

FIRST QUARTER 2016

Q1

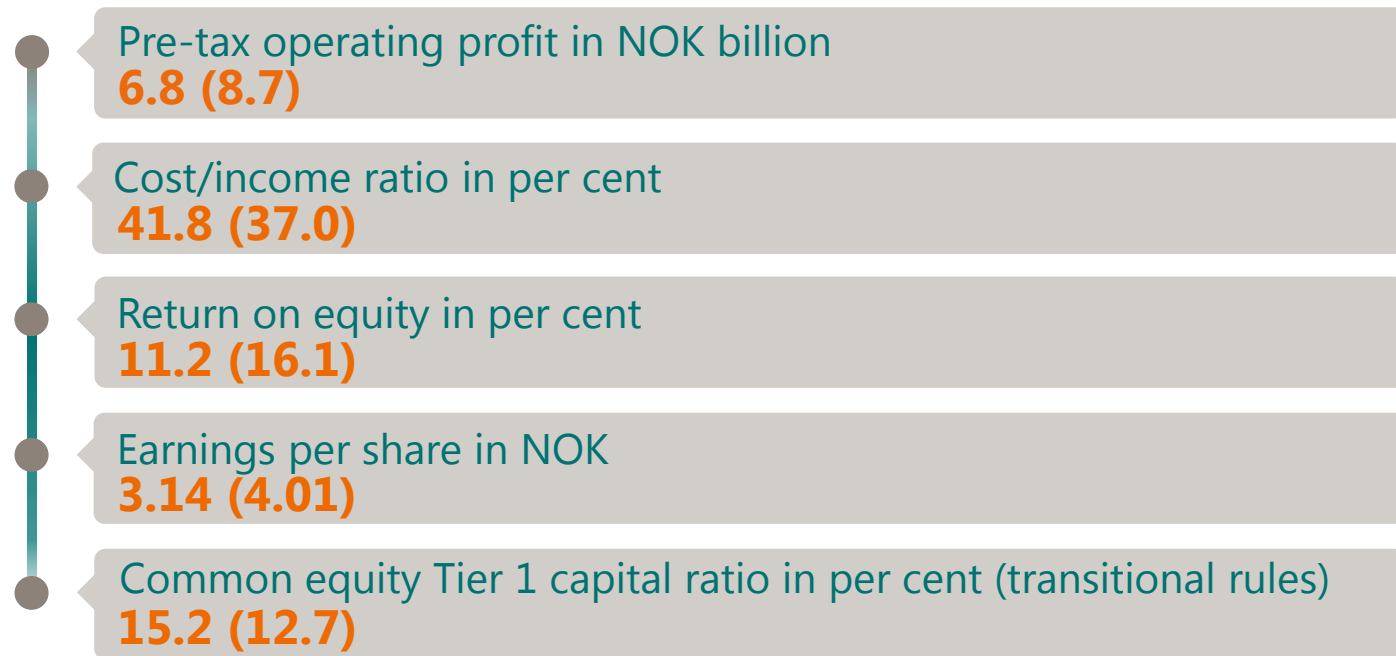
RESULTS DNB GROUP

Rune Bjerke (CEO)
Bjørn Erik Næss (CFO)

28.04.2016



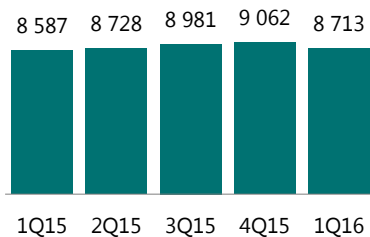
First quarter 2016



Profit development

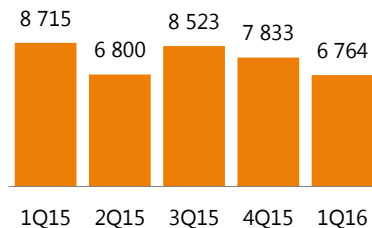
Net interest income

NOK million



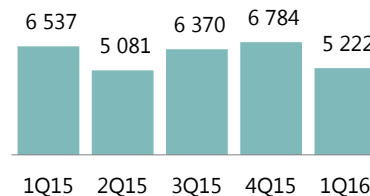
Pre-tax operating profit

NOK million



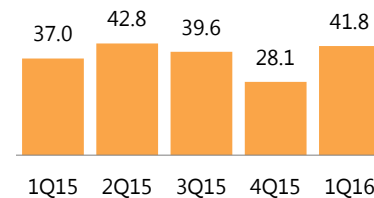
Profit for the period

NOK million



Cost/income ratio

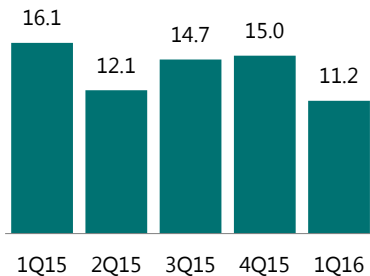
Per cent



Key performance indicators

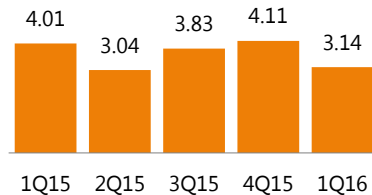
Return on equity ¹⁾

Per cent



Earnings per share

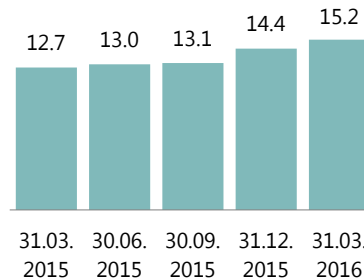
NOK



CET 1 capital ratio ²⁾

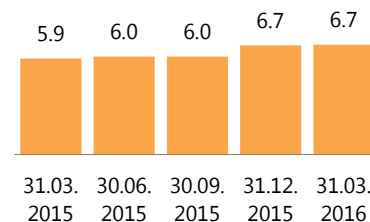
Transitional rules

Per cent



Leverage Ratio ²⁾

Per cent

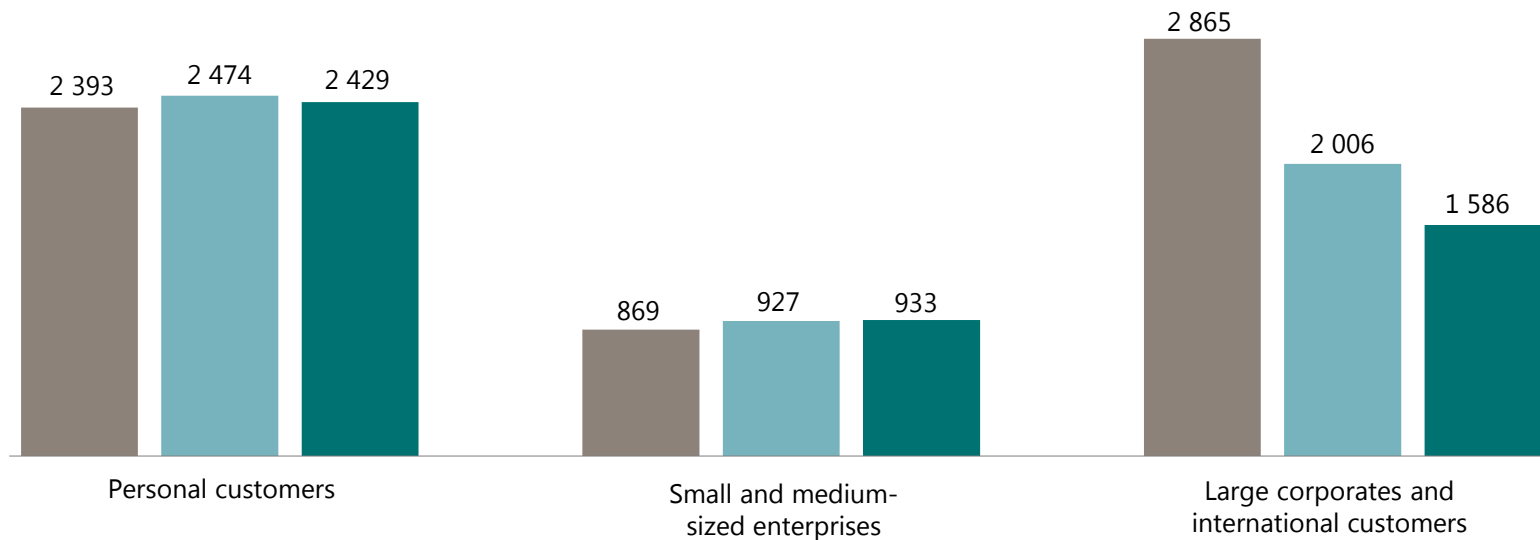


Customer segments

■ 1Q16
■ 4Q15
■ 1Q15

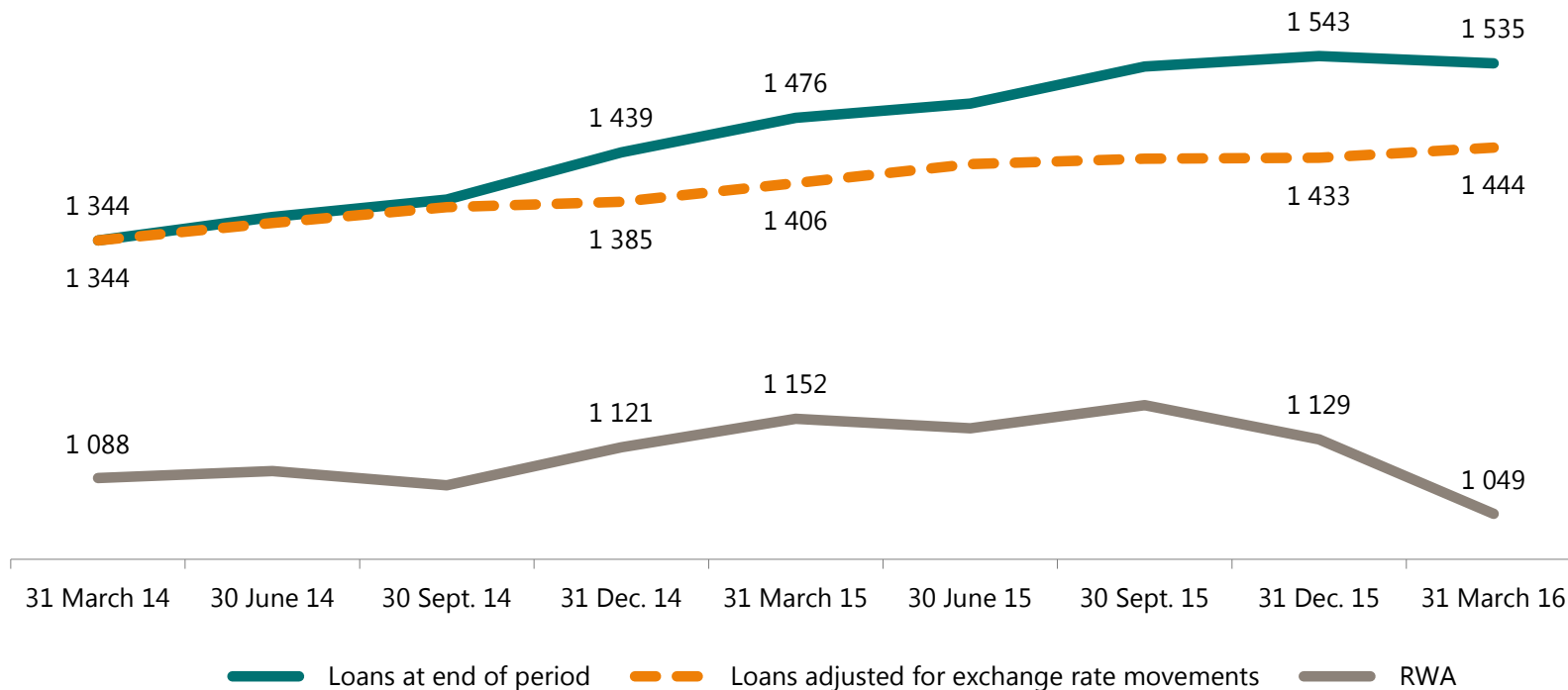
NOK million

Pre-tax operating profit after impairment



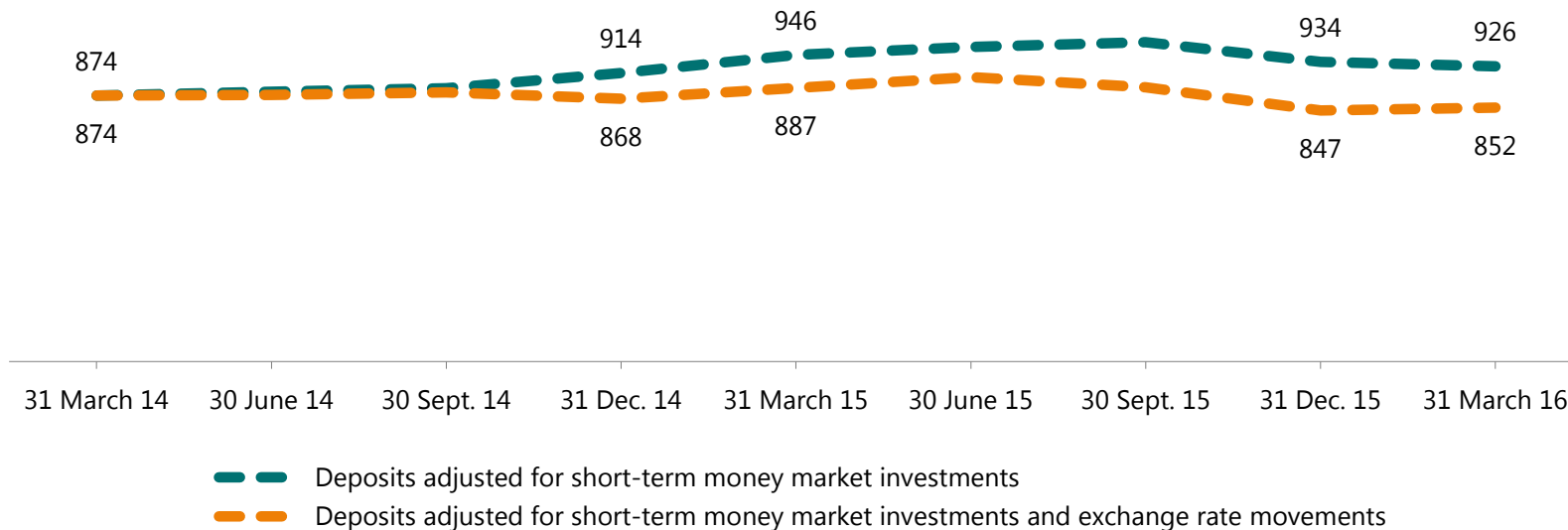
Development in loans and risk-weighted assets

NOK billion



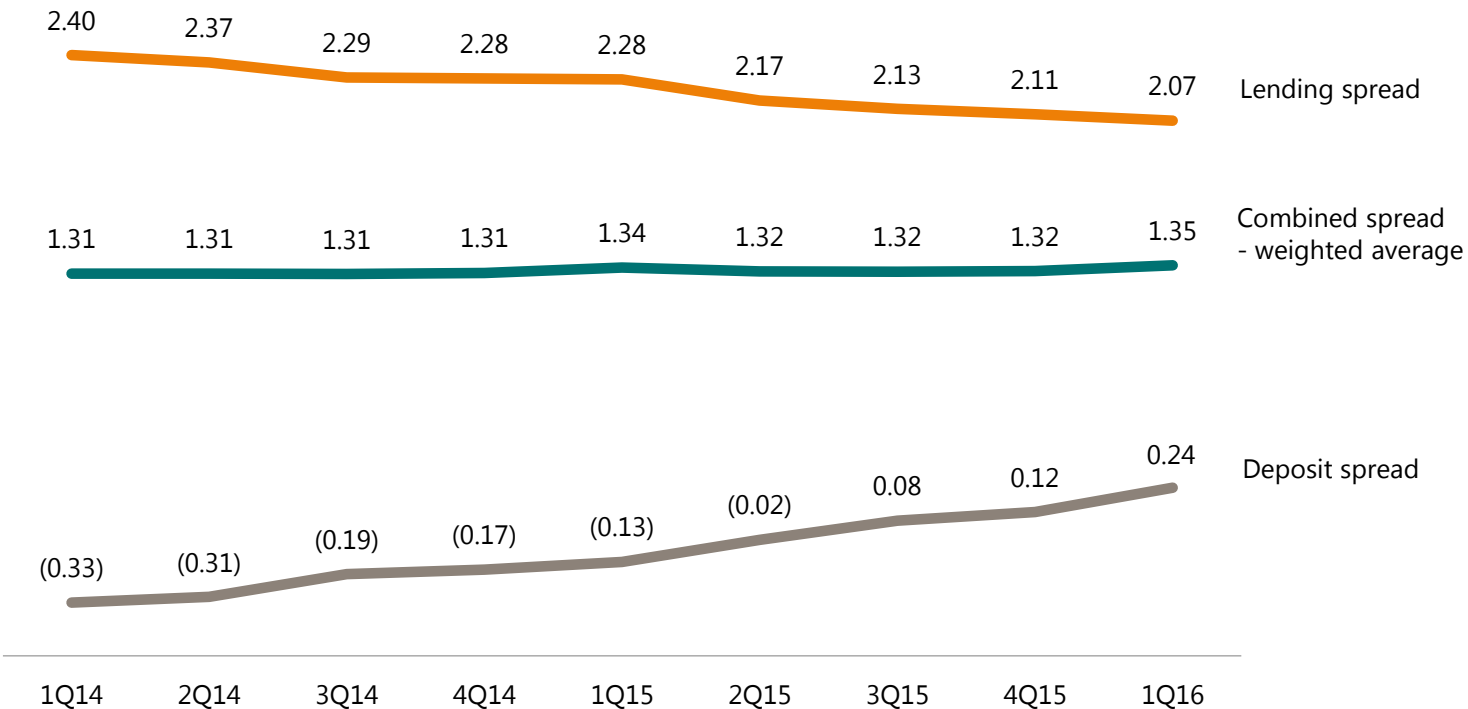
Development in deposits – adjusted for short-term money market investments

NOK billion



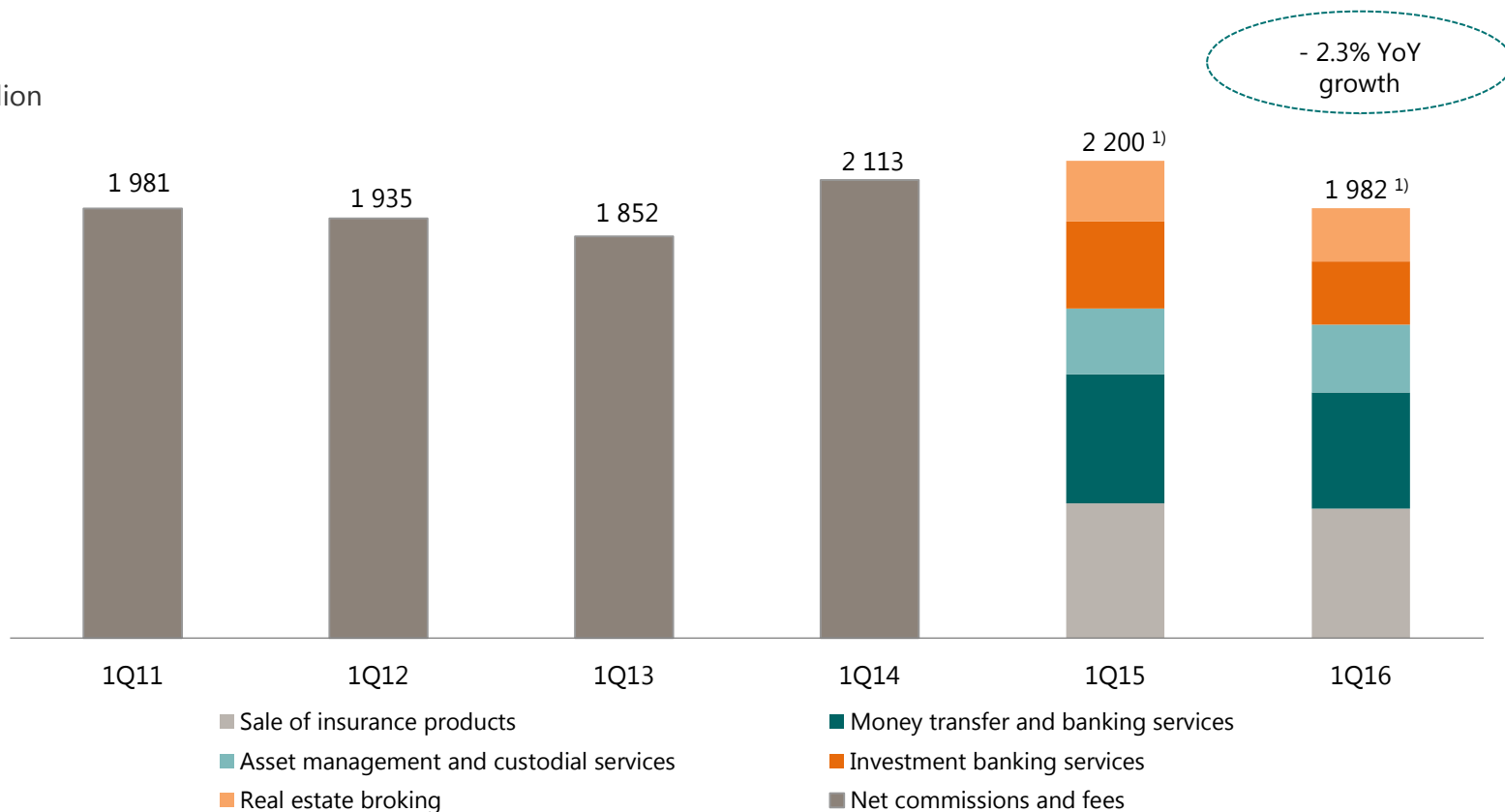
Development in average interest rate spreads – customer segments

Per cent



Development in commissions and fees

NOK million



Income statement

Amounts in NOK million	1Q16	4Q15	1Q15
Net interest income	8 713	9 062	8 587
<i>Net commissions and fees</i>	1 991	2 082	2 212
<i>Net gains on financial instruments at fair value</i>	2 384	2 164	3 400
<i>Net financial and risk result, DNB Livsforsikring</i>	112	(681)	53
<i>Net insurance result, DNB Forsikring</i>	115	132	104
<i>Other operating income</i>	340	129	361
Net other operating income, total	4 942	3 825	6 130
Total income	13 655	12 888	14 716
Operating expenses	(5 157)	(5 437)	(5 215)
Restructuring costs and non-recurring effects	(553)	1 811	(223)
Pre-tax operating profit before impairment	7 945	9 262	9 278
Net gains on fixed and intangible assets	(6)	(9)	12
Impairment of loans and guarantees	(1 174)	(1 420)	(575)
Pre-tax operating profit	6 764	7 833	8 715
Tax expense	(1 529)	(1 077)	(2 131)
Profit from operations held for sale, after taxes	(13)	28	(47)
Profit for the period	5 222	6 784	6 537
Profit attributable to shareholders	5 107	6 658	6 523

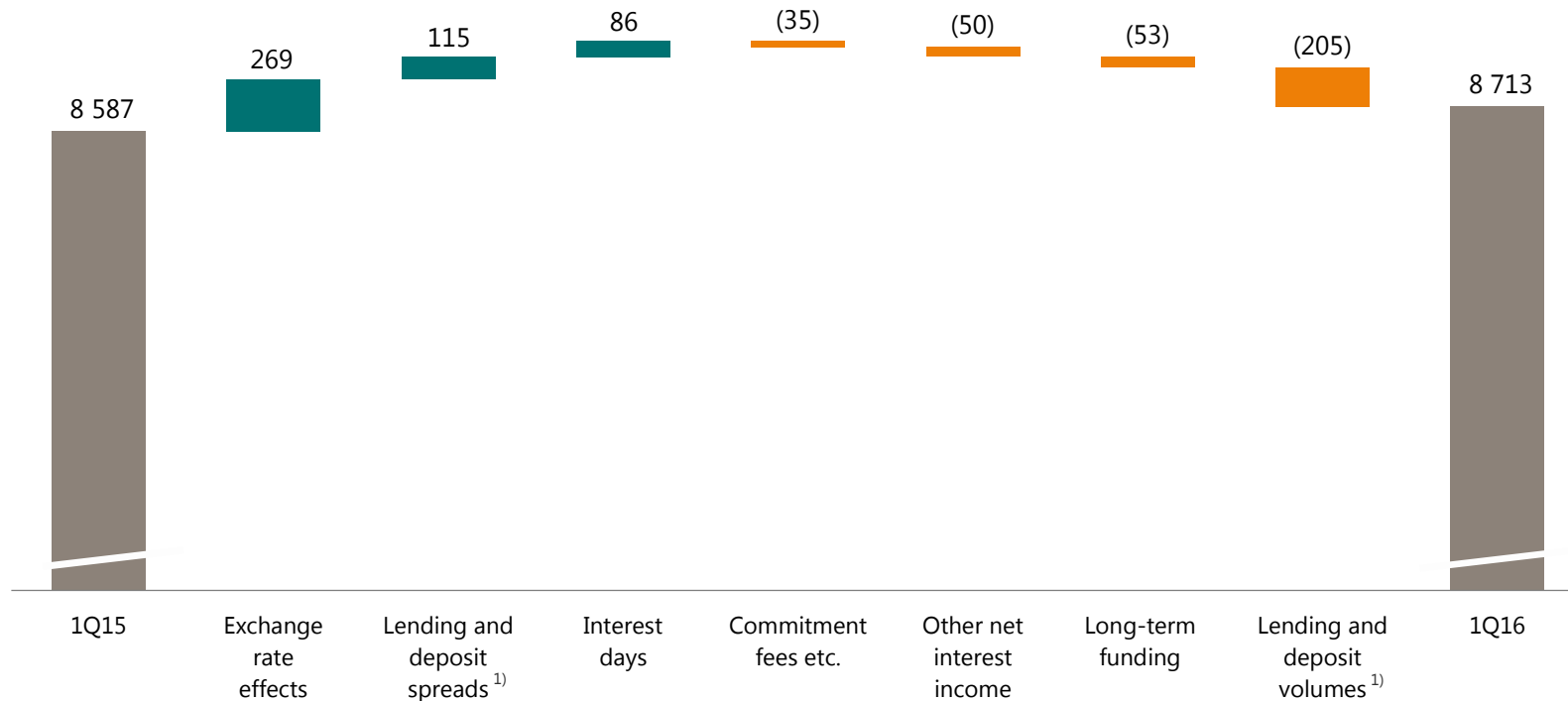
Net gains on financial instruments

Amounts in NOK million	1Q16	4Q15	1Q15	4Q15 - 1Q16	1Q15 - 1Q16
Customer revenues in DNB Markets	562	628	622	(67)	(60)
Trading revenues in DNB Markets (excl. CVA/DVA and credit spread effects)	464	782	510	(318)	(46)
Credit spread effects on bonds in DNB Markets	(114)	(235)	140	121	(254)
Financial guarantees	194	187	227	7	(32)
Basis swaps	1 003	(4)	1 810	1 008	(807)
CVA/DVA	(93)	367	(24)	(460)	(69)
Other mark-to-market adjustments	368	439	115	(71)	253
Net gains on financial instruments at fair value	2 384	2 164	3 400	221	(1 016)

Changes in net interest income

NOK million

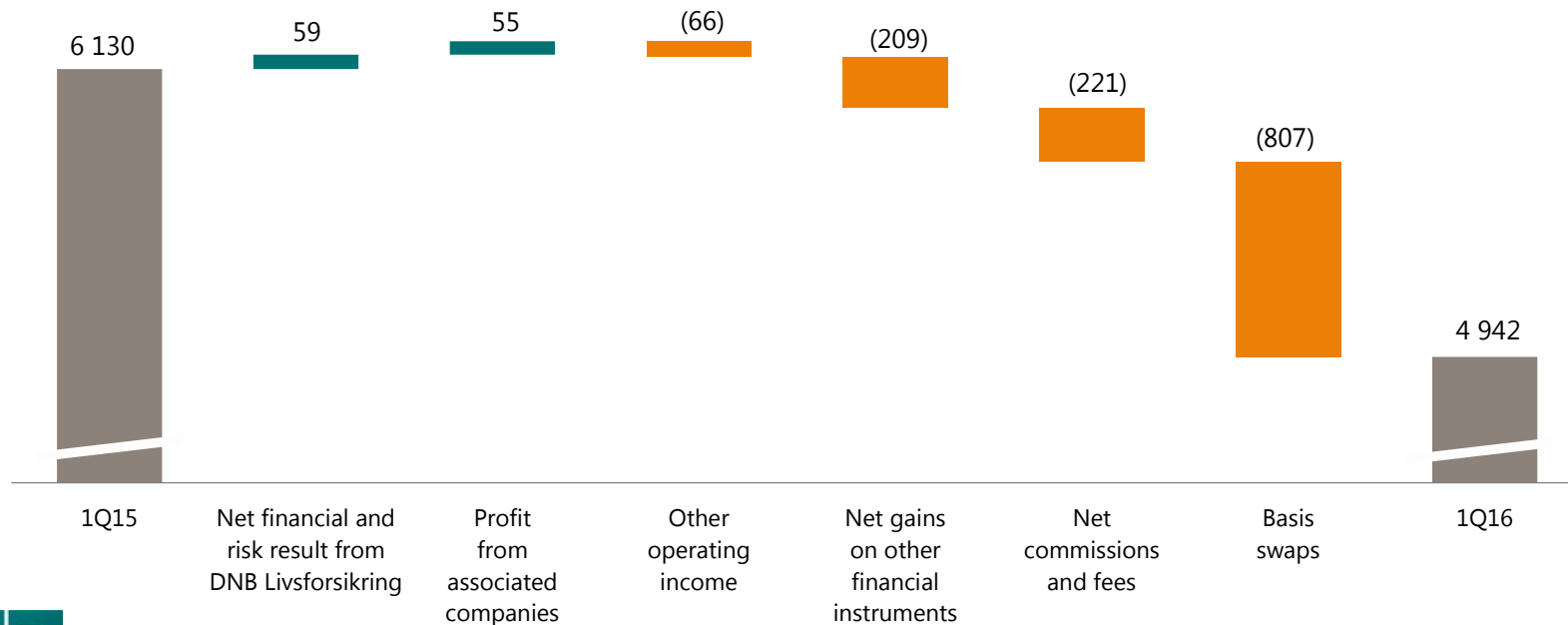
From 1st quarter 2015 to 1st quarter 2016



Changes in net other operating income

NOK million

From 1st quarter 2015 to 1st quarter 2016



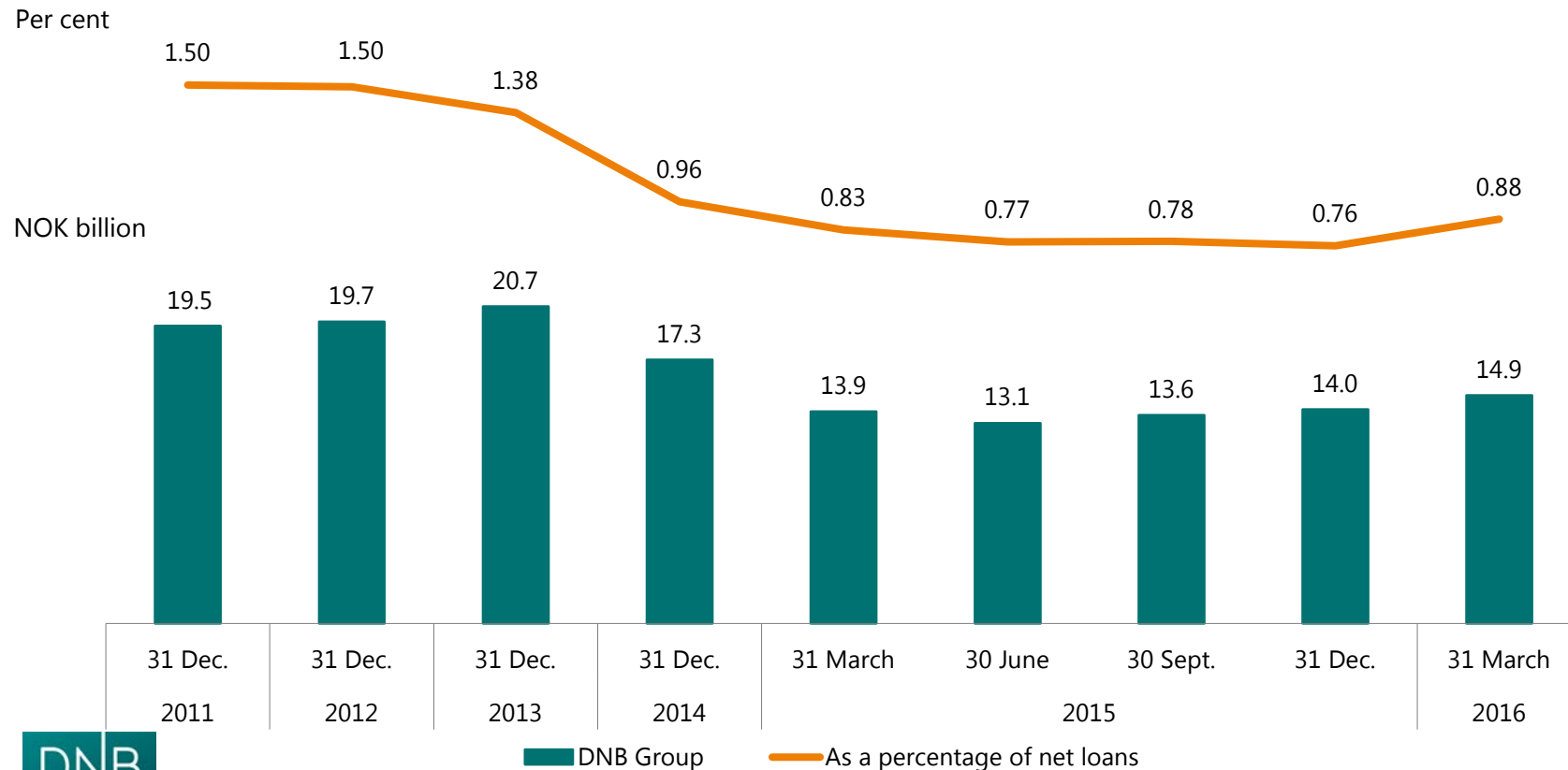
Changes in operating expenses

Amounts in NOK million	1Q16	Change	1Q15
Total adjusted operating expenses	(5 157)	58	(5 215)
Of which :			
Exchange rate effects for units outside Norway		(101)	
Currency-adjusted operating expenses	(5 057)	159	(5 215)
Total adjusted operating expenses	(5 157)	58	(5 215)
Income-related costs			
Ordinary depreciation on operational leasing		(19)	
Expenses directly related to operations			
Pension expenses		(42)	
IT expenses		47	
Marketing		43	
Other costs		30	
Non-recurring effects	(553)	(330)	(223)
Restructuring costs, employees	(393)	(343)	(50)
Other restructuring costs and non-recurring effects	(160)	(96)	(64)
IT restructuring	0	108	(108)
Operating expenses	(5 711)	(273)	(5 438)

Impairment of loans and guarantees

Amounts in NOK million	1Q16	4Q15	1Q15
Personal customers	432	24	34
- Mortgage loans	531	116	81
- Consumer finance	(99)	(92)	(46)
Small and medium-sized enterprises	(231)	(341)	(308)
Large corporates and international customers	(728)	(686)	(256)
- Nordic Corporates Division	6	12	15
- International Corporates Division	(7)	(72)	39
- Shipping, Offshore and Logistics Division	(610)	(382)	(242)
- Energy Division	(81)	(173)	(12)
- Baltics and Poland	(36)	(58)	(50)
- Other units	0	(12)	(7)
Total individual impairment	(528)	(1 002)	(530)
Total collective impairment of loans	(646)	(418)	(44)
Impairment of loans and guarantees	(1 174)	(1 420)	(575)
Total impairment in relation to average volumes (annualised)	(0.31)	(0.37)	(0.16)

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

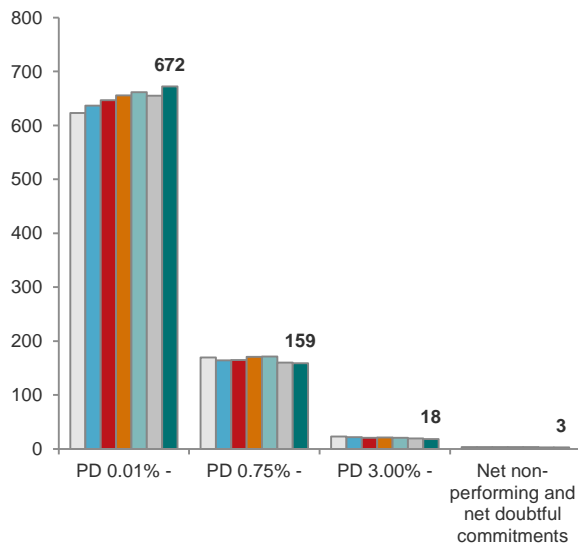


¹⁾ Includes non-performing commitments and commitments subject to individual impairment. Accumulated individual impairment is deducted.

Risk classification of portfolios

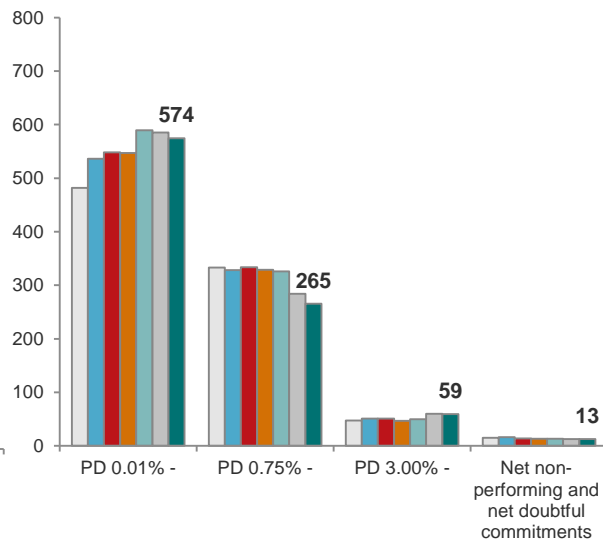
Personal customers

EAD in NOK billion



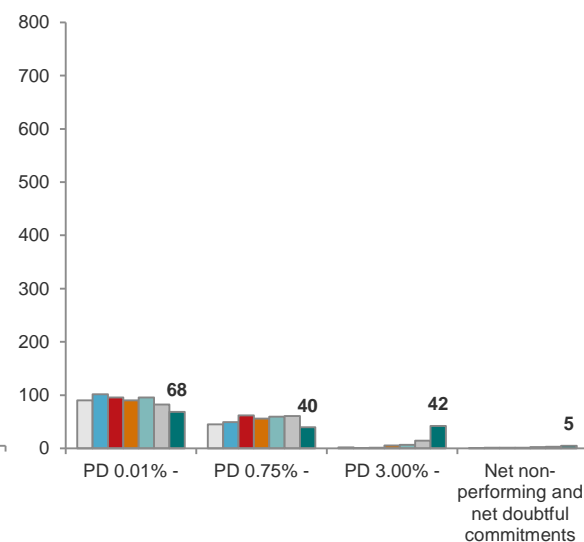
Corporate customers ex. oil related portfolio

EAD in NOK billion



Oil related portfolio

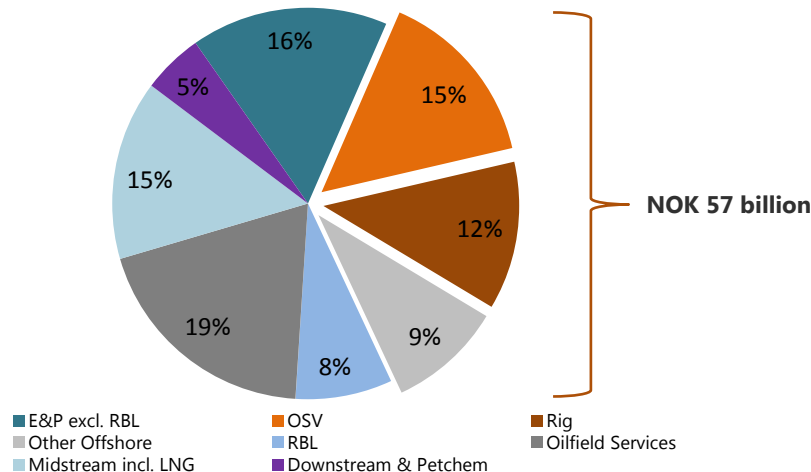
EAD in NOK billion



■ 30 Sept. 2014
 ■ 31 Dec. 2014
 ■ 31 March 2015
 ■ 30 June 2015
 ■ 30. sept. 2015
 ■ 31 Dec. 2015
 ■ 31 March 2016

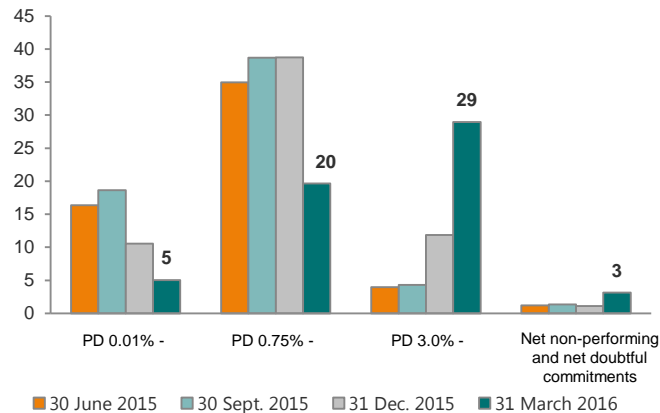
Offshore supply vessels and rig portfolios remain challenging, with negative migration

Oil-related portfolio – EAD ¹⁾ NOK 155 billion



Accumulated collective and individual impairment losses for the oil-related portfolio total approximately NOK 2.1 billion or 2.5 per cent of total loans

Offshore – EAD ¹⁾ NOK 57 billion



- A deterioration of the offshore markets has resulted in negative migration, primarily in the offshore supply vessel and rig portfolios
- Offshore supply vessels and rigs represent 2.2% of DNB's total EAD ¹⁾
- There is uncertainty associated with the value of offshore supply vessels and rigs

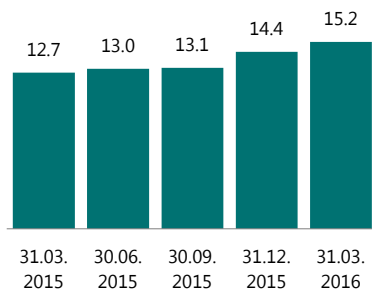
Balance sheets

	DNB Group		DNB Bank ASA	
	31 March 2016	31 Dec. 2015	31 March 2016	31 Dec. 2015
Amounts in NOK billion				
Deposits with central banks	167	19	163	16
Due from credit institutions	180	301	522	631
Loans to customers	1 535	1 543	696	706
Other assets	758	735	616	613
Total assets	2 639	2 599	1 997	1 965
Due to credit institutions	161	162	264	262
Deposits from customers	928	944	873	896
Short-term debt securities issued	206	160	206	160
Long-term debt securities issued	624	645	179	180
Other liabilities and provisions	527	497	320	315
Additional Tier 1 capital	8	8	8	8
Other equity	186	182	146	143
Total liabilities and equity	2 639	2 599	1 997	1 965
Ratio of deposits to net loans (%)	60.4	61.2	125.5	127.1
Adjusted ratio of deposits to net loans (%) ¹⁾	60.3	60.5	125.3	125.5
Total combined assets	2 898	2 901	1 997	1 965
Currency-adjusted loans to customers	1 554		705	
Currency-adjusted deposits from customers	940		885	

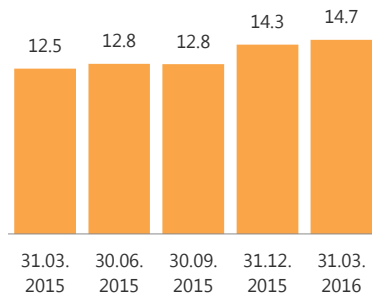
1) Excluding short-term money market deposits

Common equity Tier 1 capital ratio ¹⁾

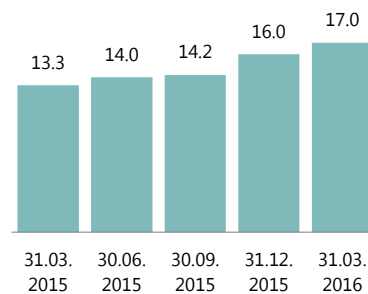
**DNB Group
Transitional rules**
Per cent



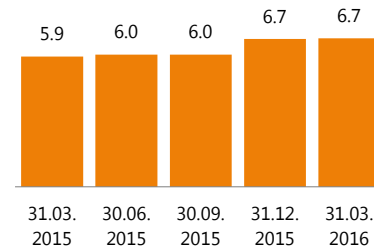
**DNB Bank Group
Transitional rules**
Per cent



**DNB Group
Basel III without Transitional
rules**
Per cent



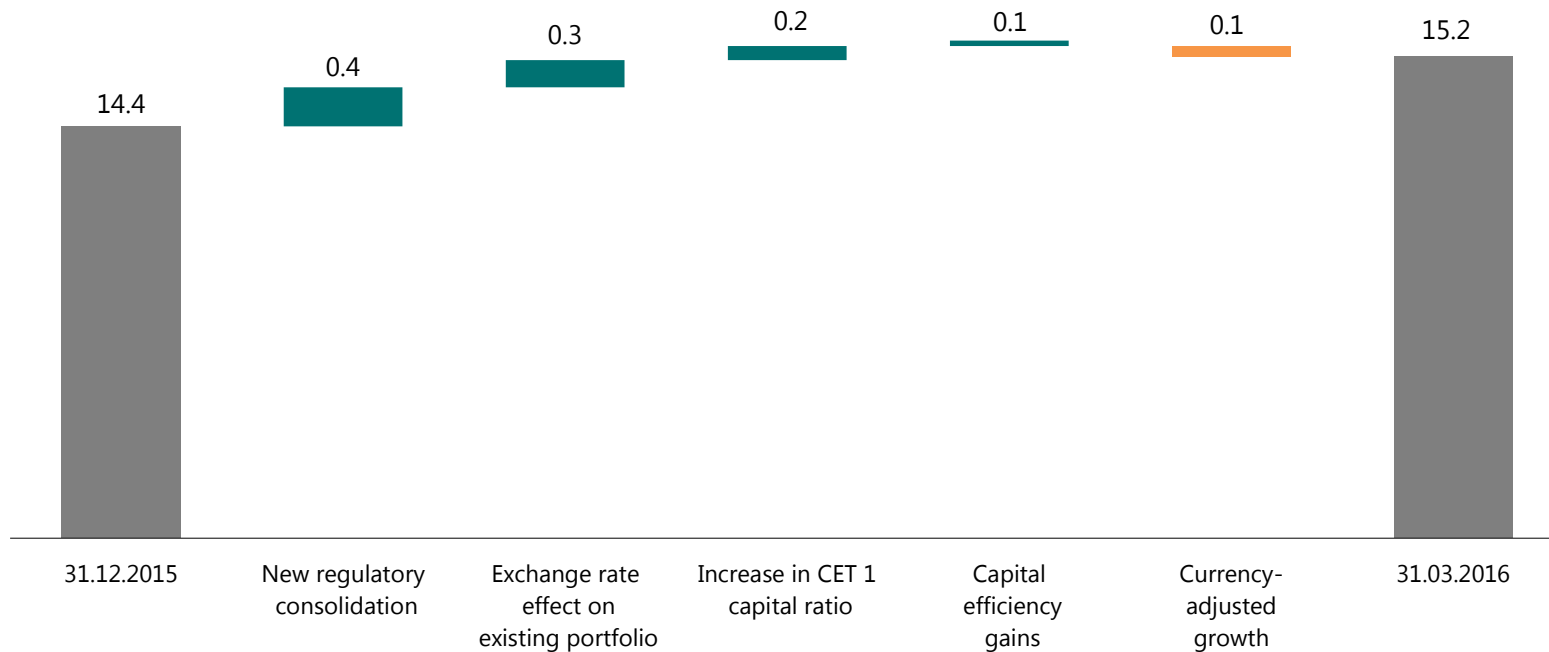
**DNB Group
Leverage ratio**
Per cent



Changes in the common equity Tier 1 capital ratio

From 31 Dec. 2015 to 31 March 2016

Per cent



Financial ambitions 2016-2018



Guiding

Stable volume-weighted spreads

Lending growth 2-3%

Stable risk-weighted assets

Minimum 3% annual growth in commissions and fees

2016-2017: Estimated impairment losses up to NOK 6 billion yearly. A reduction in impairment losses is anticipated in 2018

Tax rate 24% in 2016-2017, and 21% in 2018

FIRST QUARTER 2016

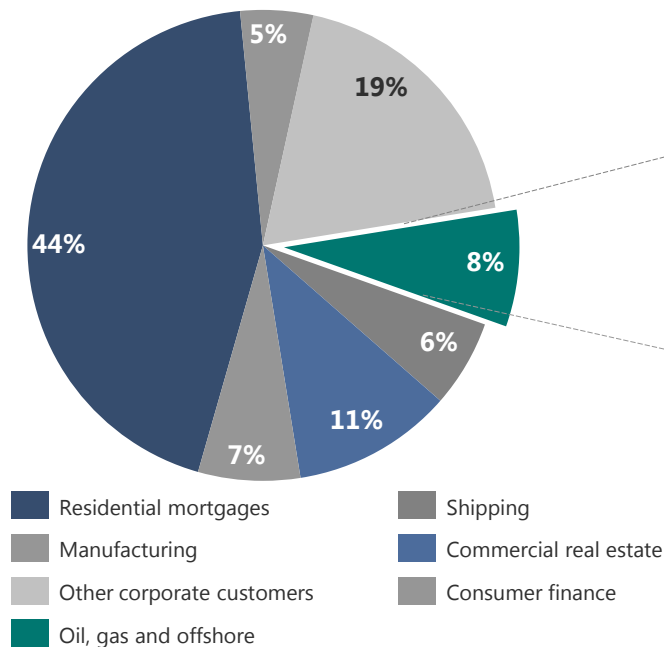
Q1

HERE FOR YOU.
EVERY DAY.
WHEN IT MATTERS
THE MOST.



Investment grade companies represent 39 per cent of the oil-related portfolio

Total loan portfolio – EAD NOK 1 918 billion
Per cent



Oil-related portfolio – EAD NOK 155 billion
Lending breakdown by rating ¹⁾

