

4

RESULTS DNB GROUP

Fourth quarter 2013

Rune Bjerke (CEO)

Bjørn Erik Næss (CFO)

DNB



Full year 2013

Pre-tax operating profit before impairment in NOK billion

24.7 (21.0)

Cost/income ratio in per cent

45.7 (49.1)

Return on equity in per cent

13.2 (11.7)

Common equity Tier 1 capital ratio in per cent (transitional rules)

11.8 (10.7)

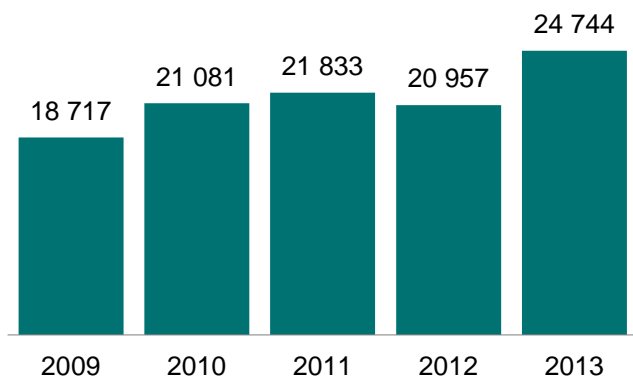
Proposed dividend in NOK

2.70 (2.10)

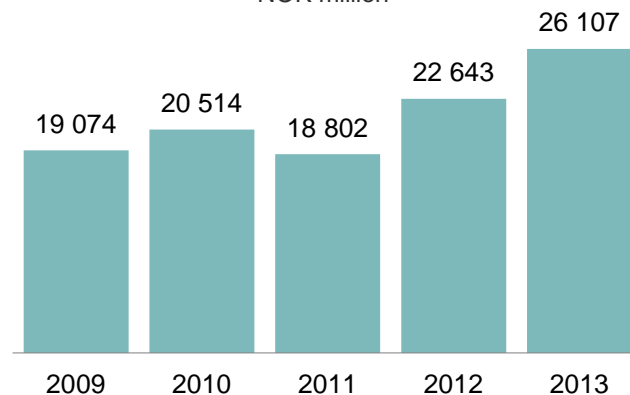
Figures in parentheses refer to 2012

Profit figures last five years

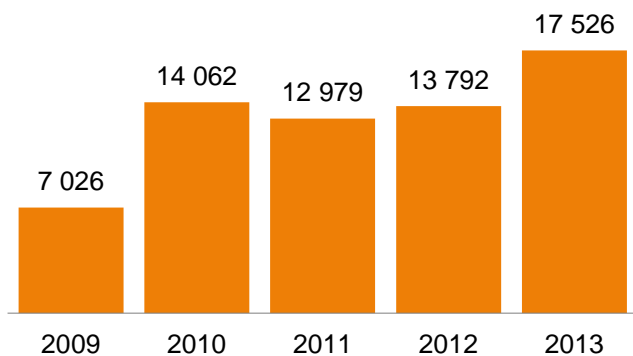
Pre-tax operating profit before impairment
NOK million



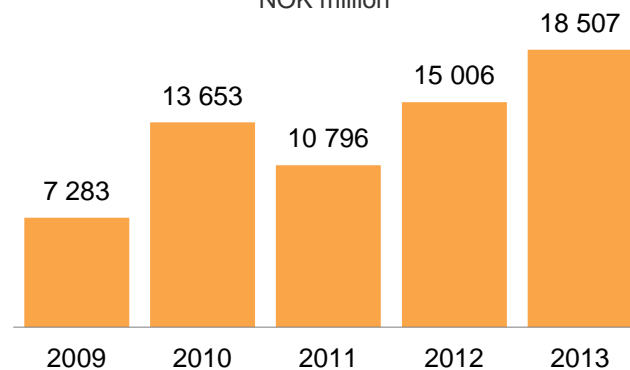
**Pre-tax operating profit before impairment
excl. basis swaps**
NOK million



Profit for the period
NOK million



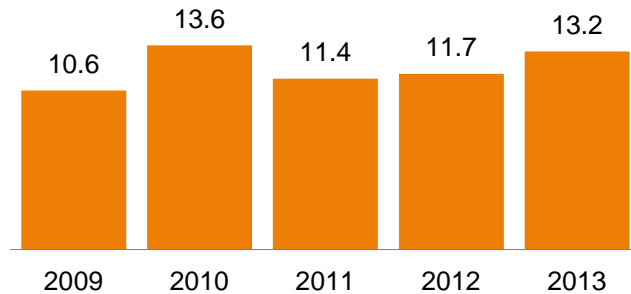
**Profit for the period
excl. basis swaps**
NOK million



Return on equity and cost/income ratio last five years

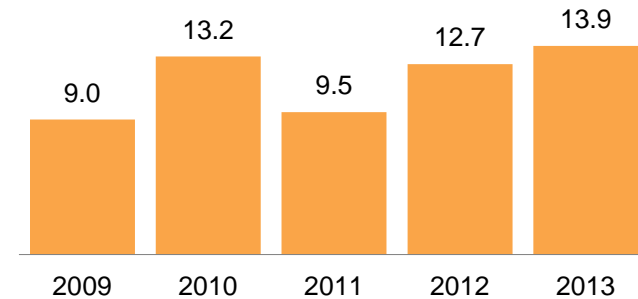
Return on equity

Per cent



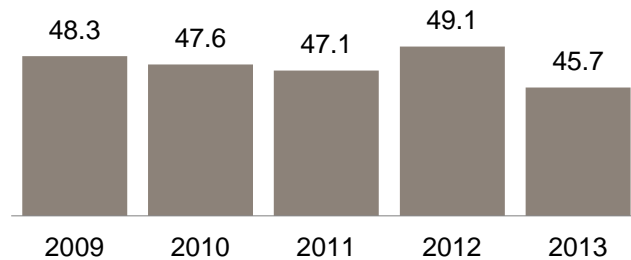
Return on equity excl. basis swaps

Per cent



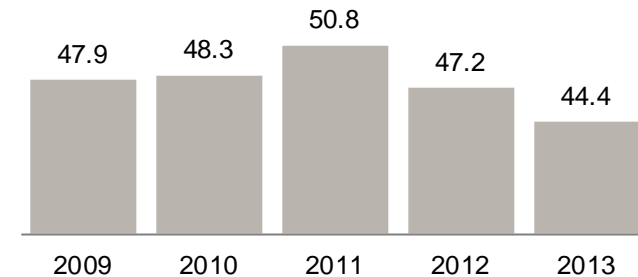
Cost/income ratio

Per cent



Cost/income ratio excl. basis swaps

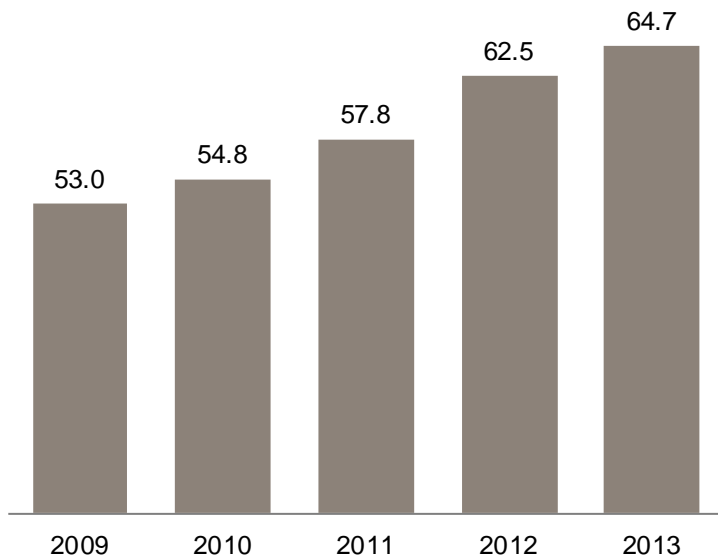
Per cent



Ratio of deposits to net loans, dividend and earnings per share

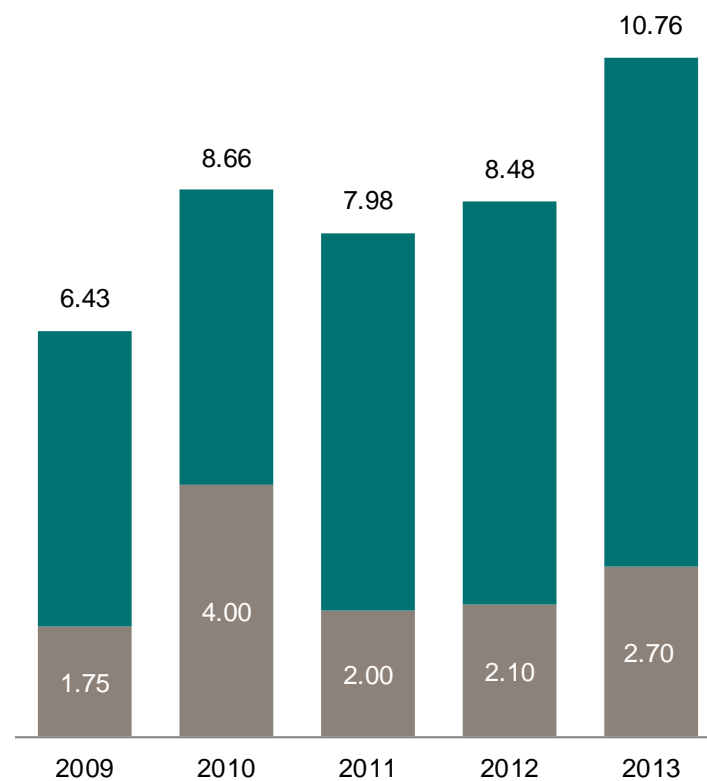
Ratio of deposits to net loans

Per cent



Dividend and earnings per share

NOK

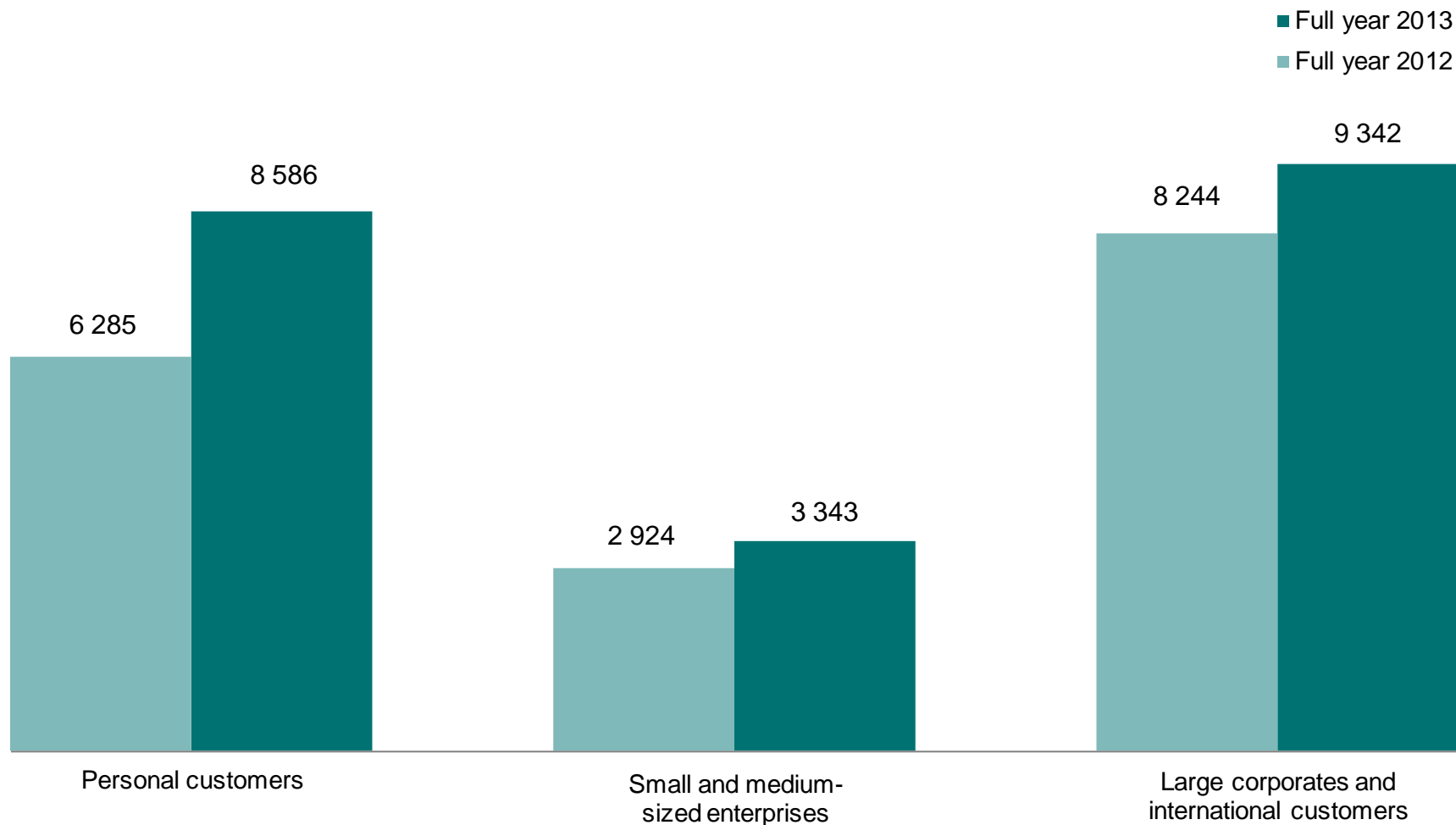


■ Dividend/proposed dividend ■ Earnings per share

Customer segments

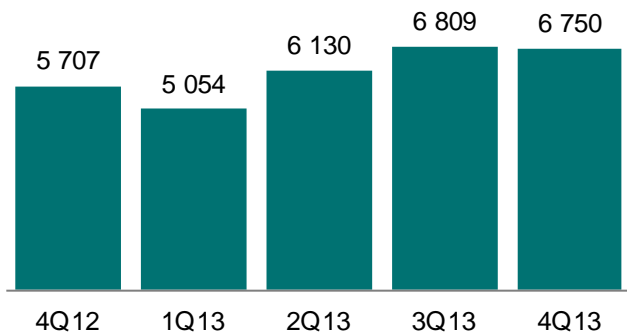
NOK million

Pre-tax operating profit after impairment

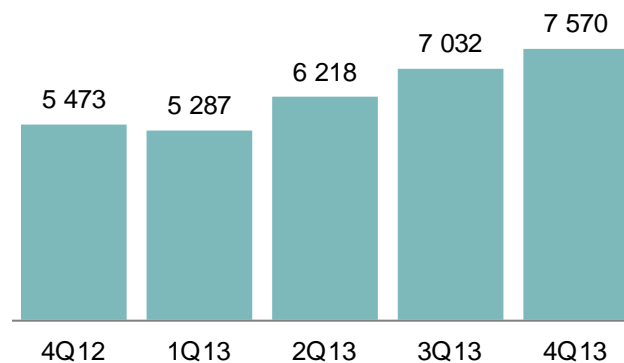


Profit figures per quarter

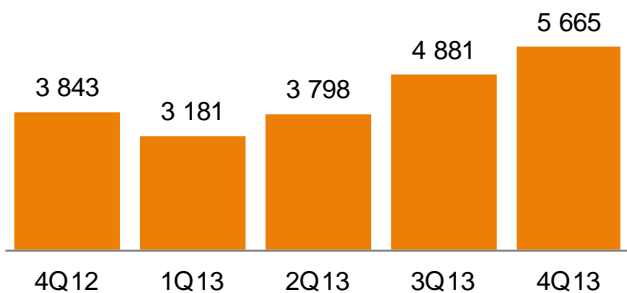
Pre-tax operating profit before impairment
NOK million



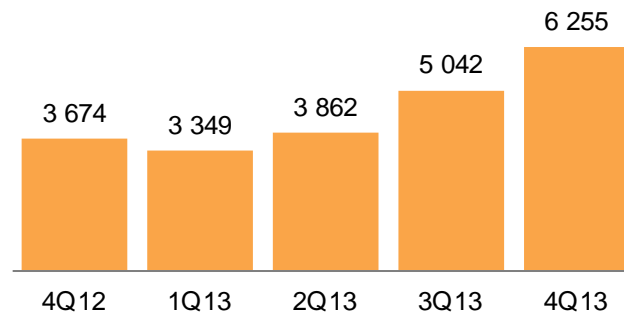
**Pre-tax operating profit before impairment
excl. basis swaps**
NOK million



Profit for the period
NOK million



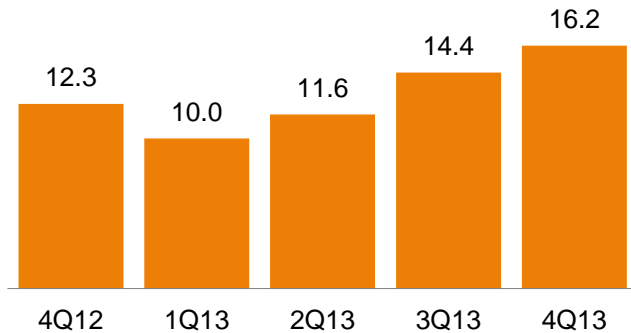
**Profit for the period
excl. basis swaps**
NOK million



Return on equity and cost/income ratio per quarter

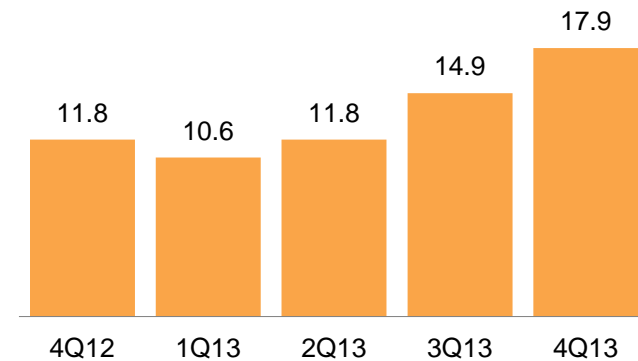
Return on equity

Per cent



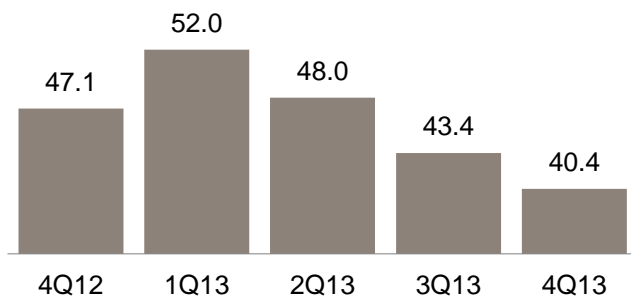
Return on equity excl. basis swaps

Per cent



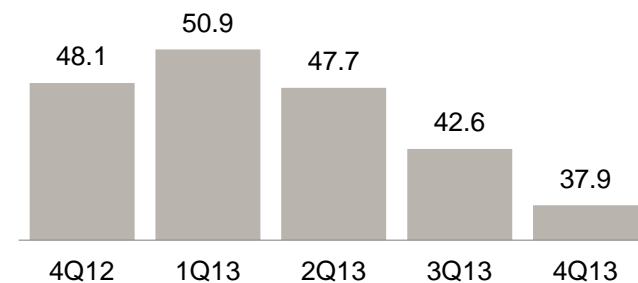
Cost/income ratio

Per cent



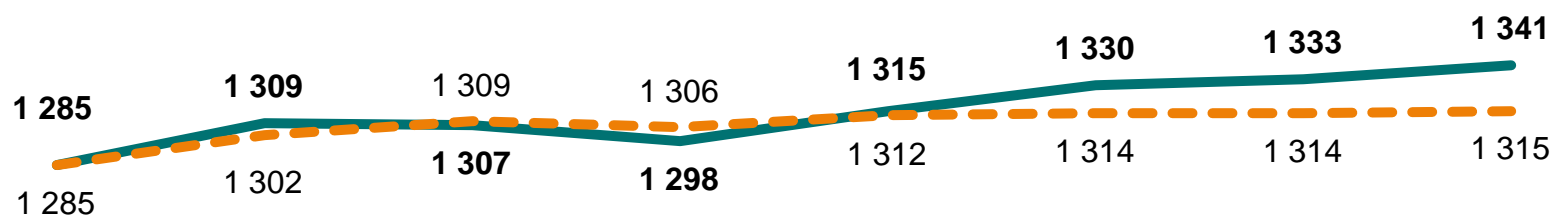
Cost/income ratio excl. basis swaps

Per cent



Development in loans

NOK billion



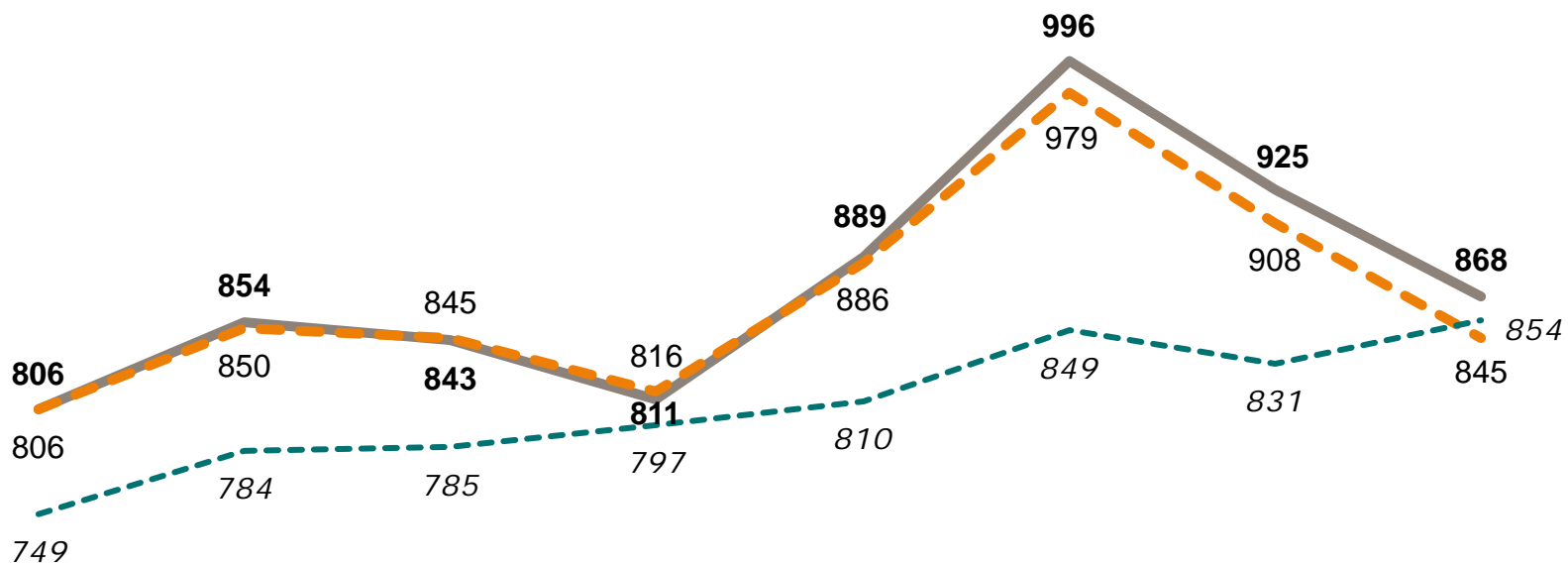
2012				2013			
31 March	30 June	30 Sept.	31 Dec.	31 March	30 June	30 Sept.	31 Dec.

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



Development in deposits

NOK billion



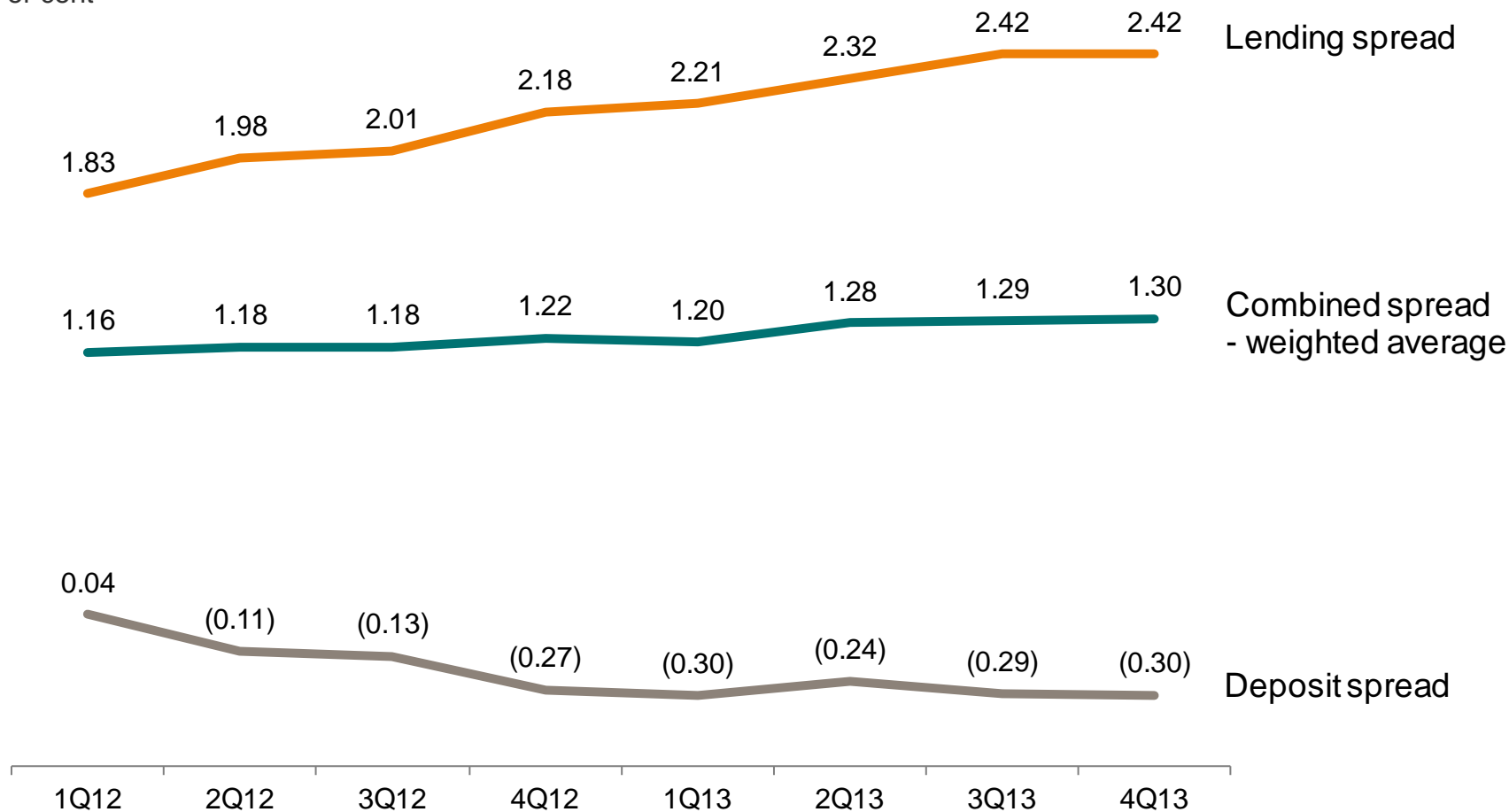
31 March	30 June	30 Sept.	31 Dec.	31 March	30 June	30 Sept.	31 Dec.
2012				2013			

— Deposits at end of period
- - - Deposits adjusted for exchange rate movements
- - - Deposits adjusted for short-term money market investments



Development in average interest rate spreads

Per cent



Income statement

Amounts in NOK million	4Q13	3Q13	2Q13	1Q13	4Q12	Full year 2013	Full year 2012
Net interest income	7 940	7 915	7 480	6 857	7 101	30 192	27 216
<i>Net commissions and fees, core business</i>	1 989	2 057	2 142	1 851	1 896	8 040	7 511
<i>Net financial items</i>	2 329	2 060	2 167	1 831	2 165	8 387	6 990
Net other operating income, total	4 318	4 117	4 310	3 682	4 061	16 427	14 501
Total income	12 258	12 032	11 790	10 539	11 162	46 619	41 717
Operating expenses	5 163	4 987	5 010	5 026	5 220	20 186	20 375
Restructuring costs and non-recurring effects	(212)	236	650	8	33	682	98
Expenses relating to debt-financed structured products	0	0	0	450	0	450	0
Impairment losses for goodwill and intangible assets	557	0	0	0	202	557	287
Pre-tax operating profit before impairment	6 750	6 809	6 130	5 054	5 707	24 744	20 957
Net gains on fixed and intangible assets	153	2	(9)	4	(65)	151	(1)
Impairment of loans and guarantees	36	475	937	737	1 190	2 185	3 179
Pre-tax operating profit	6 868	6 337	5 184	4 321	4 453	22 709	17 776
Taxes	1 212	1 448	1 379	1 149	614	5 188	4 081
Profit from operations held for sale, after taxes	9	(7)	(7)	10	4	4	96
Profit for the period	5 665	4 881	3 798	3 181	3 843	17 526	13 792

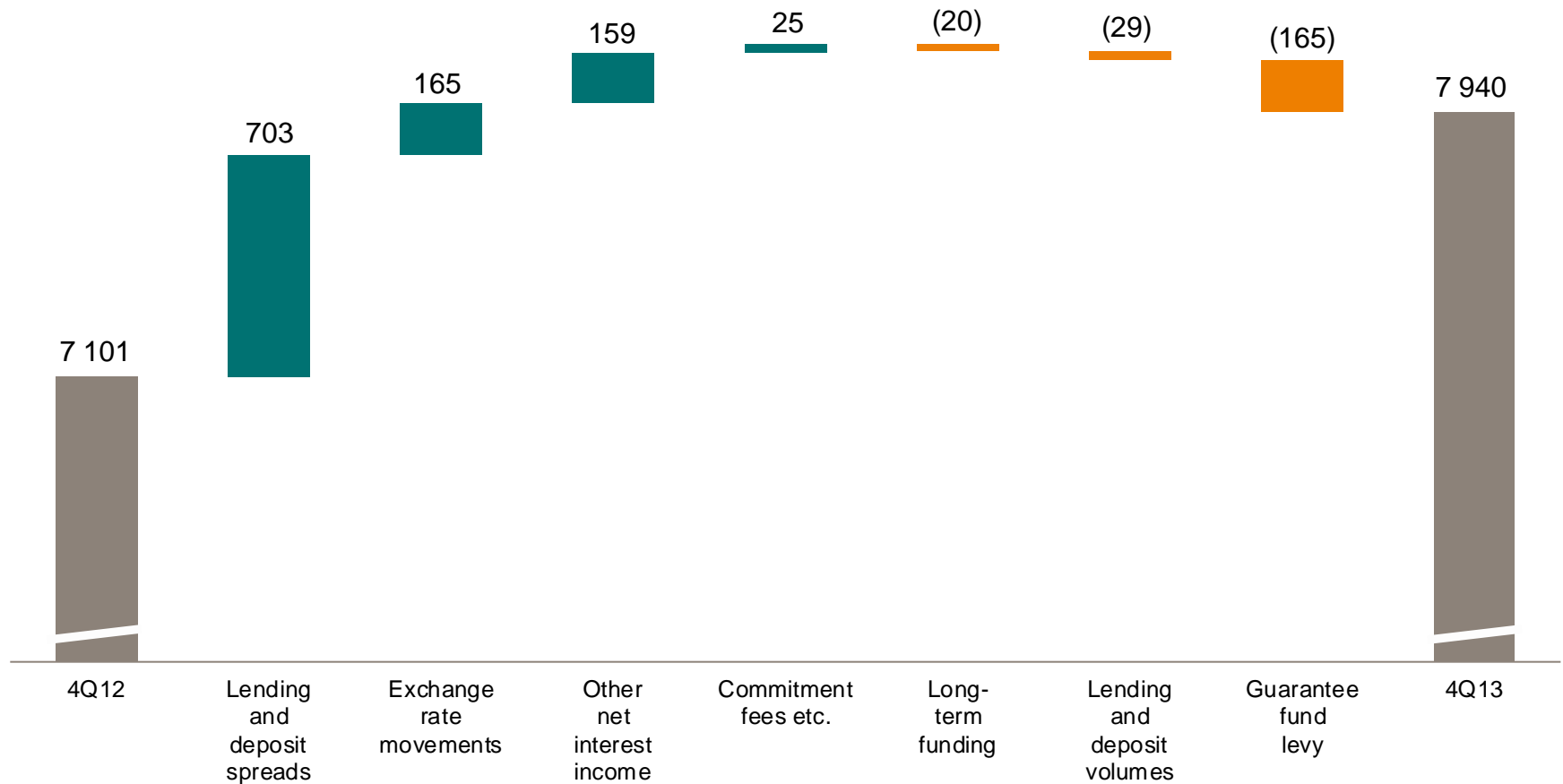
Special items

Amounts in NOK million	4Q13	3Q13	2Q13	1Q13	4Q12	Full year 2013	Full year 2012
Mark-to-market adjustments - basis swaps	(819)	(223)	(88)	(233)	235	(1 364)	(1 687)
Net mark-to-market adjustments - other items	(51)	83	(67)	32	95	(3)	426
Impairment losses for goodwill and intangible assets	557	0	0	0	202	557	287
Expenses relating to debt-financed structured products	0	0	0	450	0	450	0
Effect on pre-tax operating profit before impairment	(1 428)	(140)	(155)	(651)	128	(2 374)	(1 548)

Changes in net interest income

NOK million

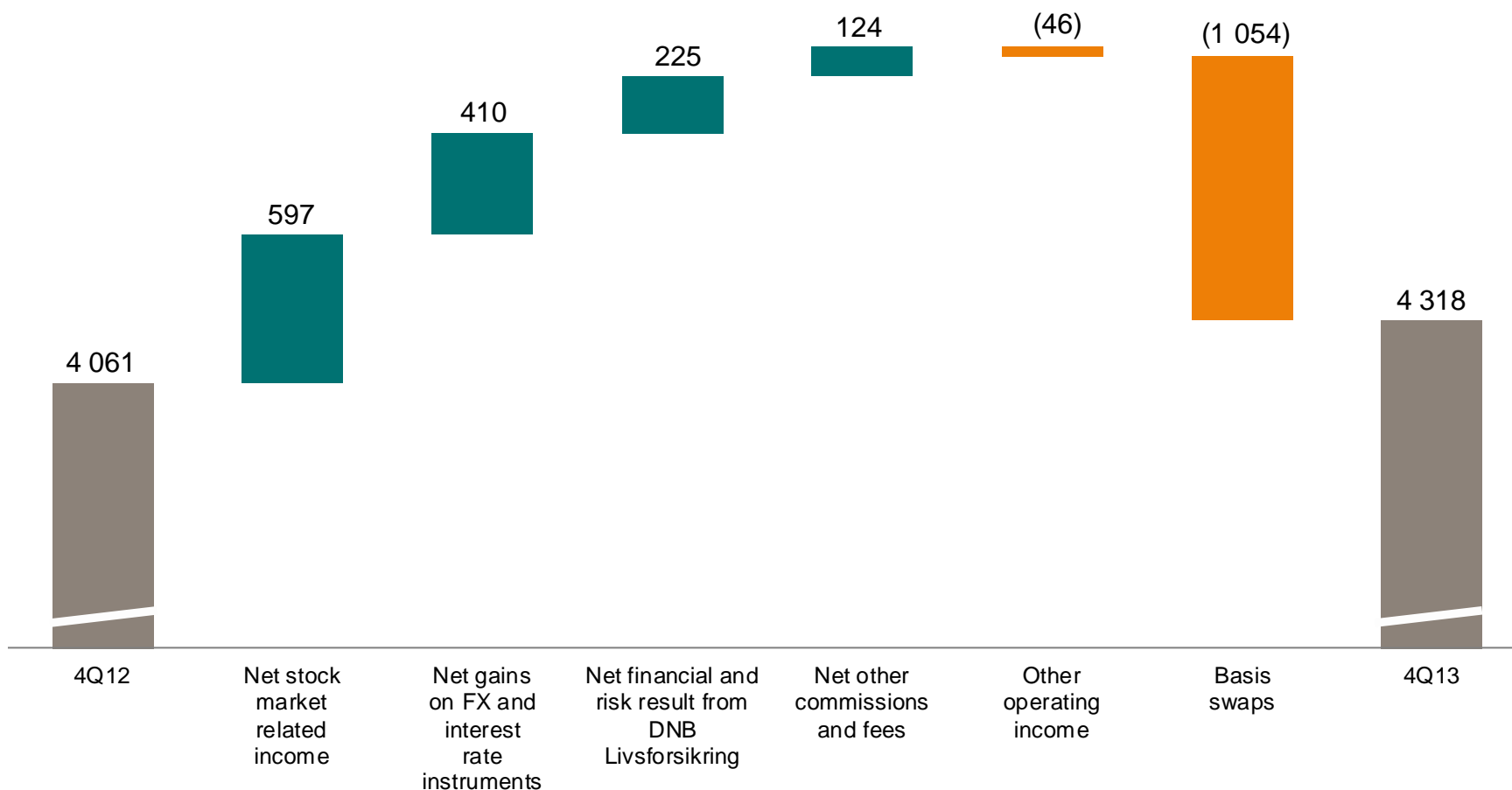
From 4th quarter 2012 to 4th quarter 2013



Changes in net other operating income

NOK million

From 4th quarter 2012 to 4th quarter 2013



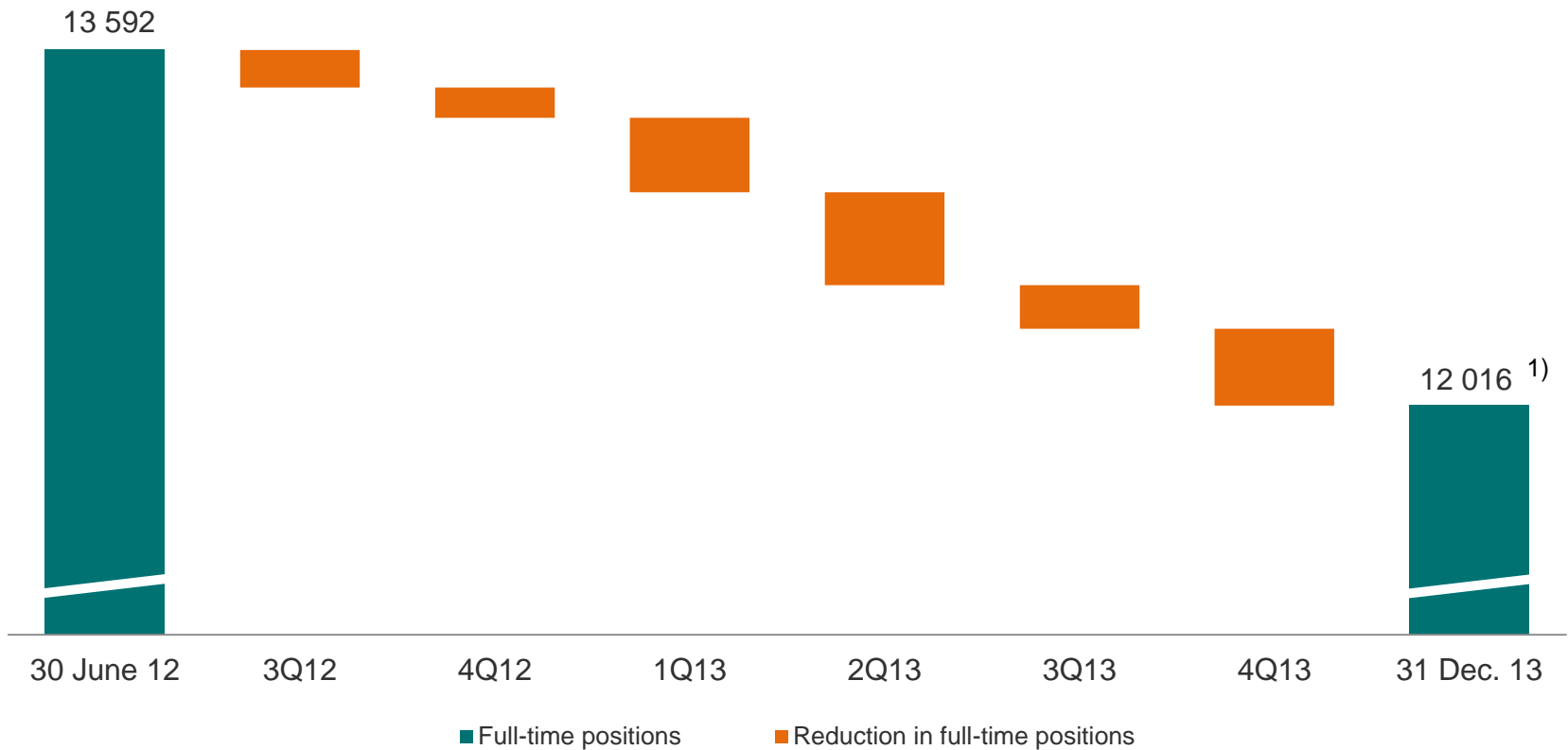
Changes in operating expenses – quarter

Amounts in NOK million	4Q13	Change	4Q12	Change in per cent
Total adjusted operating expenses	5 163	(57)	5 220	(1.1)
Income-related costs				
Ordinary depreciation on operational leasing		29		
Reclassifications		51		
Expenses directly related to operations				
Pension expenses		(157)		
Performance-based pay		68		
IT expenses		30		
Other cost reductions		(79)		
Non-recurring effects	345	110	235	
Restructuring costs - employees	41	(47)	88	
Other restructuring costs and non-recurring effects	(97)	(42)	(55)	
Reversal of provisions	(157)	(157)	0	
Impairment losses for goodwill and activated systems development	557	355	202	
Operating expenses	5 508	52	5 455	1.0

Changes in operating expenses – year-on-year

Amounts in NOK million	Full year 2013	Change	Full year 2012	Change in per cent
Total adjusted operating expenses	20 186	(189)	20 375	(0.9)
Income-related costs				
Ordinary depreciation on operational leasing		120		
Expenses directly related to operations				
Pension expenses		(265)		
IT expenses		285		
Properties/premises		(95)		
Marketing		(52)		
Performance-based pay		(52)		
Postage/telecommunications/office supplies		(46)		
Other cost reductions		(84)		
Non-recurring effects	1 690	1 304	385	
Restructuring costs - employees	598	467	131	
Other restructuring costs and non-recurring effects	240	338	(97)	
Provisions for debt-financed structured products	450	450	0	
Sale of SalusAnsvar	0	(64)	64	
Reversal of provisions	(157)	(157)	0	
Impairment losses for goodwill and activated systems development	557	270	287	
Operating expenses	21 875	1 115	20 760	5.4

Development in staff levels



1) The estimate presented on the CMD was 12 000 full-time positions at year-end 2014.

Impairment of loans and guarantees

Amounts in NOK million	4Q13	3Q13	2Q13	1Q13	4Q12	Full year 2013	Full year 2012
<i>Individual impairment:</i>							
Personal customers							
- Mortgage loans	36	15	17	9	7	77	111
- Consumer finance ¹⁾	37	38	121	88	74	284	332
Small and medium-sized enterprises ¹⁾	207	119	156	82	221	564	540
Large corporates and international customers							
- Nordic Corporates Division	67	32	61	(24)	27	136	(21)
- International Corporates Division	86	51	82	8	(18)	228	142
- Shipping, Offshore and Logistics Division	(271)	225	198	347	315	500	945
- Energy Division ¹⁾	(17)	2	66	1	192	52	230
- Baltics, Russia and Poland	93	189	83	105	133	471	635
- Other units	(3)	1	6	0	(2)	4	0
Total individual impairment	236	674	791	616	949	2 318	2 915
<i>Collective impairment:</i>							
DNB excl. Baltics, Russia and Poland	(171)	(174)	173	159	280	(13)	436
Baltics, Russia and Poland	(29)	(25)	(27)	(38)	(39)	(119)	(171)
Total collective impairment of loans	(200)	(199)	146	121	241	(133)	265
Impairment of loans and guarantees	36	475	937	737	1 190	2 185	3 179

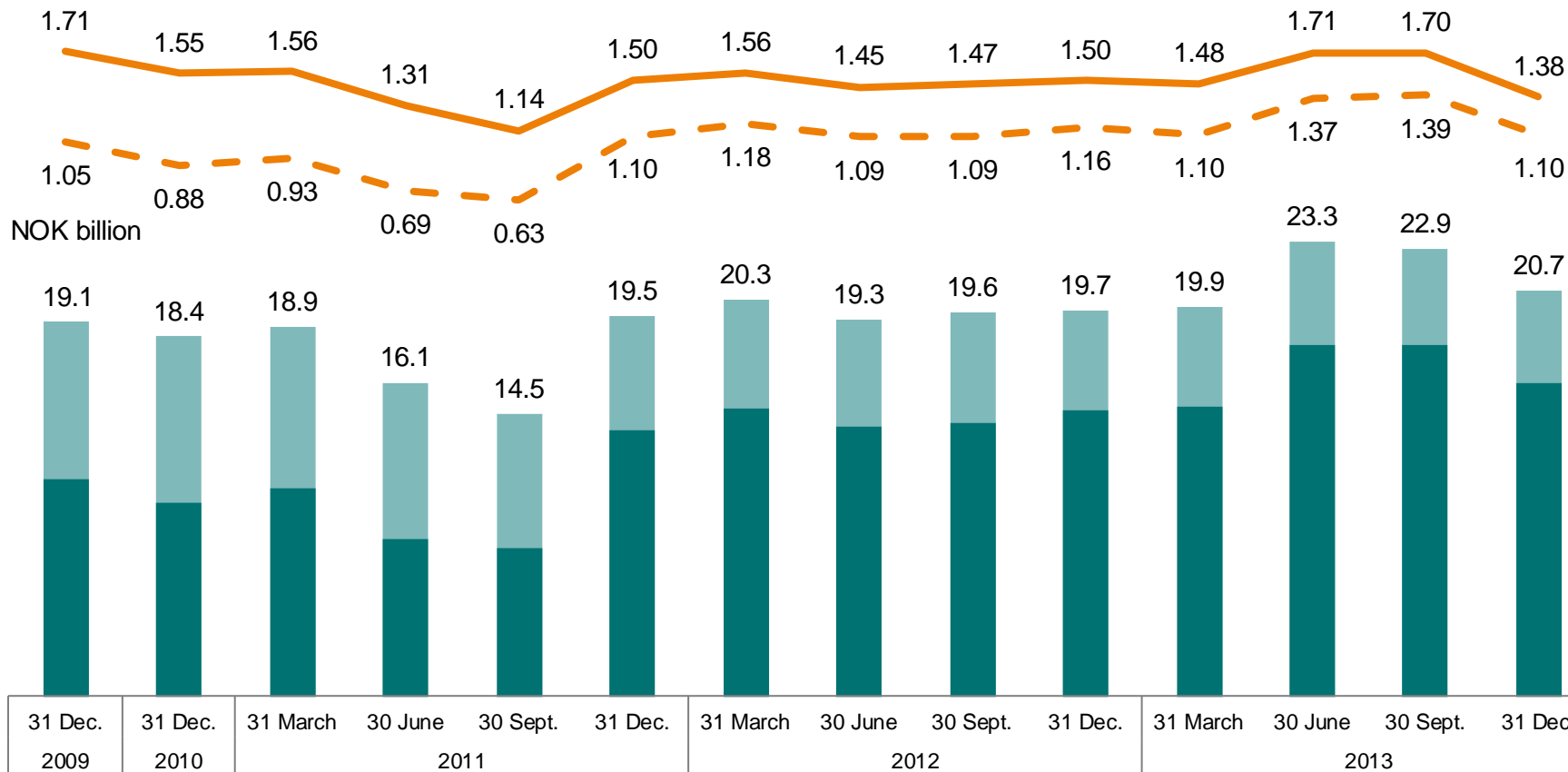
1) Impairment for the fourth quarter of 2013 reflects redistributions between the segments in previous quarters in 2013. Impairment figures for Personal customers, Small and medium-sized enterprises and Large corporates and international customers segments have thus been reduced by NOK 54 million, increased by NOK 70 million and reduced by NOK 16 million, respectively, in the fourth quarter

Impairment in per cent of loans

Per cent	4Q13	3Q13	2Q13	1Q13	4Q12	Full year 2013	Full year 2012
Total impairment in relation to average volumes (annual basis)	0.01	0.14	0.29	0.23	0.36	0.17	0.24
- DNB excl. Baltics and Poland	(0.01)	0.10	0.28	0.22	0.37	0.14	0.23
- Baltics and Poland	0.44	1.18	0.47	0.51	0.27	0.65	0.48

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

Per cent



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

- Baltics and Poland
- DNB Group excl. Baltics and Poland
- As a percentage of net loans
- - - As a percentage of net loans excl. Baltics and Poland



Balance sheets

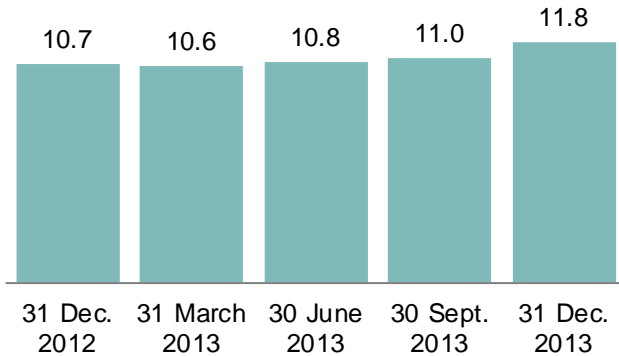
	DNB Group		DNB Bank ASA	
	31 Dec. 2013	31 Dec. 2012	31 Dec. 2013	31 Dec. 2012
Amounts in NOK billion				
Deposits with central banks	167	299	163	296
Due from credit institutions	181	37	399	209
Loans to customers	1 341	1 298	680	714
Other assets	701	686	583	574
Total assets	2 389	2 320	1 826	1 792
Due to credit institutions	234	251	281	283
Deposits from customers	868	811	849	787
Short-term debt securities issued	184	244	184	244
Long-term debt securities issued	528	464	169	171
Other liabilities and provisions	434	422	228	202
Equity	142	127	115	105
Total liabilities and equity	2 389	2 320	1 826	1 792
Ratio of deposits to net loans (%)	64.7	62.5	124.9	110.3
Adjusted ratio of deposits to net loans (%) ¹⁾	63.7	61.4	122.9	108.4
Total combined assets	2 640	2 528	1 826	1 792
Currency-adjusted loans to customers	1 307		654	
Currency-adjusted deposits from customers	841		826	

1) Excluding short-term money market deposits

Common equity Tier 1 capital ratio ¹⁾

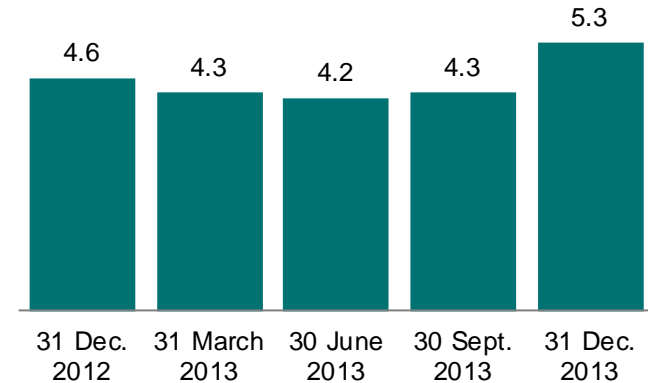
CET1 transitional rules

Per cent



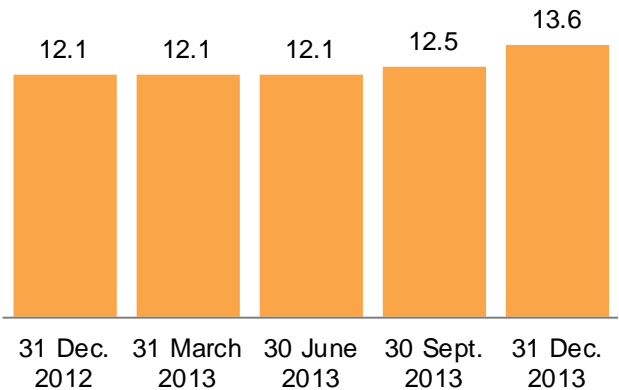
Leverage ratio Basel III ²⁾

Per cent



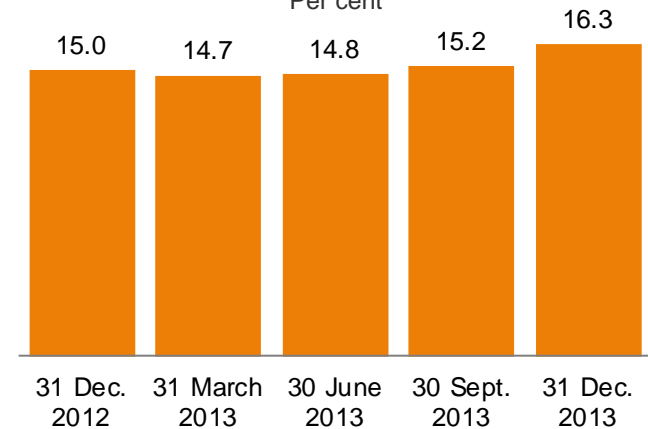
CET1 Basel III estimate

Per cent



Basel III applying average weights used by Swedish banks ³⁾

Per cent



1) Including 50 per cent of profit for the period, except for the full year figures

2) Calculated according to CRD IV rules

3) Estimated common equity Tier 1 capital ratio according to Basel III, applying average weights used by Swedish banks

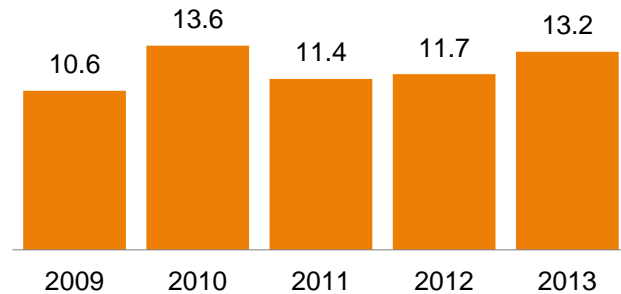
On track towards reaching our target

Target

Return on equity
over 12 per cent

Return on equity

Per cent

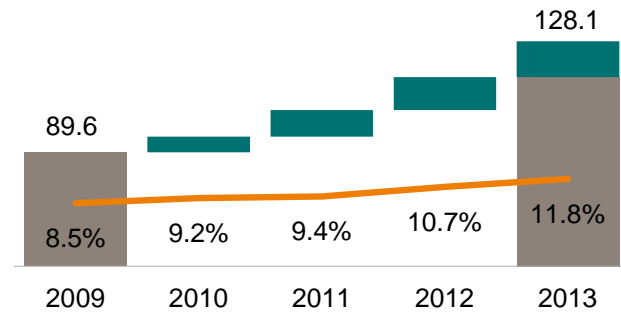


Requirement

CET1 capital ratio
13.5-14.0 per cent

Capital accumulation and CET 1 capital ratio

NOK billion



Annual capital accumulation
CET 1 capital
CET 1 capital ratio

