requirements for Norwegian life insurance companies are subject to regulations on the calculation of solvency capital requirements and solvency margin capital, as laid down by the Ministry of Finance on 19 May 1995.

DNB Asset Management

DNB Asset Management provides mutual funds and discretionary portfolio management services to Norwegian, Nordic and European corporate clients, the public sector, private pension funds and retail clients. Torkild Varran is head of DNB Asset Management.

DNB Asset Management seeks to provide first-class returns on customer funds within the preferred risk profile and investment horizon. The company aspires to be the leading asset manager for clients in the Nordic region, providing sound long-term returns and a high level of service based on a thorough understanding of customer needs.

Products and services

- Mutual funds, hedge funds and absolute return products
- Discretionary portfolio management
- Management and monitoring of investment portfolios
- Asset allocation and risk management advisory services

Organisation

- One holding company, DNB Asset Management Holding AS, with separate asset management companies in major markets.
- Customer activity is concentrated in Norway, Sweden and Luxembourg. In order to provide competitive global asset management, investment operations have also been established in Hong Kong and Chennai.
- A combination of regional and sector-oriented management teams.
- Asset management services are provided through channels adapted to the various markets:

Retail clients in Norway

- DNB's extensive network of branches and regional financial service centres
- Postal offices and in-store postal outlets
- The Internet
- External channels including brokers, investment advisers and regional and local savings banks

Retail clients in Sweden

- Local distributors

Institutional markets in Sweden and Norway

- The business area's own sales force and, in Norway, also through cooperation with Large Corporates and International

Employees

DNB Asset Management totalled 198 full-time positions at the end of the quarter.

Financial performance

<i>Amounts in NOK million</i>	4Q12	3Q12	2Q12	1Q12	4Q11	Full year	
						2012	2011
Net interest income - ordinary operations	(6)	(9)	(8)	(9)	(10)	(33)	(38)
Interest on allocated capital ¹⁾	3	3	3	4	4	14	15
Net interest income	(3)	(6)	(4)	(5)	(5)	(19)	(23)
Net commission income							
- from retail customers	70	64	69	73	78	277	350
- from institutional clients	131	135	120	125	138	511	478
Other income	2	4	4	3	4	13	12
Total income	199	197	190	196	215	781	818
Operating expenses	152	146	151	154	137	603	583
Pre-tax operating profit before impairment	47	51	39	42	78	179	234
Net gains on fixed and intangible assets	0	0	0	0	0	0	0
Pre-tax operating profit	47	51	39	42	78	179	235

Assets under management (NOK billion) ^{2) 3)}							
Institutional	401	458	443	448	443	401	443
- of which DNB Livsforsikring ⁴⁾	227	222	215	218	210	227	210
Retail	35	35	34	36	37	35	37
Total	437	493	477	484	480	437	480

Key figures							
Cost/income ratio (%)	76.3	74.2	79.4	78.7	63.6	77.1	71.3
Return on allocated capital, annualised (%) ⁵⁾	22.3	25.1	19.4	21.0	38.2	22.0	30.8

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

2) Assets under management and assets under operation at end of period.

3) With effect from 2012, total assets in DNB Private Equity, totalling NOK 5.9 billion, have been included. Figures for previous periods have been restated.

4) Managed on behalf of DNB Livsforsikring.

5) The return on allocated capital is calculated on the basis of internal measurement of risk-adjusted capital requirement.

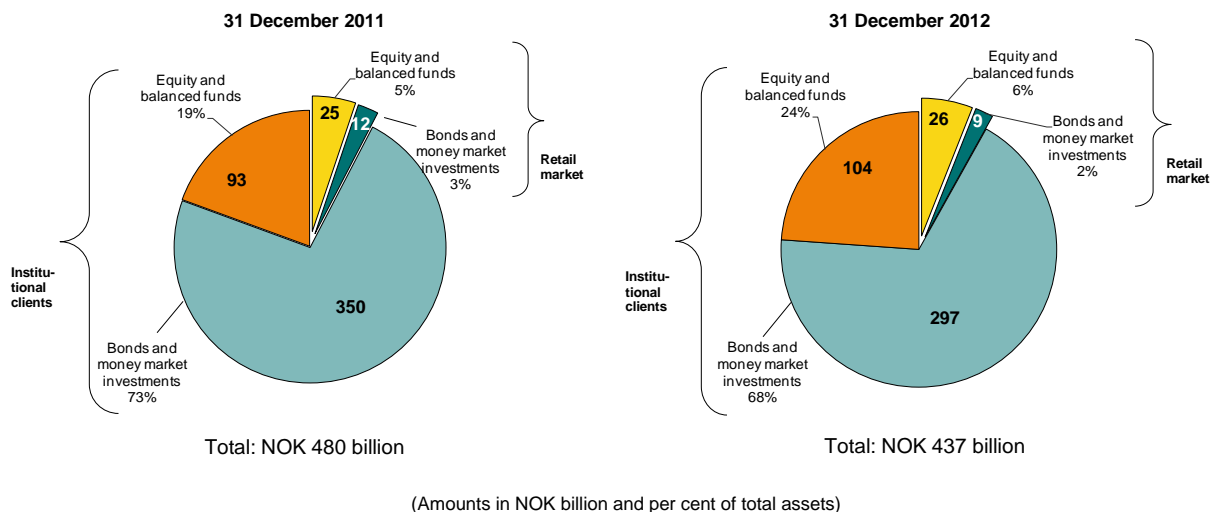
Assets under management - distribution by market segment ¹⁾

NOK billion



- 1) With effect from 2012, total assets in DNB Private Equity, totalling NOK 5.9 billion, have been included. Figures for previous periods have been restated.
- 2) Share of total assets in the institutional and retail market respectively, invested in bonds, fixed-income funds and money market funds.

Assets under management - distribution by investment type ¹⁾



- 1) With effect from 2012, total assets in DNB Private Equity, totalling NOK 5.9 billion, have been included. Figures for previous periods have been restated.

Changes in assets under management - net inflow

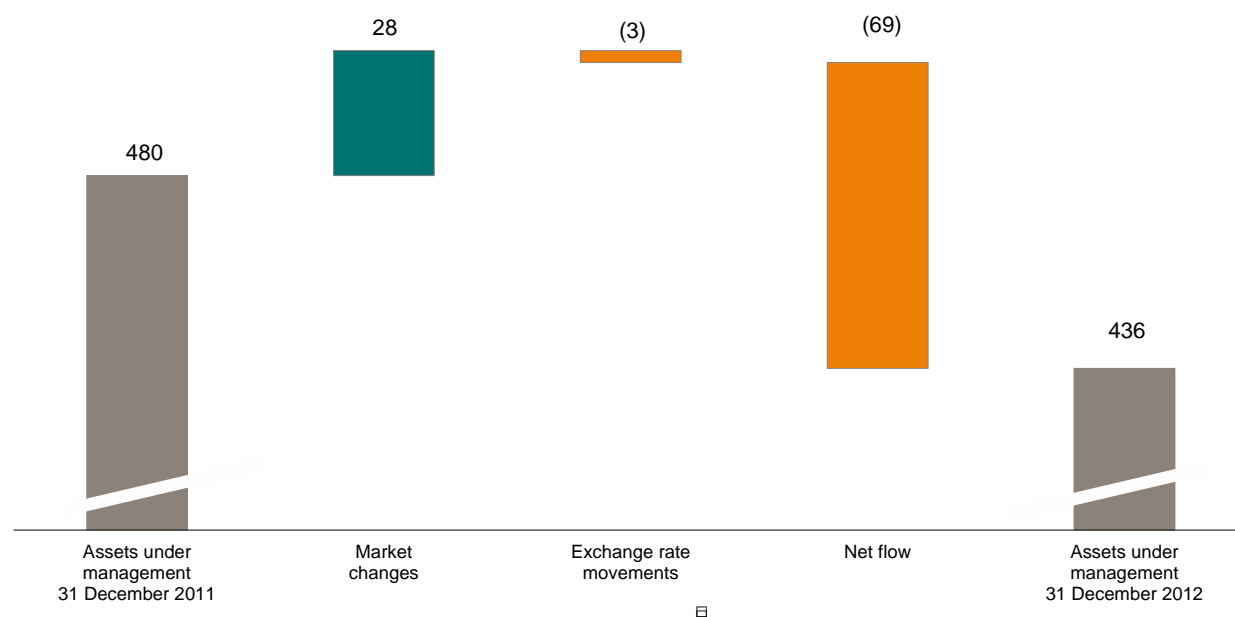
Amounts in NOK million	4Q12	3Q12	2Q12	1Q12 ¹⁾	4Q11	Full year	
						2012 ¹⁾	2011 ²⁾
Retail market	365	(430)	(590)	(2 708)	(1 044)	(3 364)	(3 195)
Institutional clients	(55 104)	(1 049)	(2 196)	(7 306)	288	(65 655)	754
Total	(54 739)	(1 480)	(2 786)	(10 014)	(756)	(69 019)	(2 441)

1) Excluding dividends of NOK 2 252 million, of which NOK 312 million refers to retail and NOK 1 940 million to institutional clients.

2) Excluding dividends of NOK 1 932 million, of which NOK 357 million refers to retail and NOK 1 575 million to institutional clients.

Changes in assets under management ¹⁾

NOK billion

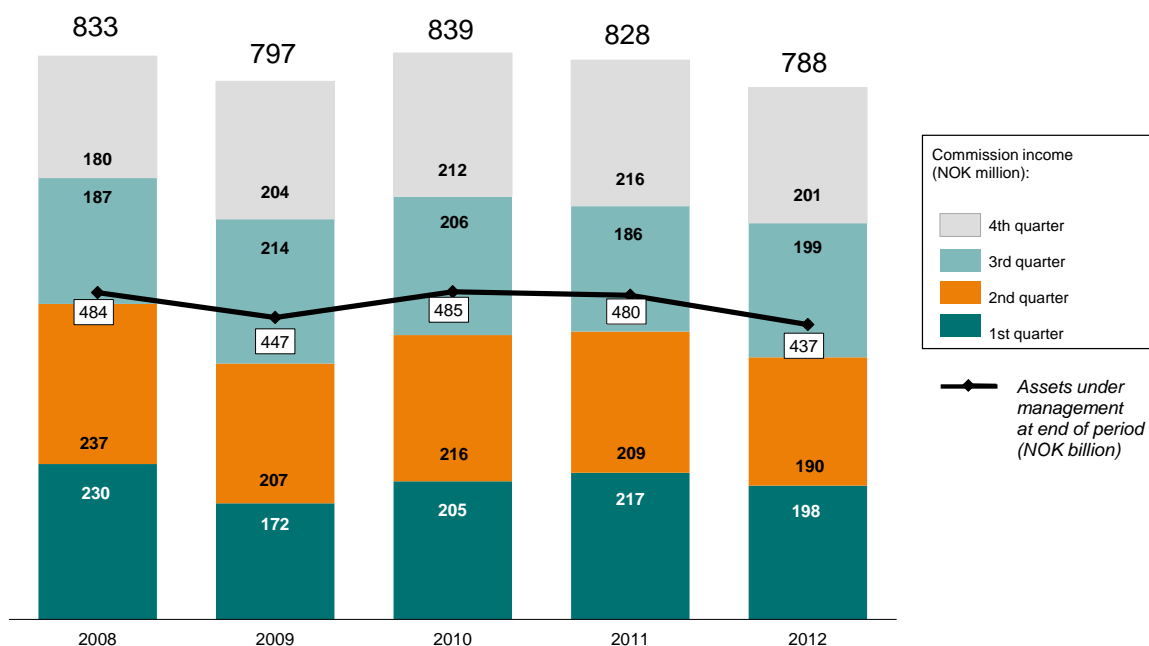


1) With effect from 2012, total assets in DNB Private Equity, totalling NOK 5.9 billion, have been included. Figures for previous periods have been restated.

Comments to changes in assets under management as from 31 December 2011

- Assets under management decreased by NOK 43.5 billion or 9.1 per cent.
Net flow:
 - There was a net outflow of funds from institutional clients of NOK 65.7 billion or 13.7 per cent.
 - New institutional mandates were obtained in both Sweden and Norway.
 - There was a net outflow of funds from the retail market of NOK 3.4 billion or 0.7 per cent.
- Market changes:
 - Market developments led to a NOK 28.2 billion increase in assets under management, representing 5.9 per cent measured in clients' base currencies.
 - During the last four quarters, Morgan Stanley's global equity index increased by 15.8 per cent measured in USD and increased by 8.0 per cent measured in NOK.
 - Prices on the stock exchange in Stockholm (OMX) increased by 11.8 per cent, and the stock exchange in Oslo (OSEBX) experienced a 15.4 per cent increase in prices during the last four quarters.
- Exchange rate movements:
 - The appreciation of NOK against other currencies, especially SEK, decreased assets under management by NOK 2.7 billion.

Development in commission income and assets under management ¹⁾



1) With effect from 2012, total assets in DNB Private Equity, totalling NOK 5.9 billion, have been included. Figures for previous periods have been restated.

Investment returns on assets under management as from 31 December 2011

- Returns on a number of major client portfolios and funds outperformed relevant benchmarks.
- Fund managers' specialisation has led to strong relative performance for several funds (return in excess of benchmark):
 - Equity funds:
 - DNB Private Equity 16.1 per cent
 - DNB Telecom 9.5 per cent
 - DNB Finans 5.6 per cent
 - Money market funds:
 - DNB Likviditet 20 (V) 2.3 per cent
 - DNB Likviditet (I) 2.2 per cent
 - Bond funds:
 - DNB AM Obligasjon 4 6.1 per cent
 - DNB Obligasjon 20 (IV) 5.4 per cent
 - DNB Kredittobligasjon 5.0 per cent

Clients/markets

- DNB Asset Management serves the Nordic and European savings markets, offering domestic and international asset management services.
- Brand names:
 - DNB Asset Management in all markets.
- A leading position in the institutional market in both Norway and Sweden with 242 institutional clients. The largest clients are DNB Livsforsikring and Skandia Liv.
- The number of mutual fund clients in Norway was approximately 520 000 at the end of December 2012. The number of active savings schemes reached nearly 235 000.
- Market shares at the end of December:
 - Retail mutual funds in Norway 28.2 per cent ¹⁾
 - Total mutual funds in Sweden and Luxembourg ≈ 1.4 per cent
 - Institutional market in Norway (mutual funds in Norway) 16.6 per cent ¹⁾
 - Institutional market in Sweden ≈ 12 per cent

1) Source: Norwegian Mutual Fund Association.

Retail: Fund capital and market shares in Norway

	31 December 2012		31 December 2011		31 December 2010	
	Fund capital	Market share	Fund capital	Market share	Fund capital	Market share
<i>Amounts in NOK million and per cent</i>						
Equity funds	25 352	25.4	23 210	25.8	23 306	22.2
Balanced funds	8 156	52.7	7 266	53.1	7 753	56.3
Fixed-income funds	12 846	26.1	14 143	31.1	15 979	38.0
Total mutual funds	46 354	28.2	44 619	29.9	47 039	29.3

Source: Norwegian Mutual Fund Association

Cooperation with other group entities

- DNB's extensive network represents the major distribution channel in the Norwegian retail market.
- DNB Asset Management cooperates with Large Corporates and International and Retail Banking in providing a complete range of financial services to corporate clients.
- DNB Asset Management manages DNB Livsforsikring's equity and bond portfolios.
- DNB Asset Management cooperates with other group entities in developing products adapted to the various markets.

DNB Skadeforsikring

DNB Skadeforsikring primarily offers non-life insurance products to the retail market. Hans Petter Madsen is head of DNB Skadeforsikring.

DNB Skadeforsikring is in an expansion phase. The company is well positioned to become an important player in the Norwegian market in the longer term.

Products:

- private house and contents insurance
- car insurance
- travel insurance etc.

Customers and markets shares

- Non-life insurance products are sold mainly through the bank's distribution network, and special initiatives in the large cities have produced good results. At end-December 2012, gross premiums written came to NOK 1 627 million. The number of policyholders increased by 14 700 from end-December 2011, to approximately 188 300 at end-December 2012.
- DNB's share of the total non-life insurance market (DNB Skadeforsikring and non-life insurance products in DNB Livsforsikring) was estimated to be 5.3 per cent at end-December 2012.

Financial performance

<i>Amounts in NOK million</i>	4Q12	3Q12	2Q12	1Q12	4Q11	Full year	
						2012	2011
Premium income for own account	323	311	308	302	287	1 244	1 093
Cost of claims for own account ¹⁾	200	222	227	269	242	917	916
Insurance-related operating expenses for own account ¹⁾	41	48	38	47	42	174	174
Technical insurance profits	82	41	43	(14)	3	153	2
Net investment income	13	16	12	13	28	54	22
Security reserve	(6)	4	6	4	6	8	14
Other income and costs	(0)	1	2	(8)	7	(6)	28
Pre-tax profit	101	55	50	(12)	32	193	38
Taxes	28	15	14	(1)	13	56	10
Profit for the period	73	39	36	(12)	19	137	28
Claims ratio for own account	61.8	71.2	73.7	89.1	84.3	73.7	83.8
Cost ratio for own account	12.7	15.5	12.5	15.5	14.6	14.0	15.9
Combined ratio for own account (per cent)	74.5	86.7	86.2	104.6	98.9	87.7	99.8

1) Due to new regulation, claims-handling costs are included in Cost of claims for own account. Insurance-related operating expenses are equally decreased. All figures are adjusted according to the new principal.

The combined ratio for own account at end-December 2012 had decreased by 12.1 per cent compared to end-December 2011, and has reached a profitable level.

DNB Baltics and Poland

DNB's operations in the Baltics and Poland are organised under the Large Corporates and International business area. The Baltics division is headed by Terje Turnes. DNB Baltics' core markets are Estonia, Latvia and Lithuania, where the bank has either a strong market position or a long-term growth potential. The bank provides a broad range of products to both the retail and corporate markets and is committed to developing a strong brand as a full-service bank. The strategy in Poland has been changed, whereby future operations will focus on the corporate market within the DNB Group's international priority areas.

Organisation and market

- DNB Baltics serves around 1 million retail and corporate clients.
- At end-December 2012 DNB Baltics had 110 branches and offices in the three countries.
- DNB Baltics and Poland's staff represented 3 083 full-time positions at end-December 2012, of which 2 319 in the Baltic Division.
- DNB was the third largest bank in Lithuania and number four in Latvia, measured by lending to customers. In these countries DNB is providing a full range of services to individual and corporate customers. In Estonia, the bank was number five in terms of total lending and the main focus is on corporate lending. In spite of reduced lending volumes, DNB has increased its market shares in all the Baltic States.
- The macroeconomic situation in the Baltics has improved, but investments and credit demand are still low, giving a reduction in lending volumes.
- DNB Baltics continues to concentrate on consolidating operations, including a closer integration of the operations with DNB, following up high-risk commitments and improving cost efficiency.
- In Poland operations will focus on the corporate market within the DNB Group's international priority areas. An agreement has been entered into on the sale of the branch network in Poland, including the appurtenant customer relationships with personal customers and small and medium-sized companies. The sale is subject to approval by the authorities and must also be approved by a significant percentage of the Polish customers.

Financial performance

<i>Amounts in NOK million</i>	4Q12	3Q12	2Q12	1Q12	4Q11	Full year	
						2012	2011
Net interest income - ordinary operations	259	248	267	266	315	1 039	1 268
Interest on allocated capital ¹⁾	1	3	7	11	15	22	51
Net interest income	260	251	274	277	329	1 061	1 319
Net other operating income	221	227	235	203	226	886	763
Total income	481	478	509	480	555	1 948	2 082
Operating expenses ²⁾	508	342	371	338	570	1 558	1 484
Pre-tax operating profit before impairment	(27)	136	138	142	(15)	389	598
Net gains on fixed and intangible assets	(6)	(1)	2	2	(4)	(3)	9
Impairment loss on loans and guarantees	36	57	99	64	217	256	1 280
Pre-tax operating profit	(69)	78	41	80	(236)	130	(673)
Loans to customers (NOK billion) ³⁾	52.6	52.8	53.7	54.5	54.6	53.4	53.7
Deposits from customers (NOK billion) ³⁾	29.1	29.1	28.8	27.4	22.3	28.6	23.8
Allocated capital (NOK billion) ⁴⁾	3.5	3.6	4.0	4.1	3.8	3.8	3.5
Cost/income ratio (%)	105.6	71.5	72.8	70.5	68.4	80.0	62.1
Ratio of deposits to loans (%)	55.4	55.2	53.6	50.4	40.9	53.6	44.4
Return on allocated capital, annualised (%) ⁴⁾	(6.3)	6.9	3.3	6.3	(19.9)	2.8	(15.3)

1) Interest on allocated capital is calculated according to internal DNB capital allocation rules. "Net interest income - ordinary operations" does not include interest on equity.

2) The rise in expenses in the fourth quarter of 2012 mainly represents higher IT expenses in the Baltics and restructuring expenses in Poland. In the fourth quarter of 2011 operating expenses included an impairment of intangible assets of NOK 191 million related to IT infrastructure.

3) Average balances. Loans to customers include accrued interest, impairment and value adjustments. Amounts due from credit institutions are not included. Correspondingly, deposits from customers include accrued interest. Amounts due to credit institutions are not included.

4) The allocated capital and return on allocated capital are calculated on the basis of internal measurement of the risk-adjusted capital requirement.

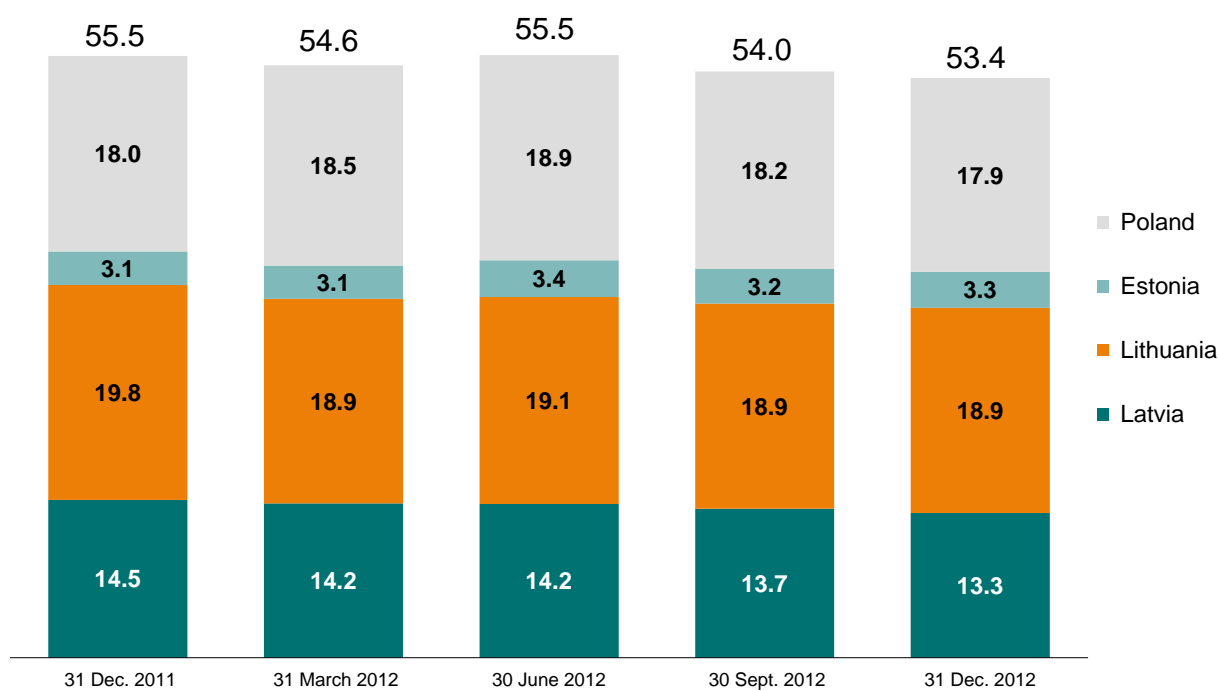
Net interest income ¹⁾

Amounts in NOK million	Average volumes			Spreads in per cent			Net interest income		
	4Q12	3Q12	4Q11	4Q12	3Q12	4Q11	4Q12	3Q12	4Q11
Loans to customers ¹⁾	46 807	47 542	48 664	2.34	1.97	1.82	275	235	224
Deposits from customers ¹⁾	29 049	29 029	22 334	0.06	0.31	1.07	5	22	60
Allocated capital	3 492	3 602	3 769	0.20	0.37	1.51	1	3	15
Other							(21)	(9)	31
Total net interest income							260	251	329

1) Based on nominal values excluding impaired loans.

Development in lending volumes

NOK billion



Loans and impairment

<i>Amounts in NOK million</i>	Net loans 31 Dec. 2012	<i>Of which net non-performing and net doubtful loans and guarantees</i>		Individual impairment 4Q12	Collective impairment 4Q12	Total impairment 4Q12
		<i>NOK million</i>	<i>As a percentage of net loans</i>			
Estonia	3 305	219	6.6	(3)	4	1
Latvia	13 344	1 881	14.1	51	(32)	20
Lithuania	18 914	2 235	11.8	(15)	6	(9)
Poland	17 865	733	4.1	29	(5)	24
DNB Baltics and Poland	53 428	5 067	9.5	62	(27)	36

Provision ratio – net non-performing and net doubtful loans and guarantees ¹⁾

<i>Amounts in NOK million</i>	31 Dec. 2012	30 Sept. 2012	30 June 2012	31 March 2012	31 Dec. 2011
Non-performing loans and guarantees	6 909	7 370	7 654	7 777	8 706
Doubtful loans and guarantees	2 522	2 871	2 582	2 498	1 600
Gross non-performing and gross doubtful loans and guarantees	9 431	10 241	10 236	10 275	10 306
Individual impairment	4 364	4 589	4 763	4 711	4 410
Net non-performing and net doubtful loans and guarantees	5 067	5 652	5 473	5 565	5 896
Collective impairment	315	343	409	433	482
Provision ratio (per cent)	49.6	48.2	50.5	50.1	47.5
Non-performing and doubtful loans and guarantees relative to total loans (per cent)	9.5	10.5	9.9	10.2	10.6
Collateral for non-performing and doubtful loans and guarantees	6 404	6 301	6 873	6 996	8 032
Coverage ratio (per cent)	117.5	109.7	117.7	118.1	125.4

1) Provision ratio includes individual and collective impairment as a percentage of gross non-performing and gross doubtful loans and guarantees.

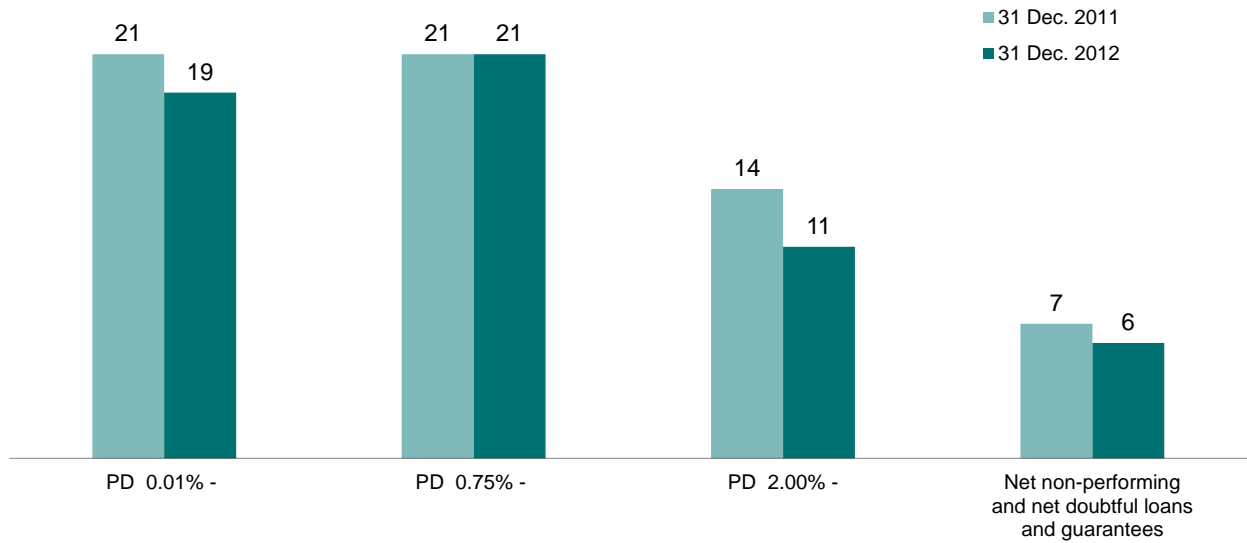
Provision ratio – net non-performing and net doubtful loans and guarantees as at 31 December 2012 ¹⁾

<i>Amounts in NOK million</i>	Estonia	Latvia	Lithuania	Poland
Non-performing loans and guarantees	204	3 194	2 763	748
Doubtful loans and guarantees	170	844	947	561
Gross non-performing and gross doubtful loans and guarantees	374	4 038	3 710	1 309
Individual impairment	155	2 158	1 476	576
Net non-performing and net doubtful loans and guarantees	219	1 881	2 235	733
Collective impairment	15	179	60	61
Provision ratio (per cent)	45.4	57.9	41.4	48.6
Non-performing and doubtful loans and guarantees relative to total loans (per cent)	6.6	14.1	11.8	4.1
Collateral for non-performing and doubtful loans and guarantees	183	2 162	3 328	731
Coverage ratio (per cent)	94.2	111.4	131.1	104.5

1) Provision ratio includes individual and collective impairment as a percentage of gross non-performing and gross doubtful loans and guarantees.

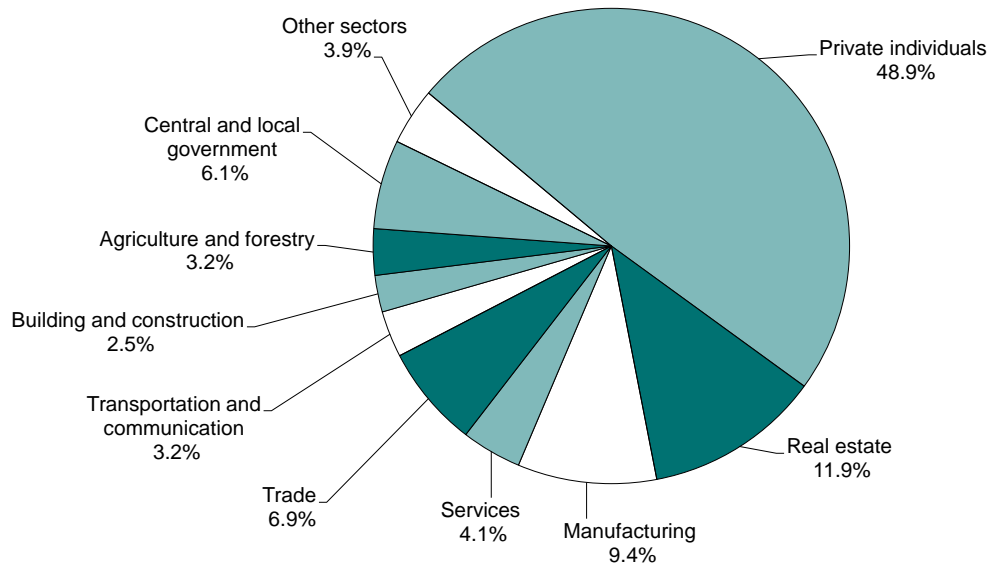
Risk classification of portfolio ¹⁾

NOK billion



1) Based on DNB's risk classification system. The volumes represent the expected outstanding amount in the event of default, apart from net non-performing and net doubtful loans and guarantees, which represent the net exposures recorded in the accounts. PD = probability of default.

Net loans to principal customer groups as at 31 December 2012 ^{1) 2)}



1) Loans after individual impairment, nominal amounts.

2) The breakdown into principal customer groups is based on standardised sector and industry categories set up by Statistics Norway.

Section 4

The Norwegian economy

Basic information about Norway

Area	385 199 square kilometres
Population	5.0 million
Fertility rate	1.9
Life expectancy	M: 78.9 F: 83.2
Work participation rate, per cent 15–74 years	71.4 (M: 74.1 F:68.7)
Gross domestic product 2011	USD 485.8 billion
GDP per capita 2011	USD 97 400
Rating	AAA, Aaa
Currency exchange rate used	5.60 USD/NOK (Average 2011)
Current balance 2011	USD 70.7 billion or 14.6 per cent of GDP

Source: Statistics Norway

Key macro-economic indicators, Norway

Per cent	2011	F 2012	F 2013	F 2014	F 2015	F 2016
GDP growth						
- mainland Norway	2.5	3.5	2.4	2.0	2.1	2.0
- Norway, total	1.2	3.1	1.2	1.5	1.6	1.6
Private consumption	2.5	3.1	3.1	3.2	3.0	2.7
Gross fixed investment	7.6	8.2	4.8	3.5	2.6	1.6
Inflation (CPI)	1.3	0.8	1.6	1.9	2.2	2.2
Savings ratio ¹⁾	7.3	8.6	8.6	8.7	8.1	7.3
Unemployment rate	3.3	3.1	3.2	3.7	4.0	4.3

1) Per cent of disposable income. Households

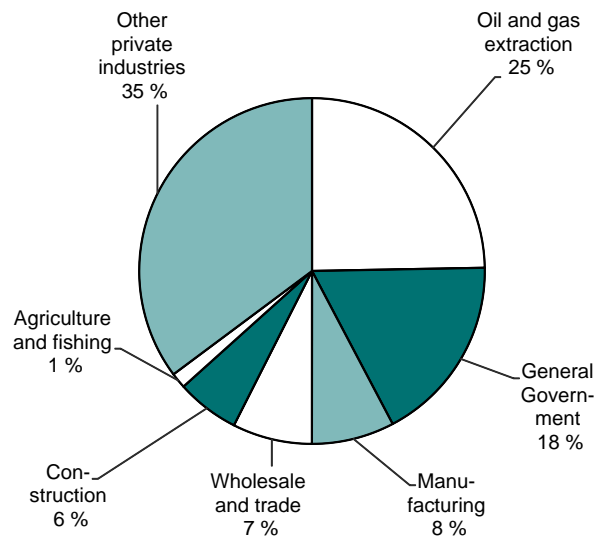
Source: Statistics Norway and DNB Markets

Contribution to volume growth in GDP, mainland Norway

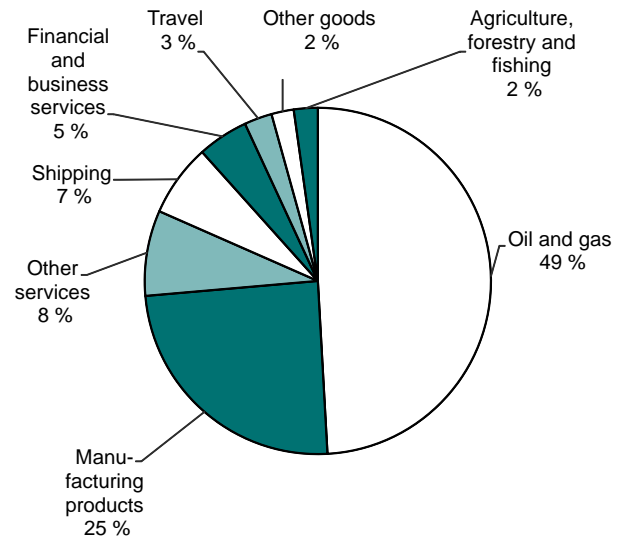
Per cent	2011	F 2012	F 2013	F 2014	F 2015	F 2016
Household demand	2.4	2.1	2.1	1.9	2.4	2.1
Gross fixed capital formation, mainland companies	0.3	0.2	0.0	0.1	0.3	0.4
Gross fixed capital formation, petroleum activity	(0.3)	1.8	1.0	0.4	0.1	(0.2)
Public sector demand	0.6	0.5	0.6	0.5	0.6	0.6
Exports, mainland Norway	0.0	0.8	0.2	0.6	1.0	1.2
Imports, mainland Norway	(0.7)	(2.1)	(1.7)	(1.7)	(1.7)	(1.5)
Changes in stocks and statistical discrepancies	0.2	0.2	(0.2)			
GDP, mainland Norway	2.5	3.5	2.4	2.0	2.1	2.0

Source: Statistics Norway and DNB Markets

Composition of GDP in 2011

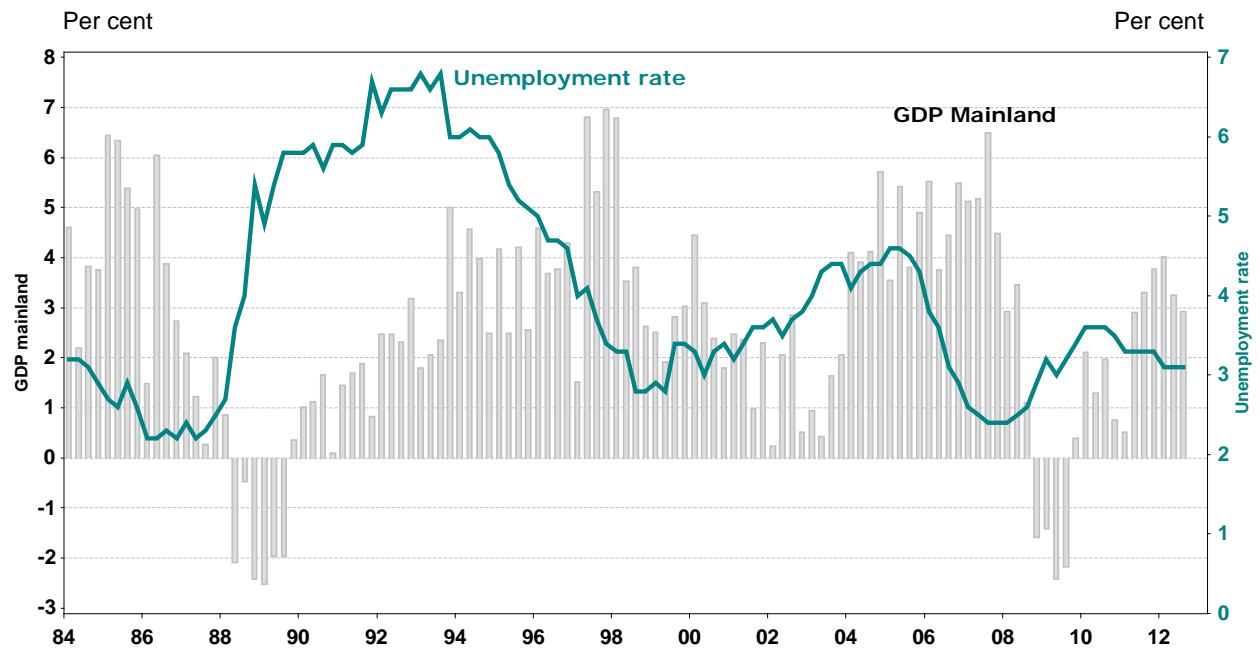


Composition of exports in 2011



Source: Statistics Norway

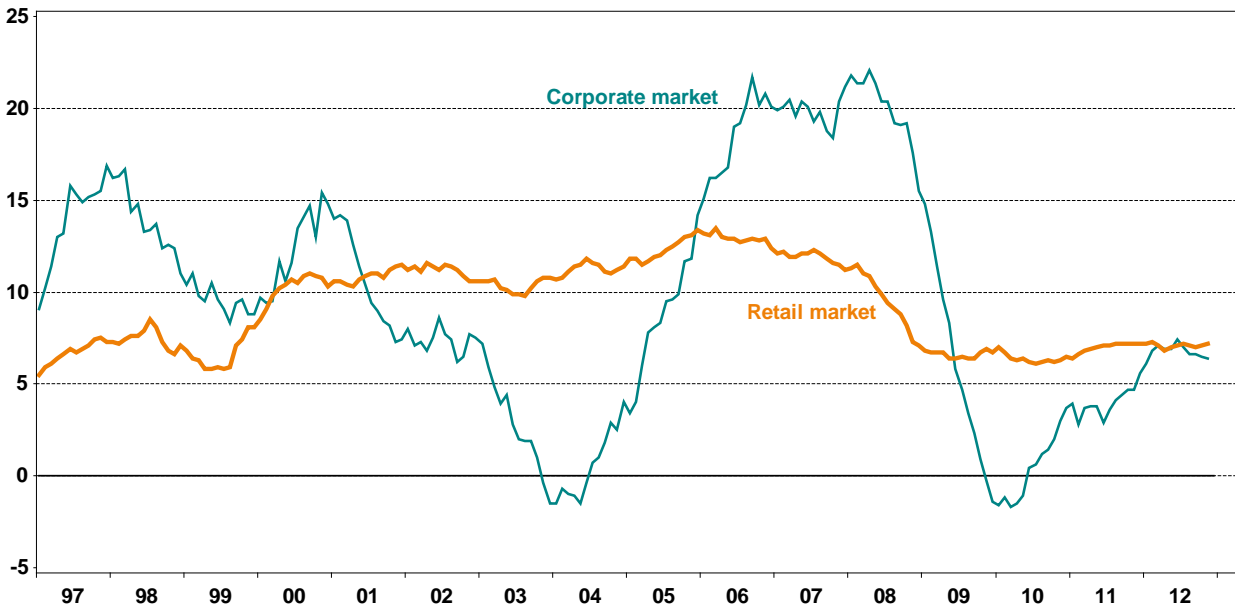
GDP growth mainland Norway and unemployment rate



Source: Statistics Norway

Credit market, 12 month percentage growth

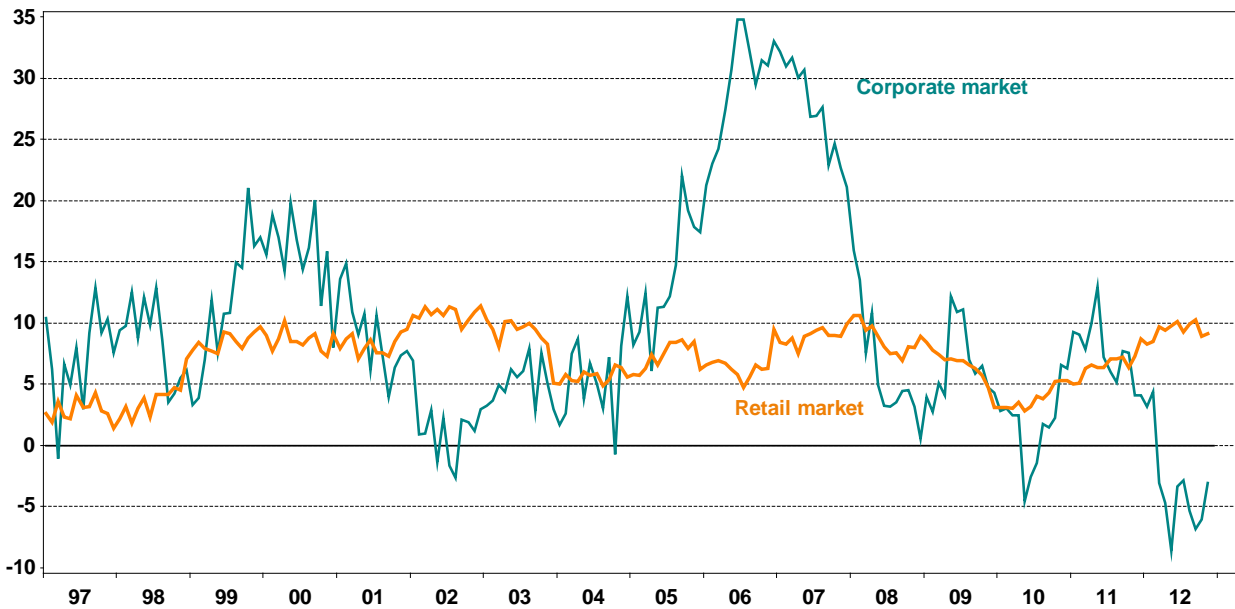
Per cent



Source: Statistics Norway

Deposit market, 12 month percentage growth

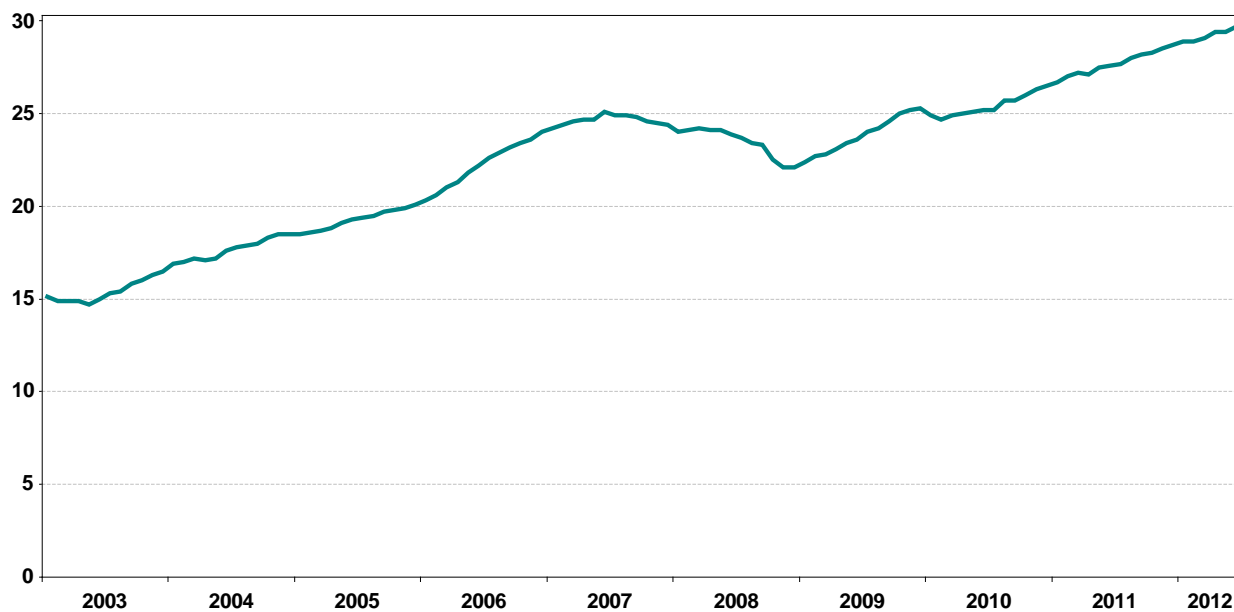
Per cent



Source: Statistics Norway

House prices, per square metre, seasonally adjusted

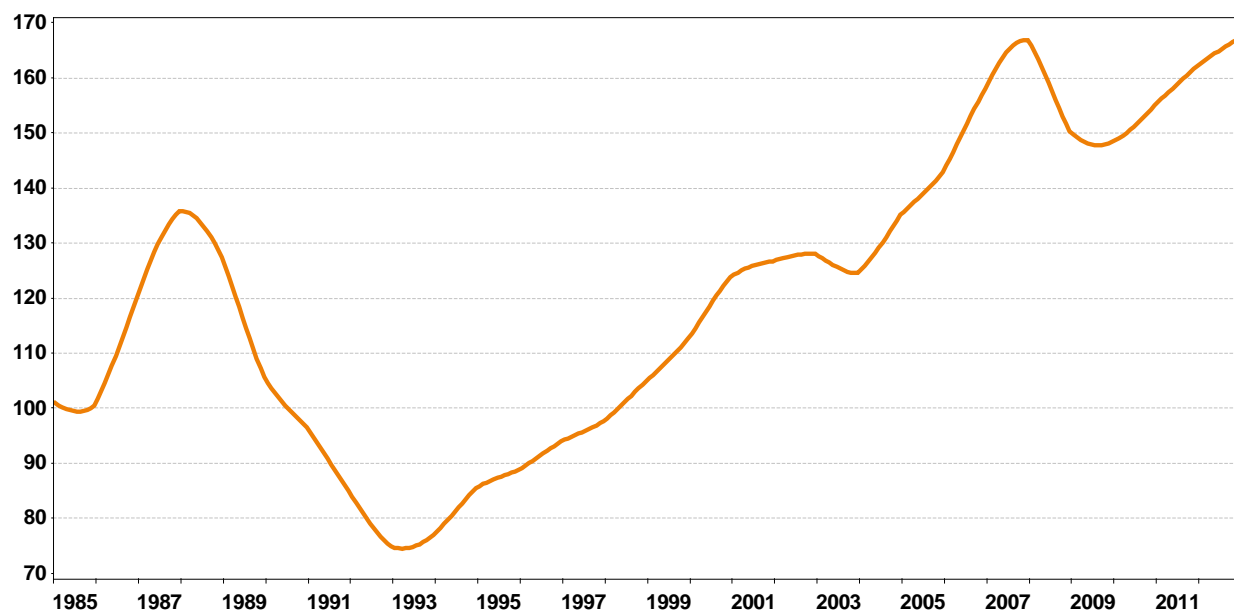
NOK 1 000



Source: Association of Norwegian Real Estate Agents, Finn.no and Econ Poyry

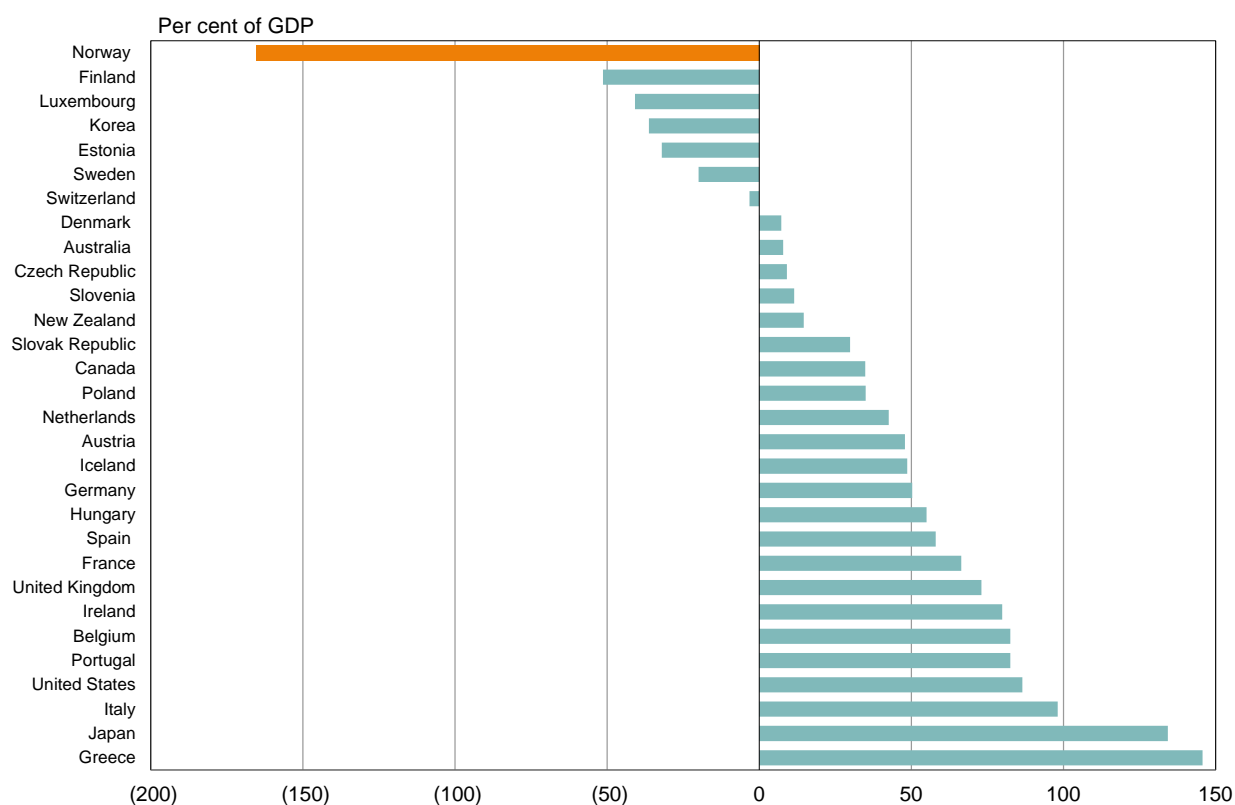
House prices, deflated by wage income

Indices: 1985=100



Source: Statistics Norway

Government net financial liabilities 2012



Source: OECD Economic Outlook No. 92, November 2012

Key macro-economic indicators, Baltics and Poland

Percentage change from previous year	2011	F 2012	F 2013	F 2014
Estonia				
GDP	8.3	3.0	3.0	3.6
Private consumption	3.6	3.7	3.4	3.6
Gross fixed investments	25.9	20.3	4.5	5.2
Inflation (CPI)	5.0	3.9	3.5	2.9
Latvia				
GDP	5.5	5.0	3.4	3.9
Private consumption	4.5	5.1	3.6	3.8
Gross fixed investments	27.9	14.2	7.2	7.6
Inflation (CPI)	4.4	2.2	2.1	2.8
Lithuania				
GDP	5.9	3.3	2.9	3.3
Private consumption	6.3	4.1	2.9	3.2
Gross fixed investments	18.3	0.8	4.4	4.6
Inflation (CPI)	4.1	3.2	2.6	2.8
Poland				
GDP	4.3	2.1	1.5	2.9
Private consumption	2.5	0.9	1.1	2.3
Gross fixed investments	9.0	0.6	(0.9)	4.4
Inflation (CPI)	4.3	3.7	2.2	2.5

Source: Consensus Economics Inc

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