



DNB

4

RESULTS DNB GROUP  
Fourth quarter 2012

Rune Bjerke (CEO)  
Bjørn Erik Næss (CFO)

## Full year 2012

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Pre-tax operating profit before impairment in NOK billion

**20.8 (21.8)**

Cost/income ratio in per cent

**49.5 (47.1)**

Return on equity in per cent

**11.2 (11.4)**

Equity Tier 1 capital ratio (in accordance with transitional rules)

**10.7 (9.4)**

Proposed dividend in NOK

**2.10 (2.00)**

(Figures in parentheses refer to 2011)

## Full year 2012 adjusted for basis swaps

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○ Pre-tax operating profit before impairment in NOK billion  
**22.5 (18.8)**

○ Cost/income ratio in per cent  
**47.6 (50.8)**

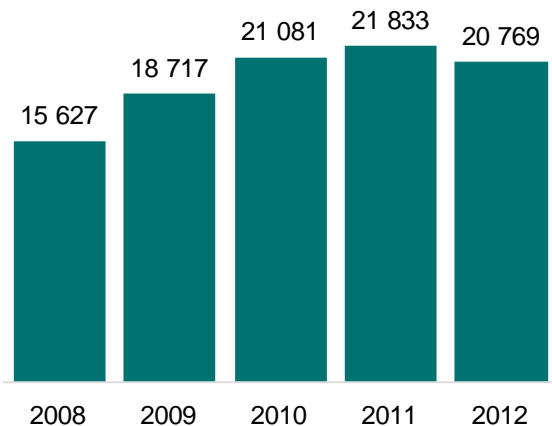
○ Return on equity in per cent  
**12.2 (9.5)**

(Figures in parentheses refer to 2011)

# Profit figures last five years

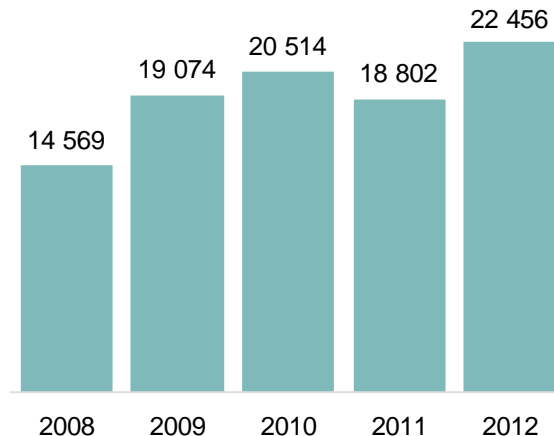
**Pre-tax operating profit before impairment**

(NOK million)



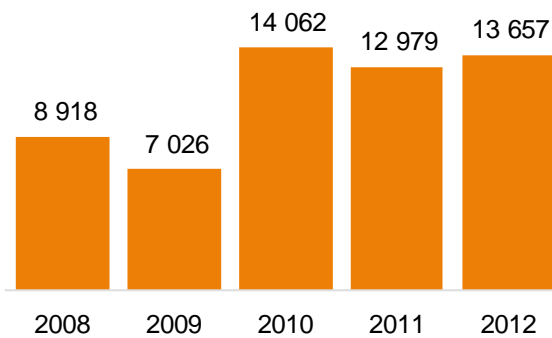
**Pre-tax operating profit before impairment excl. basis swaps**

(NOK million)



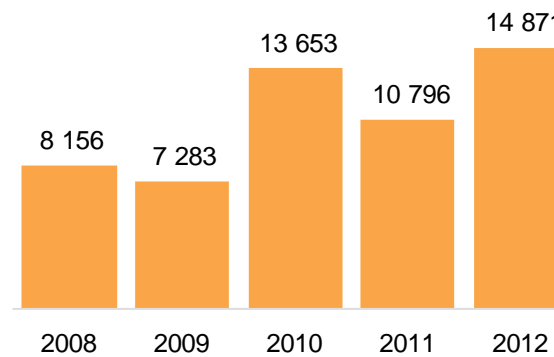
**Profit for the period**

(NOK million)



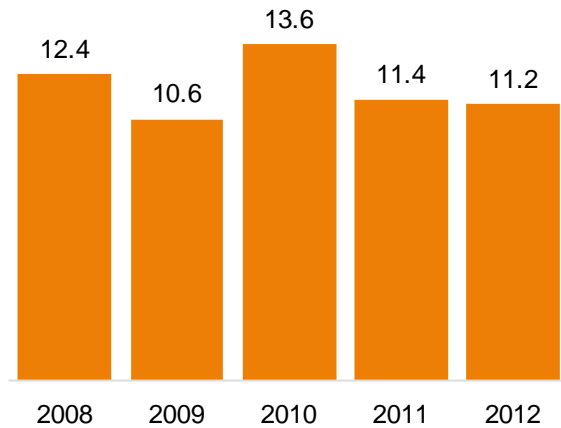
**Profit for the period excl. basis swaps**

(NOK million)

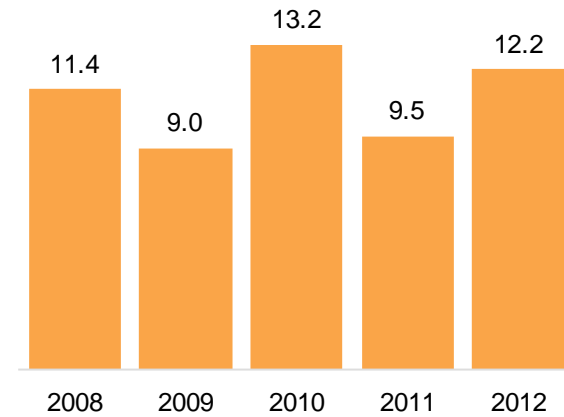


# Return on equity and cost/income ratio

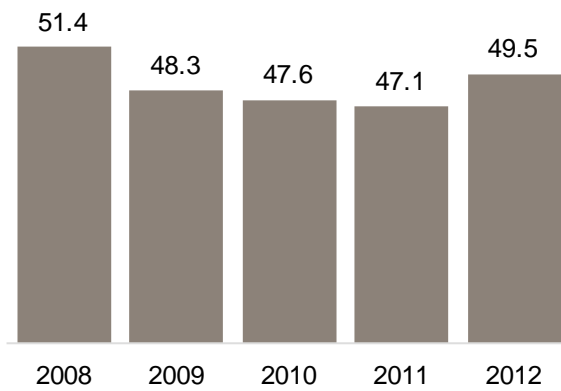
**Return on equity**  
(Per cent)



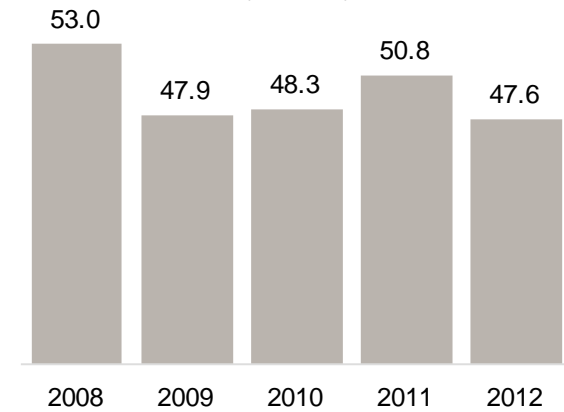
**Return on equity excl. basis swaps**  
(Per cent)



**Cost/income ratio**  
(Per cent)

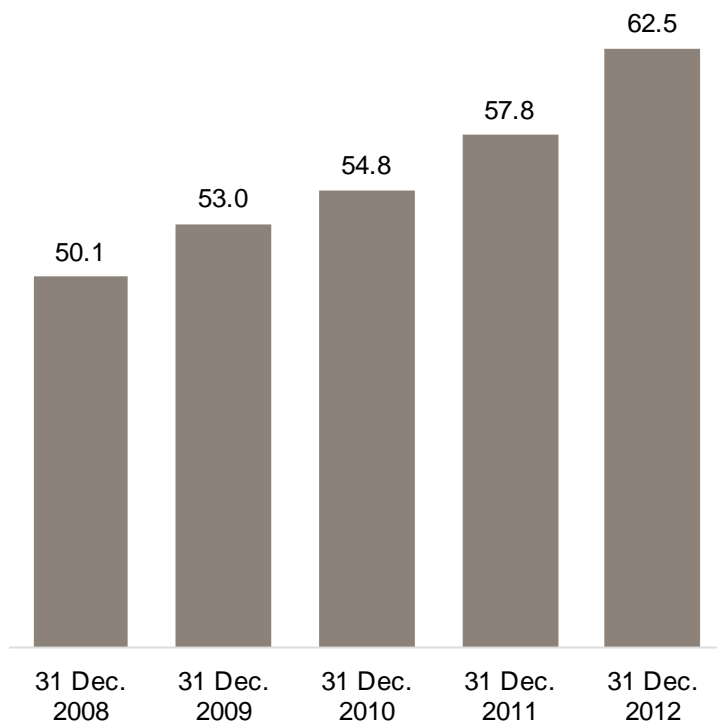


**Cost/income ratio excl. basis swaps**  
(Per cent)



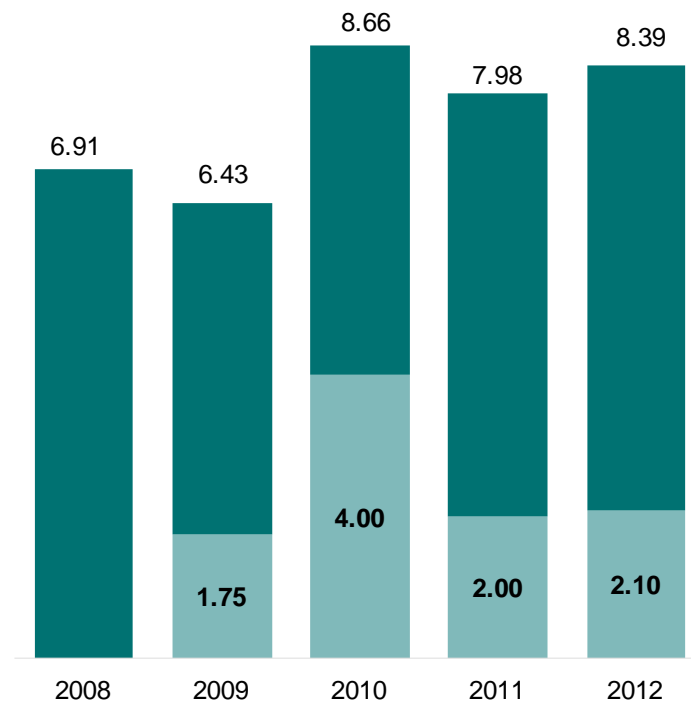
# Ratio of deposits to loans and earnings per share

Ratio of deposits to loans at end of period  
(Per cent)



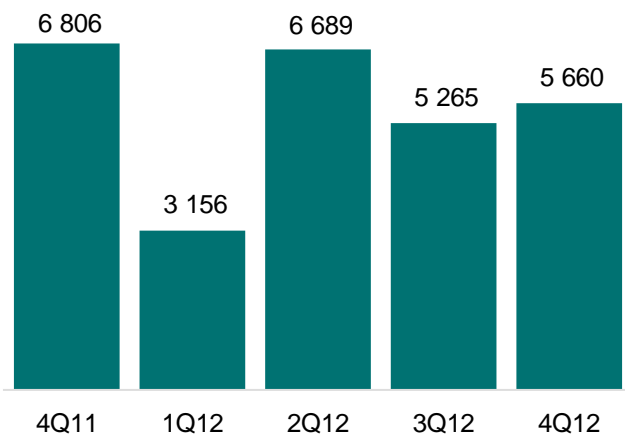
Earnings per share  
(NOK)

■ Earnings per share ■ Dividend/proposed dividend

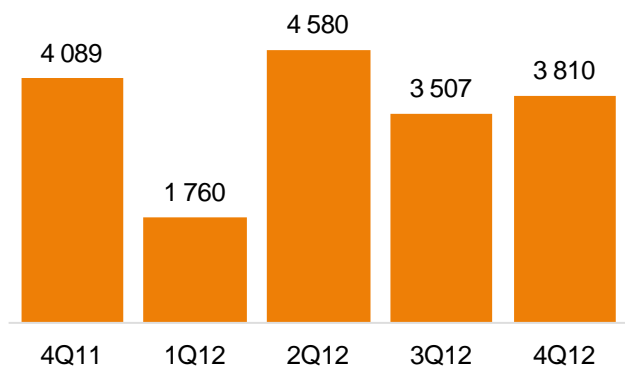


# Profit figures per quarter

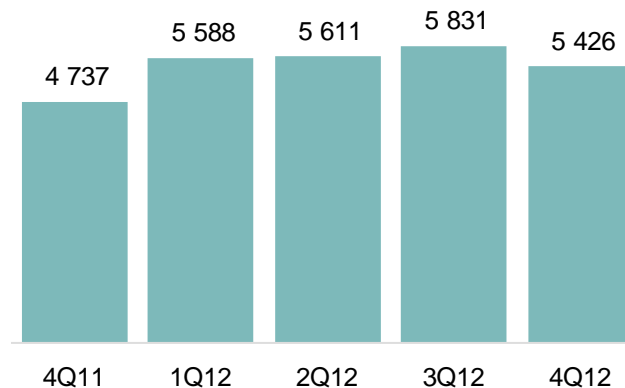
**Pre-tax operating profit before impairment**  
(NOK million)



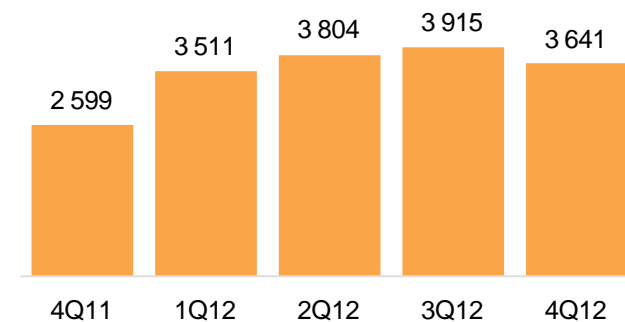
**Profit for the period**  
(NOK million)



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



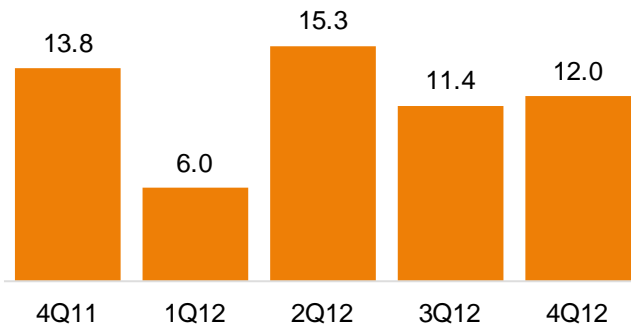
**Profit for the period excl. basis swaps**  
(NOK million)



# Return on equity and cost/income ratio

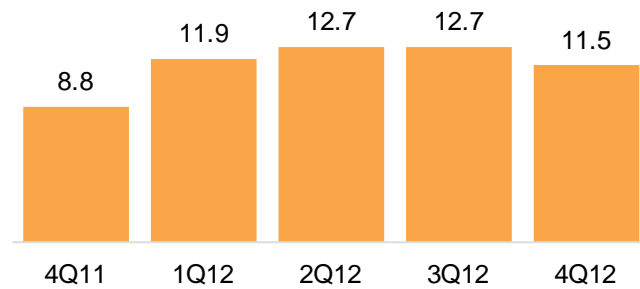
## Return on equity

(Per cent)



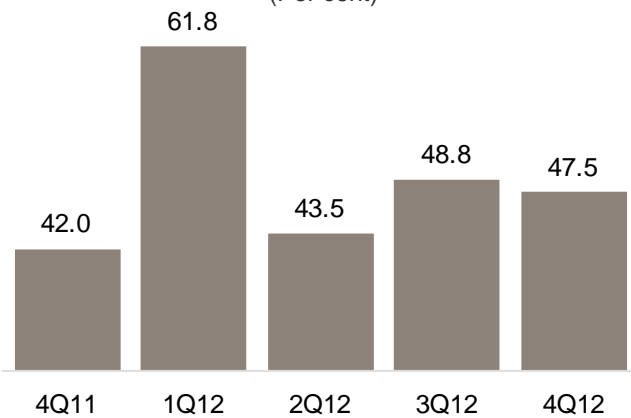
## Return on equity excl. basis swaps

(Per cent)



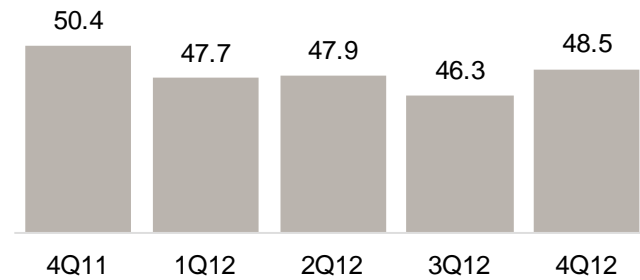
## Cost/income ratio

(Per cent)



## Cost/income ratio excl. basis swaps

(Per cent)





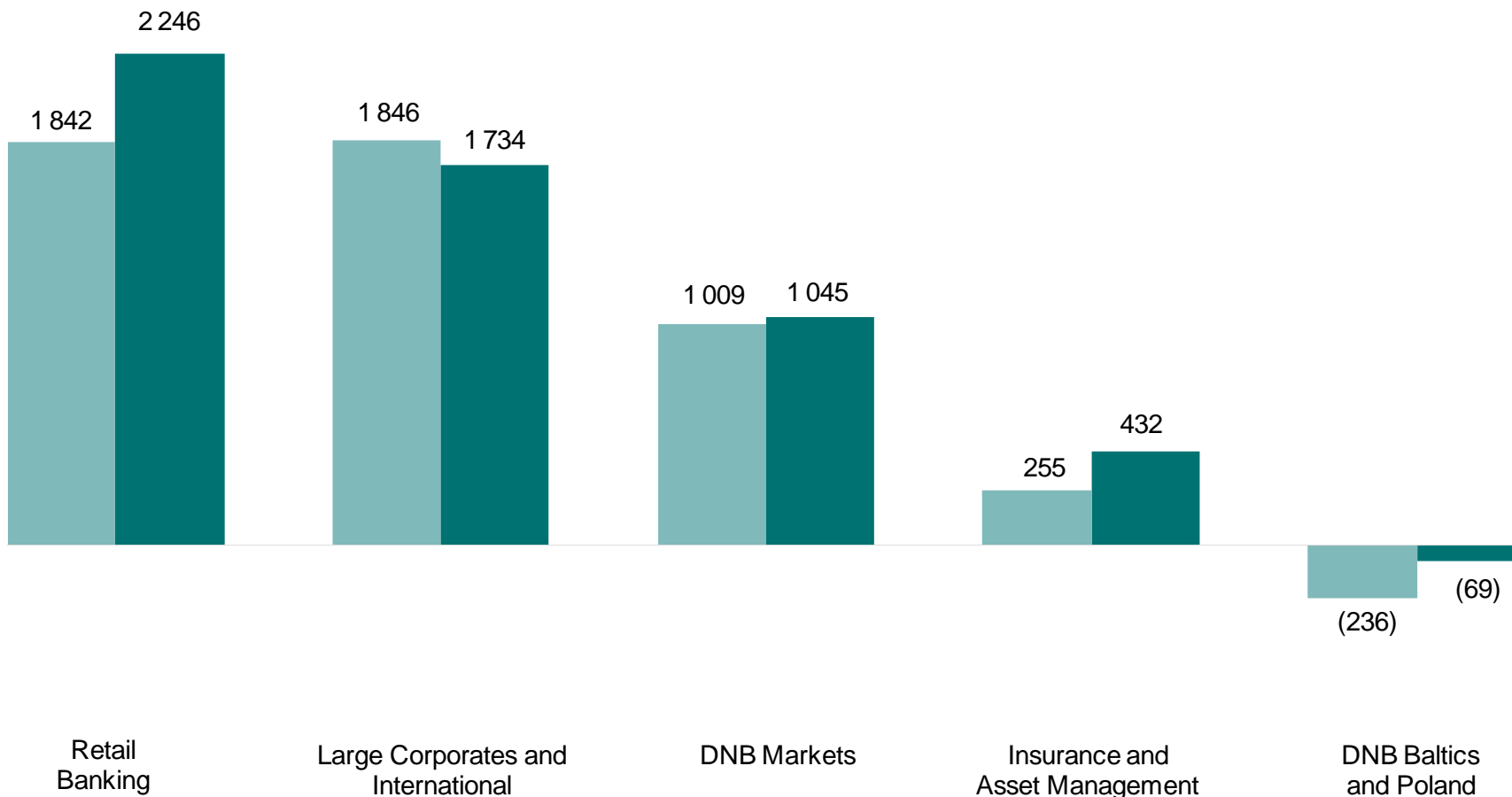
# Business areas

## Pre-tax operating profit after impairment

(NOK million)

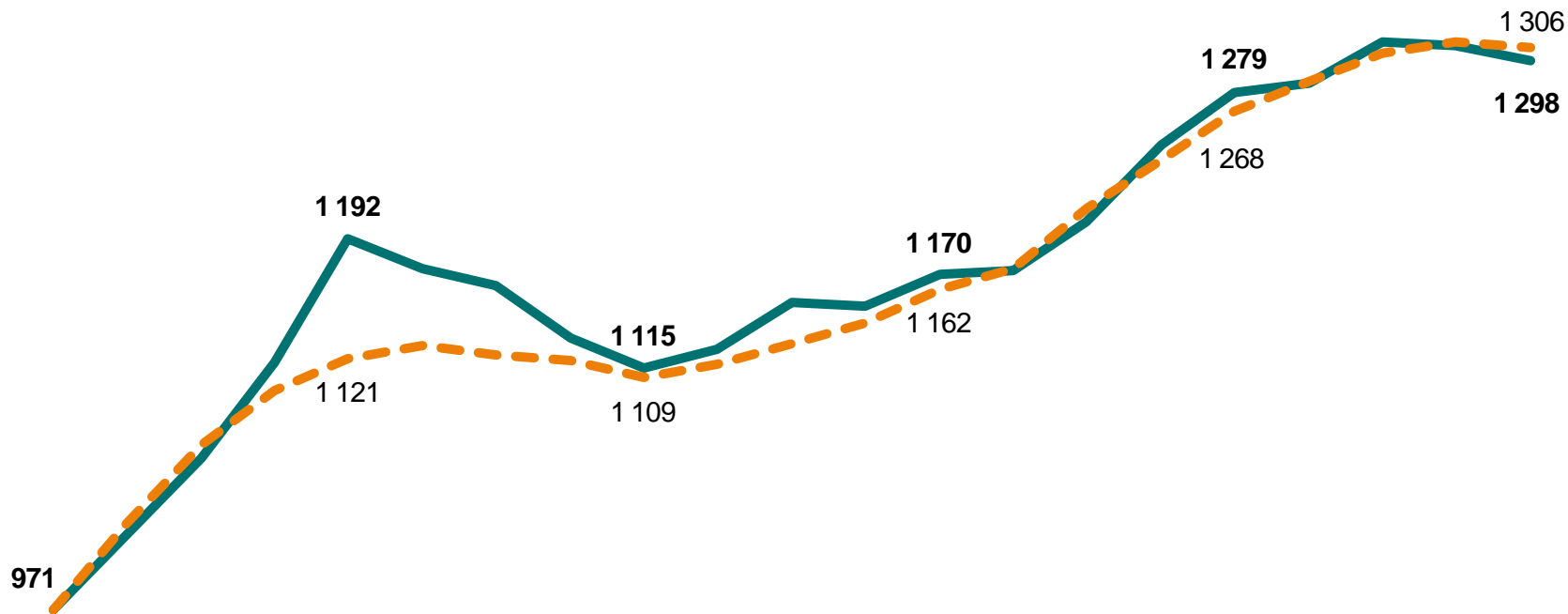
■ Fourth quarter 2012

■ Fourth quarter 2011



# Development in loans

NOK billion

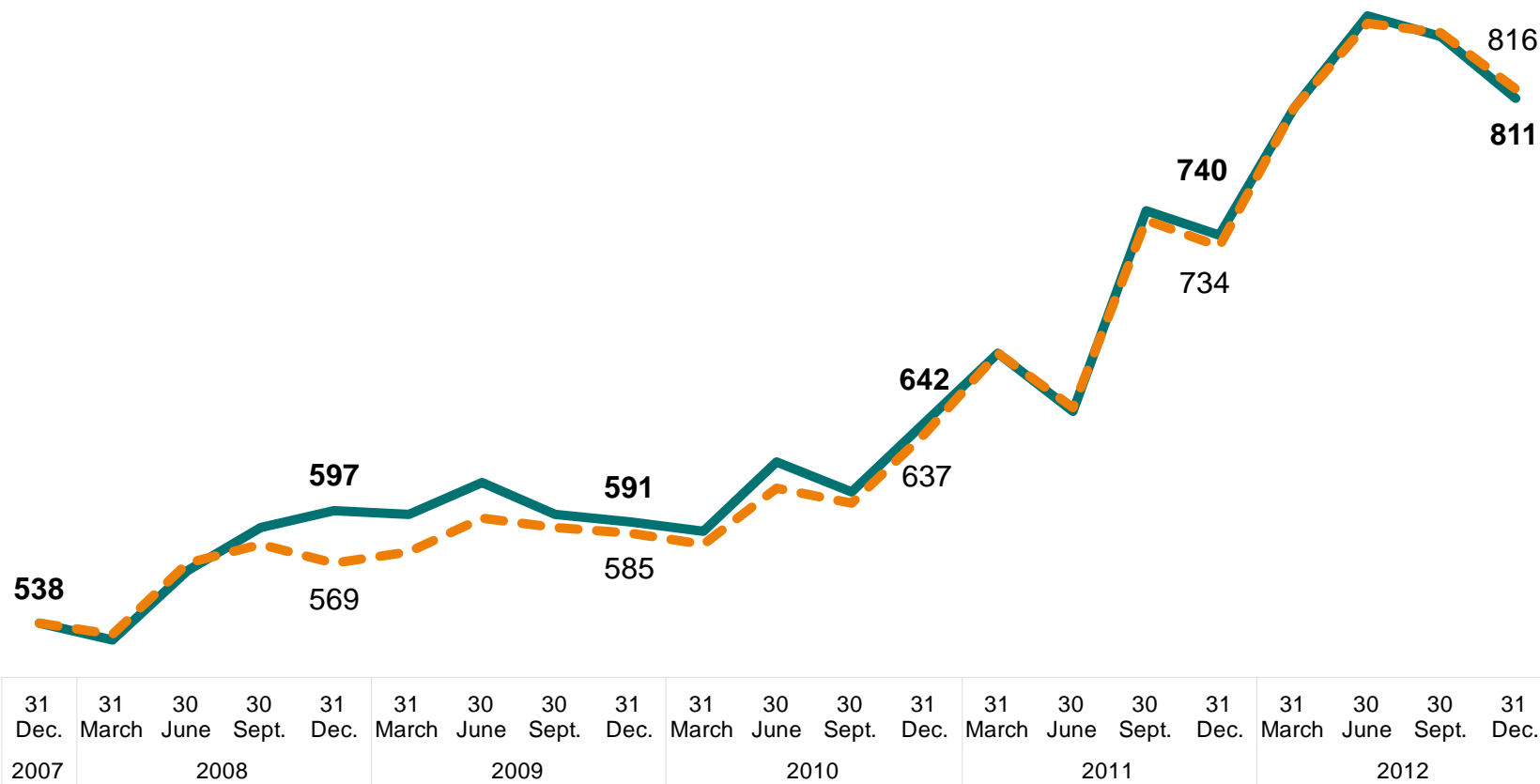


31	31	30	30	31	31	30	30	31	31	30	30	31	31	30	30	31	31	30	30	31
Dec.	March	June	Sept.	Dec.	March	June	Sept.	Dec.	March	June	Sept.	Dec.	March	June	Sept.	Dec.	March	June	Sept.	Dec.
2007	2008				2009				2010				2011				2012			

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

# Development in deposits

NOK billion

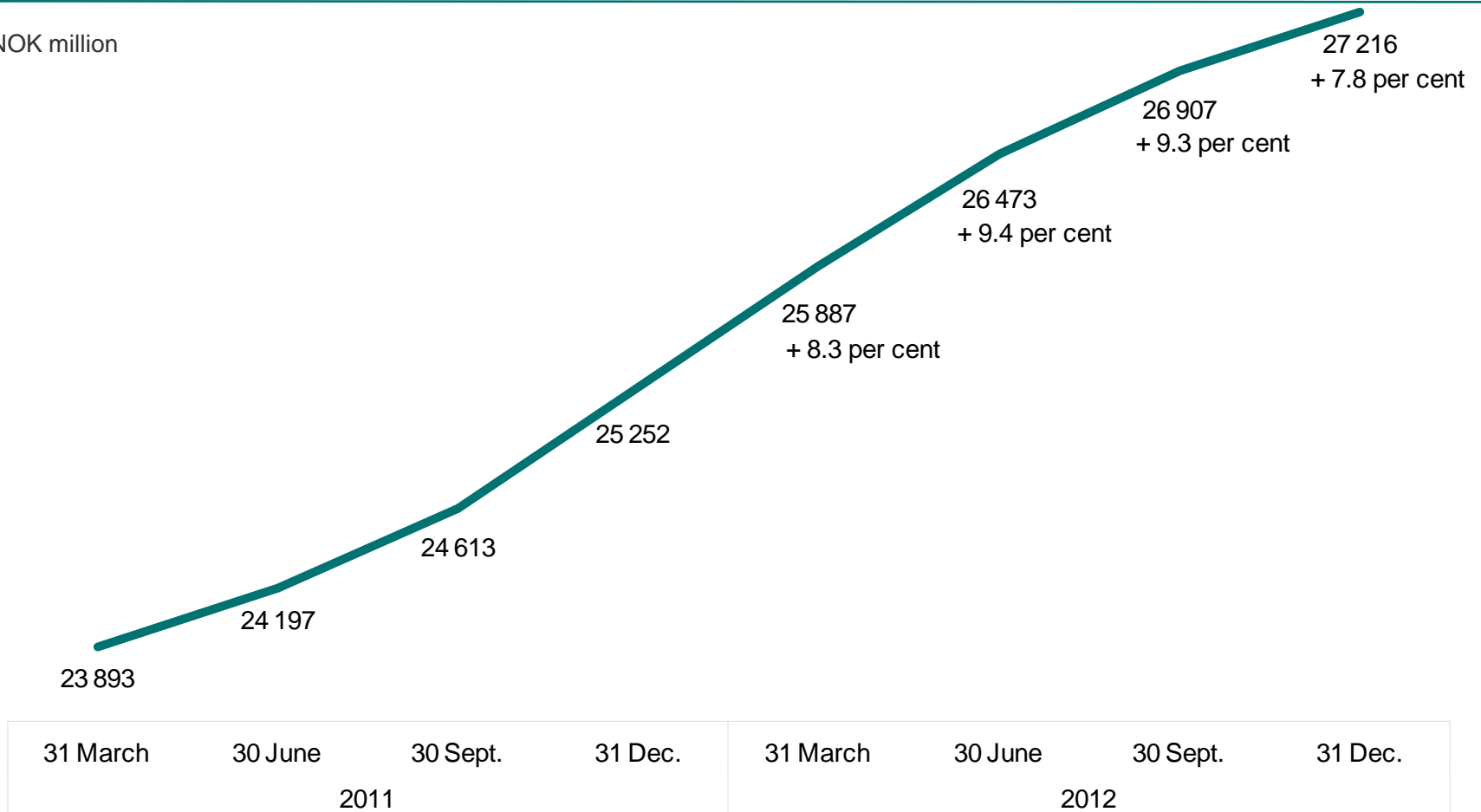


— Deposits at end of period  
- - - Deposits adjusted for exchange rate movements



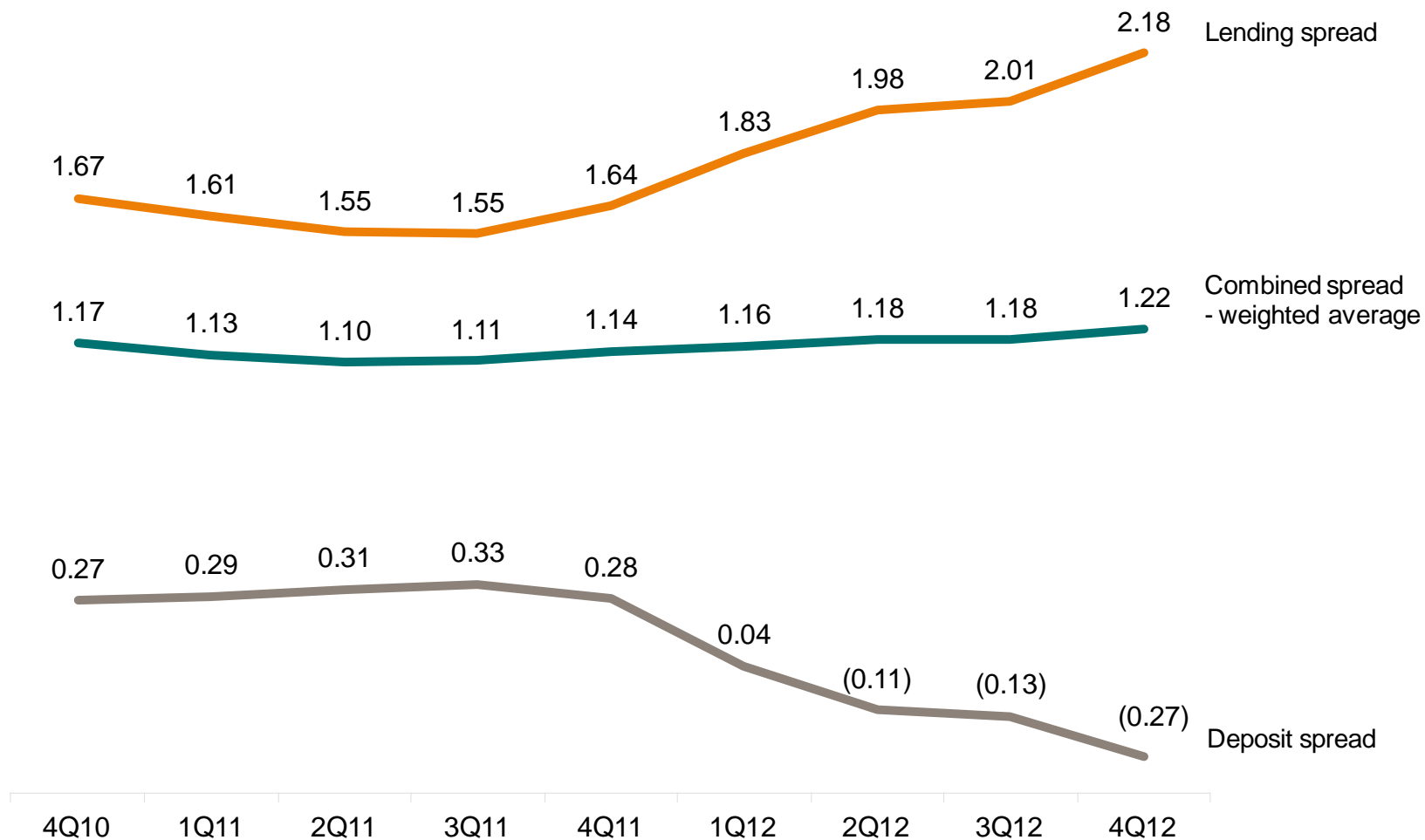
# Net interest income – trailing 12 months

NOK million



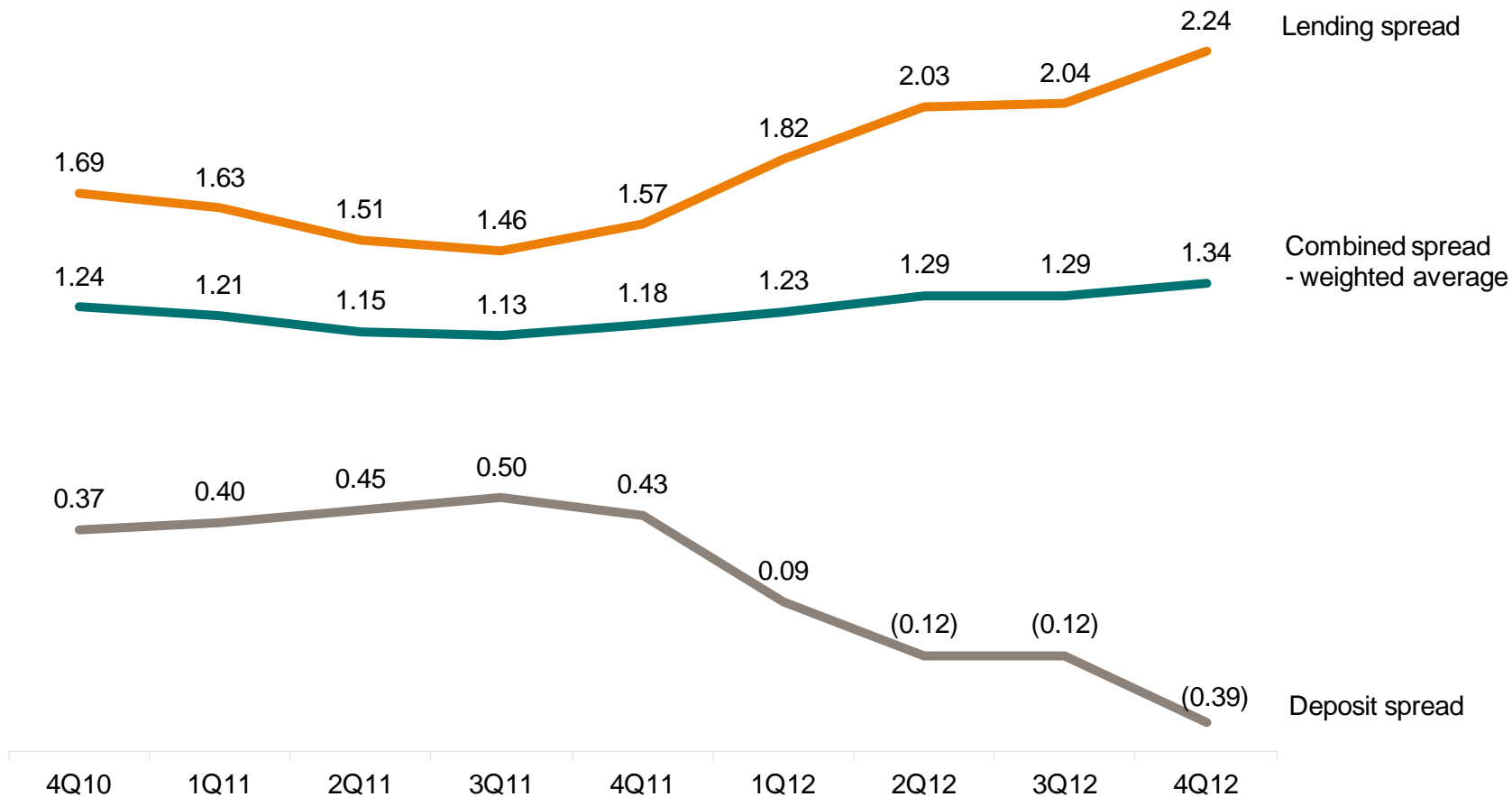
# Development in average interest rate spreads – DNB Group

Per cent



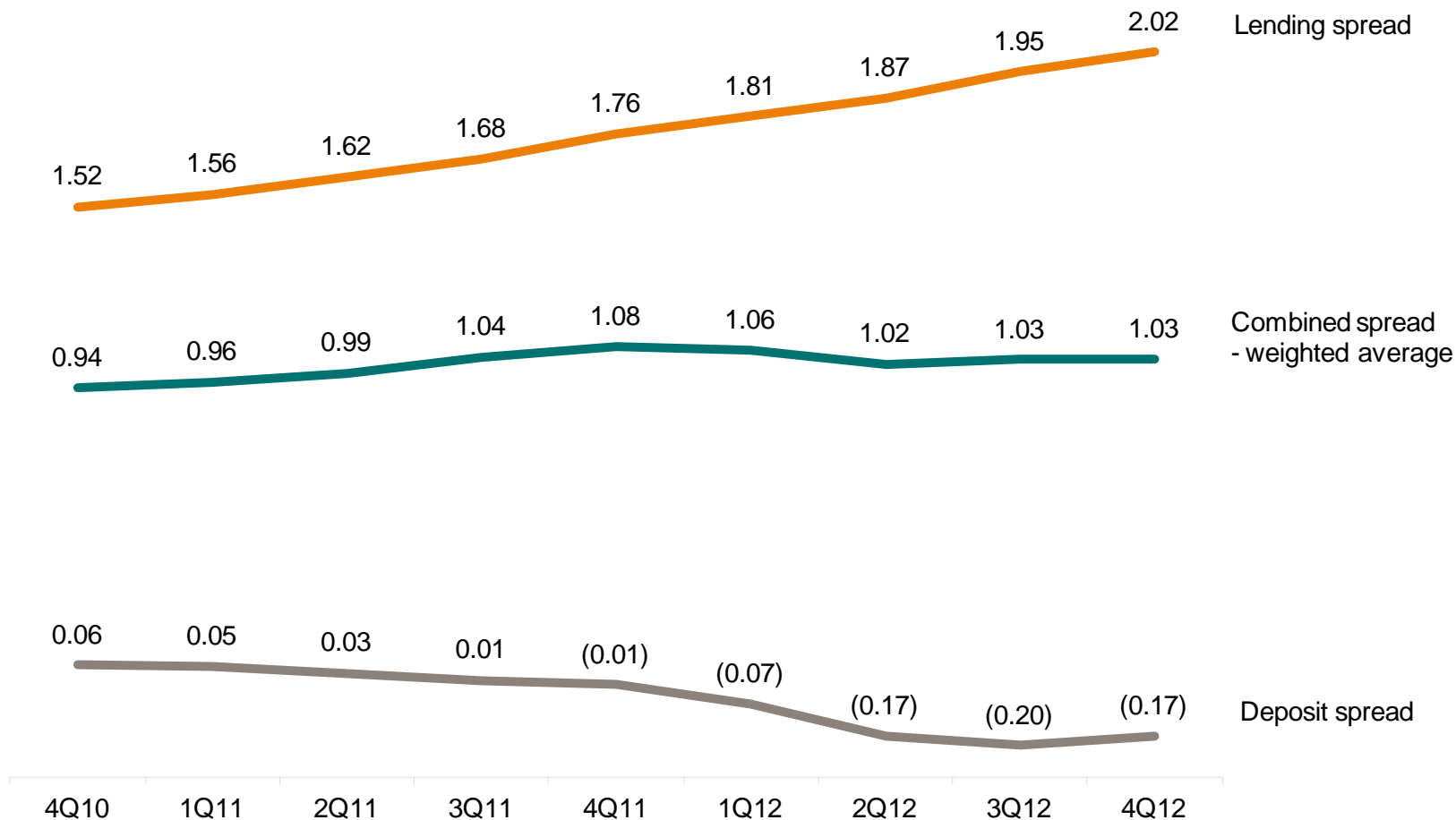
# Development in average interest rate spreads – Retail Banking

Per cent



# Development in average interest rate spreads – Large Corporates and International

Per cent



## Income statement

Amounts in NOK million	4Q12	3Q12	2Q12	1Q12	4Q11	Full year 2012	Full year 2011
Net interest income	<b>7 101</b>	6 828	6 634	6 653	<b>6 792</b>	<b>27 216</b>	25 252
<i>Net commissions and fees, core business</i>	<b>1 896</b>	1 852	2 013	1 750	<b>1 632</b>	7 511	7 436
<i>Net financial items</i>	<b>2 165</b>	1 776	3 191	(143)	<b>3 967</b>	6 990	9 317
Net other operating income, total	<b>4 061</b>	3 628	5 204	1 607	<b>5 599</b>	14 501	16 754
Total income	<b>11 162</b>	10 456	11 837	8 261	<b>12 392</b>	41 717	42 006
Total operating expenses before impairment losses for goodwill and intangible assets	<b>5 299</b>	5 106	5 149	5 105	<b>5 206</b>	20 660	19 792
Impairment losses for goodwill and intangible assets	<b>202</b>	85	0	0	<b>380</b>	287	380
Pre-tax operating profit before impairment	<b>5 660</b>	5 265	6 689	3 156	<b>6 806</b>	20 769	21 833
Net gains on fixed and intangible assets	<b>(65)</b>	20	37	7	<b>(1)</b>	(1)	19
Impairment of loans and guarantees	<b>1 190</b>	521	685	784	<b>926</b>	<b>3 179</b>	3 445
Pre-tax operating profit	<b>4 406</b>	4 763	6 041	2 378	<b>5 878</b>	17 589	18 407
Taxes	<b>601</b>	1 256	1 553	618	<b>1 790</b>	<b>4 028</b>	5 423
Profit from operations held for sale, after taxes	<b>4</b>	0	92	0	<b>0</b>	96	(5)
Profit for the period	<b>3 810</b>	3 507	4 580	1 760	<b>4 089</b>	13 657	12 979



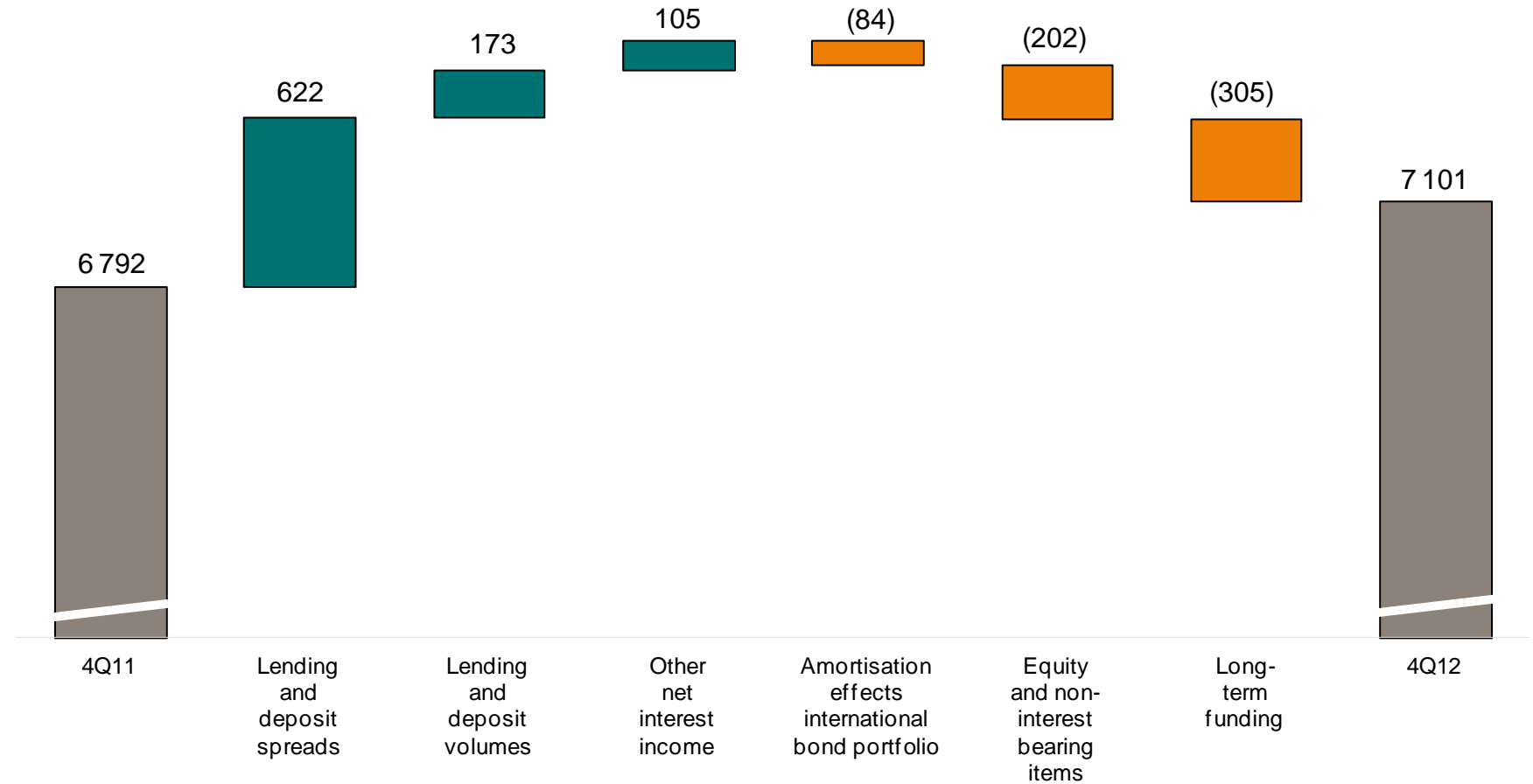
## Special items

Amounts in NOK million	4Q12	3Q12	2Q12	1Q12	4Q11	Full year 2012	Full year 2011
Mark-to-market adjustments - basis swaps	235	(566)	1 078	(2 432)	2 069	(1 687)	3 031
Net mark-to-market adjustments - other items	95	79	76	176	272	426	246
Impairment losses for goodwill and intangible assets	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

# Changes in net interest income

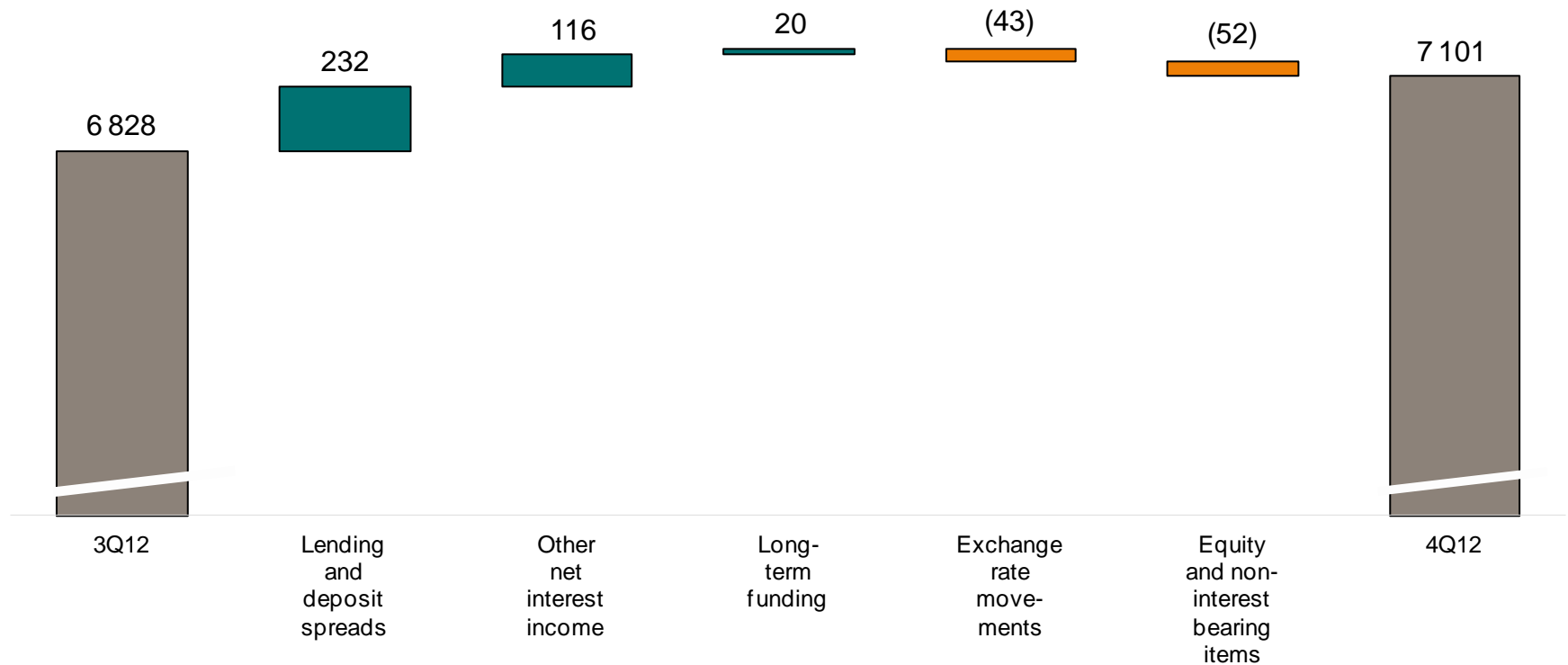
NOK million

From 4th quarter 2011 to 4th quarter 2012



# Changes in net interest income

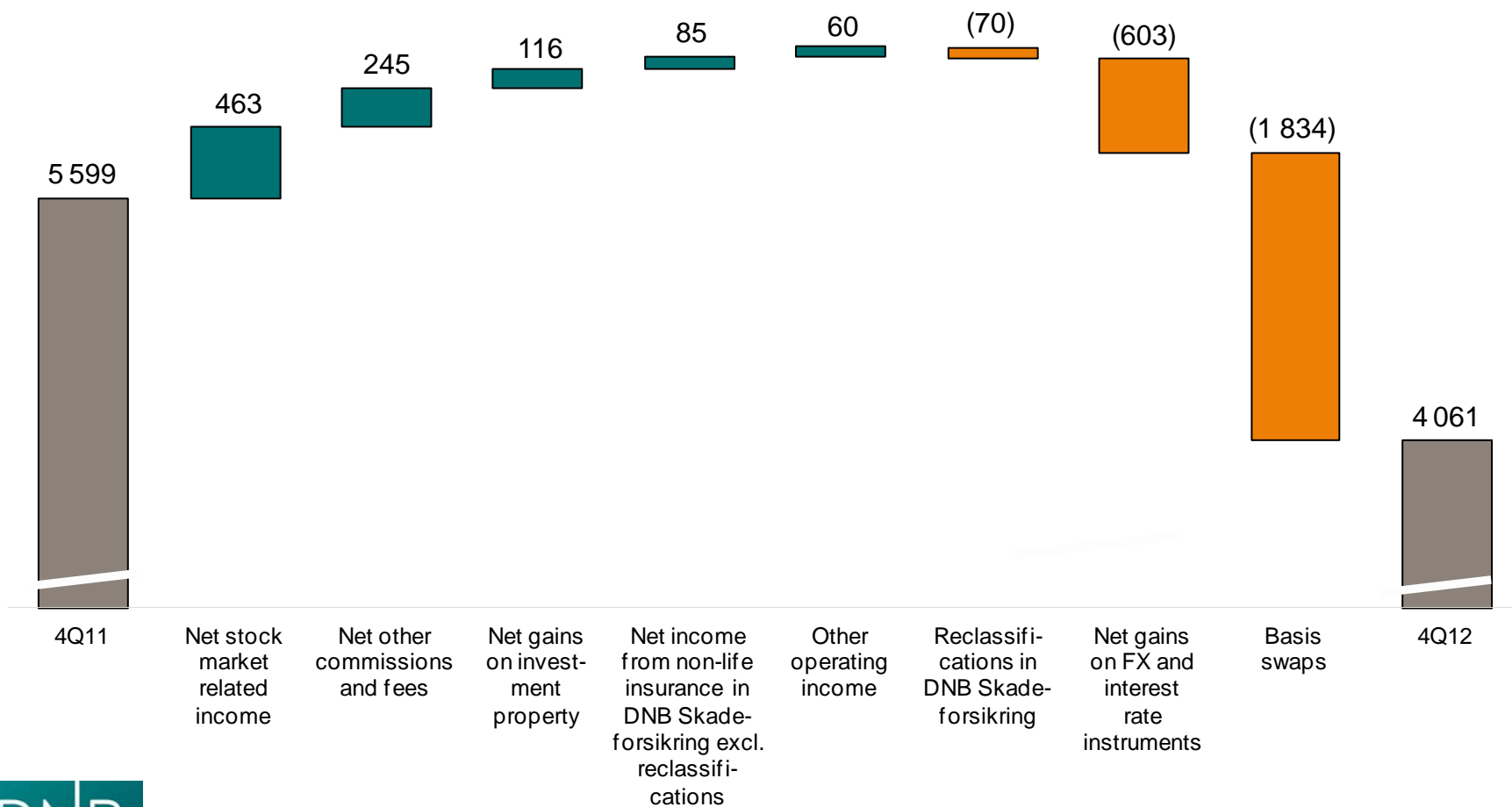
From 3rd quarter 2012 to 4th quarter 2012



# Changes in net other operating income

NOK million

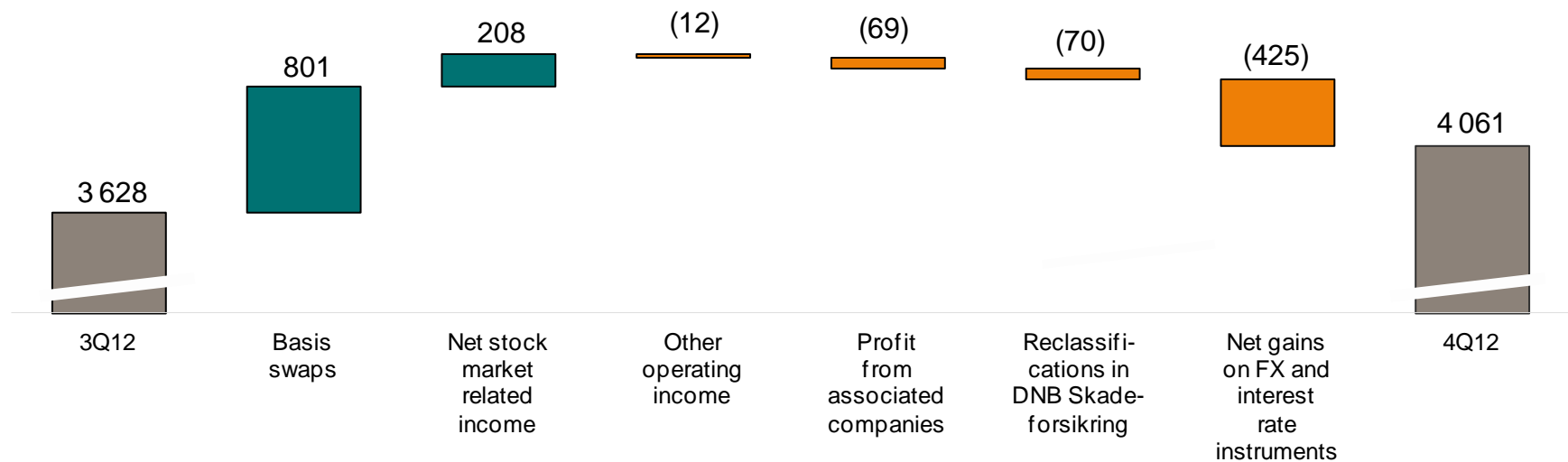
From 4th quarter 2011 to 4th quarter 2012



# Changes in net other operating income

NOK million

From 3rd quarter 2012 to 4th quarter 2012



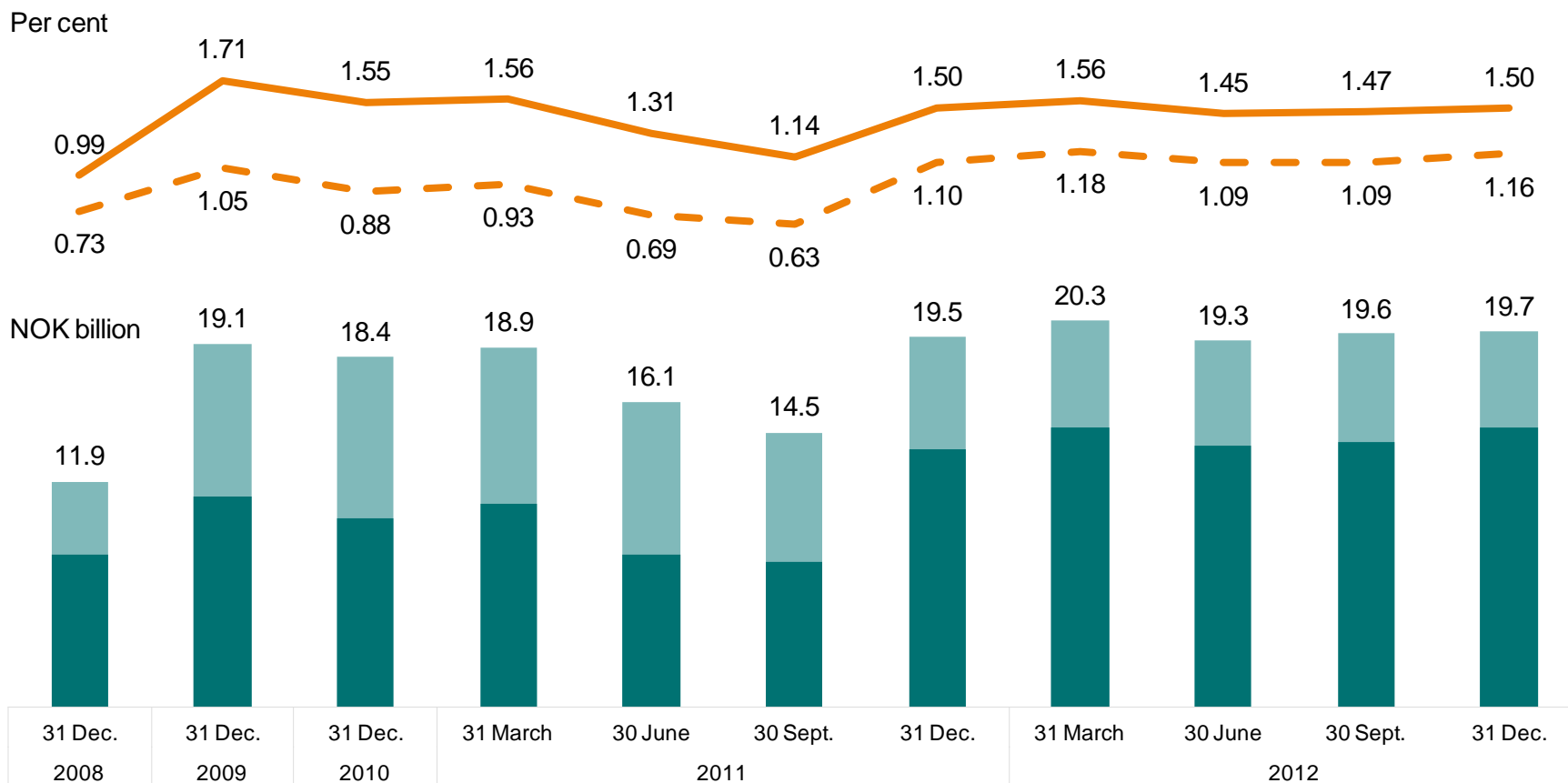
## Changes in operating expenses

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

## Changes in operating expenses

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

# Net non-performing and net doubtful loans and guarantees <sup>1) 2)</sup>



1) Includes non-performing loans and guarantees and loans and guarantees subject to individual impairment. Accumulated individual impairment is deducted.

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
- As a percentage of net loans excl. DNB Baltics and Poland/DnB NORD



# Impairment of loans and guarantees

Amounts in NOK million	4Q12	3Q12	2Q12	1Q12	4Q11	Full year 2012	Full year 2011
<i>Individual impairment:</i>							
<b>Retail Banking</b>							
- Private customer divisions	7	38	7	59	78	111	186
- SME divisions	317	96	80	160	233	653	411
- DNB Finans <sup>1)</sup>	78	68	123	90	29	358	370
<b>Large Corporates and International</b>							
- 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 <sup>2)</sup>	70	60	5	87	1	221	(1)
DNB excl. former DnB NORD	886	554	478	582	657	2 500	1 926
<b>Former DnB NORD</b>							
- 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 in per cent of loans

Per cent	4Q12	3Q12	2Q12	1Q12	4Q11	Full year 2012	Full year 2011
Total impairment in relation to average volumes (annual basis)	0.36	0.16	0.21	0.25	0.29	<b>0.24</b>	<b>0.28</b>
- 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

## Balance sheets

	DNB Group		DNB Bank ASA	
	31 Dec. 2012	31 Dec. 2011	31 Dec. 2012	31 Dec. 2011
Amounts in NOK billion				
Deposits with central banks	299	225	296	221
Due from credit institutions	37	29	209	193
Loans to customers	1 298	1 279	714	712
Other assets	631	594	518	489
<b>Total assets</b>	<b>2 265</b>	<b>2 126</b>	<b>1 737</b>	<b>1 615</b>
Due to credit institutions	251	280	283	296
Deposits from customers	811	740	787	704
Short-term debt securities issued	244	228	244	228
Long-term debt securities issued	464	407	171	156
Other liabilities and provisions	366	354	146	133
Equity	128	118	105	98
<b>Total liabilities and equity</b>	<b>2 265</b>	<b>2 126</b>	<b>1 737</b>	<b>1 615</b>
Ratio of deposits to net loans (%)	62.5	57.8	110.3	98.9
Adjusted ratio of deposits to net loans (%) <sup>1)</sup>	62.4	57.3	110.2	97.9
Total combined assets	2 473	2 395	1 737	1 615
Currency-adjusted loans to customers	1 318		731	
Currency-adjusted deposits from customers	822		798	

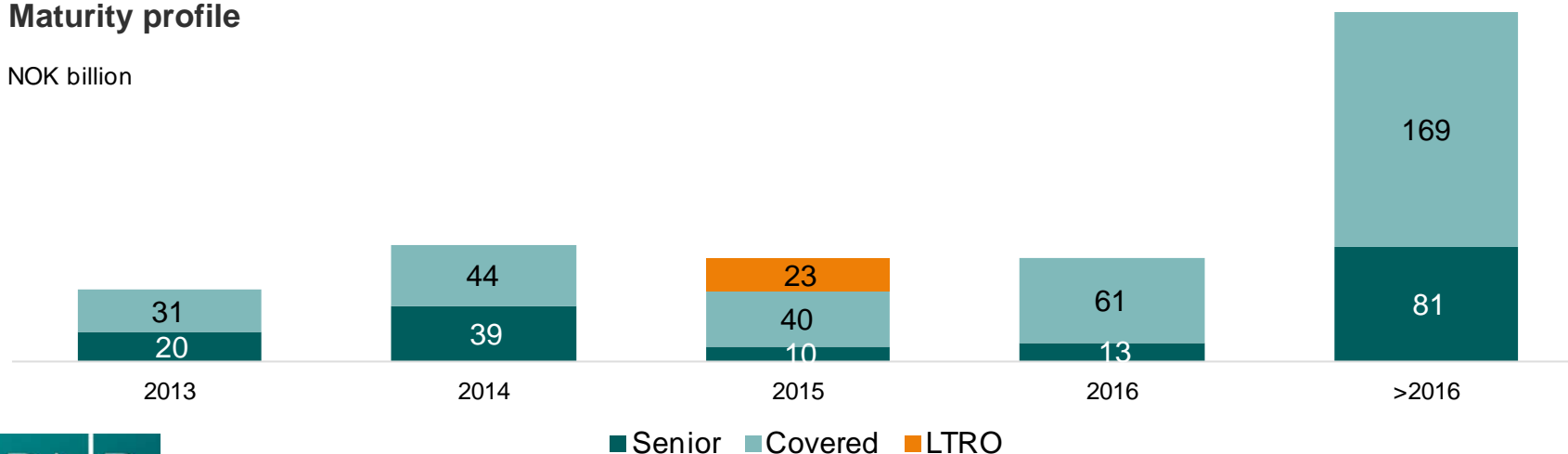
1) Excluding short-term money market deposits in DNB New York

## Good access to long-term funding

	NOK billion	Maturity	Spread (bp) 3-month Euribor	Spread (bp) 3-month Nibor
<b>Funding 2013:</b>				
Covered bonds	17.0	6.0	28	45
Senior bonds	0.0	0.0	-	-
<b>Total</b>	<b>17.0</b>	<b>6.0</b>	<b>28</b>	<b>45</b>
<b>Funding 2012:</b>				
Covered bonds	60.1	8.0	62	88
Senior bonds	42.2	6.9	171	194
<b>Total</b>	<b>102.3</b>	<b>7.6</b>	<b>107</b>	<b>132</b>
Subordinated loans	5.5	5.0	340	367
Total including subordinated loans	107.8	7.4	119	144
In addition: LTRO funding	9.0	3.0		

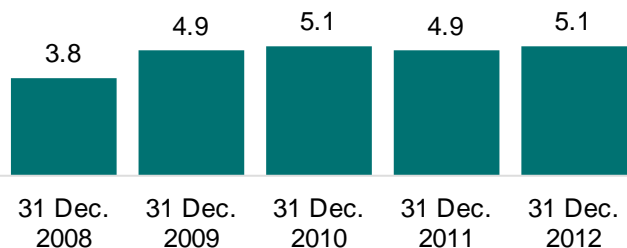
### Maturity profile

NOK billion

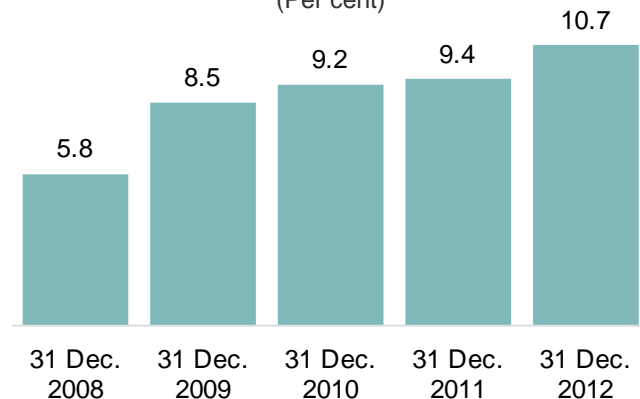


# Equity Tier 1 capital ratio

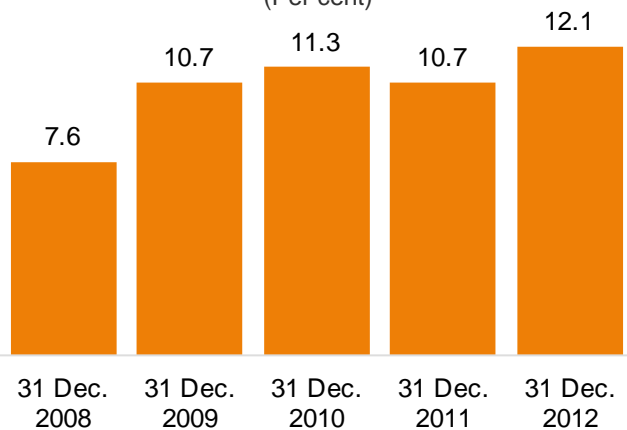
**Equity Tier 1/total assets  
"leverage ratio"**  
(Per cent)



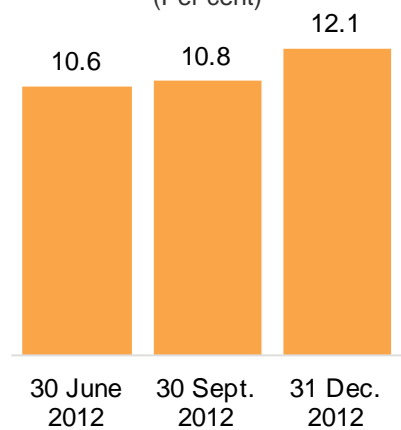
**Equity Tier 1 capital ratio  
transitional rules**  
(Per cent)



**Equity Tier 1 capital ratio subject to full  
IRB implementation**  
(Per cent)



**Equity Tier 1 capital ratio Basel III  
estimate**  
(Per cent)



# Capital adequacy figures as at 31 December 2012

## – comparison with Nordic peers

Per cent



1) DNB's risk weights are conservatively estimated based on the Norwegian FSA's requirements. The adjusted capital adequacy figure is estimated based on average observed risk weights for corresponding portfolios in Nordic Banks

## Future outlook – financial ambitions remain unchanged

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- Well positioned to meet expected regulatory requirements
- Continued increase in interest rate spreads
- Moderate growth in lending volumes
- Flat operating expenses
- Low impairment losses on loans; on a level with last year
- Further strengthening of Tier 1 capital

DNB

