



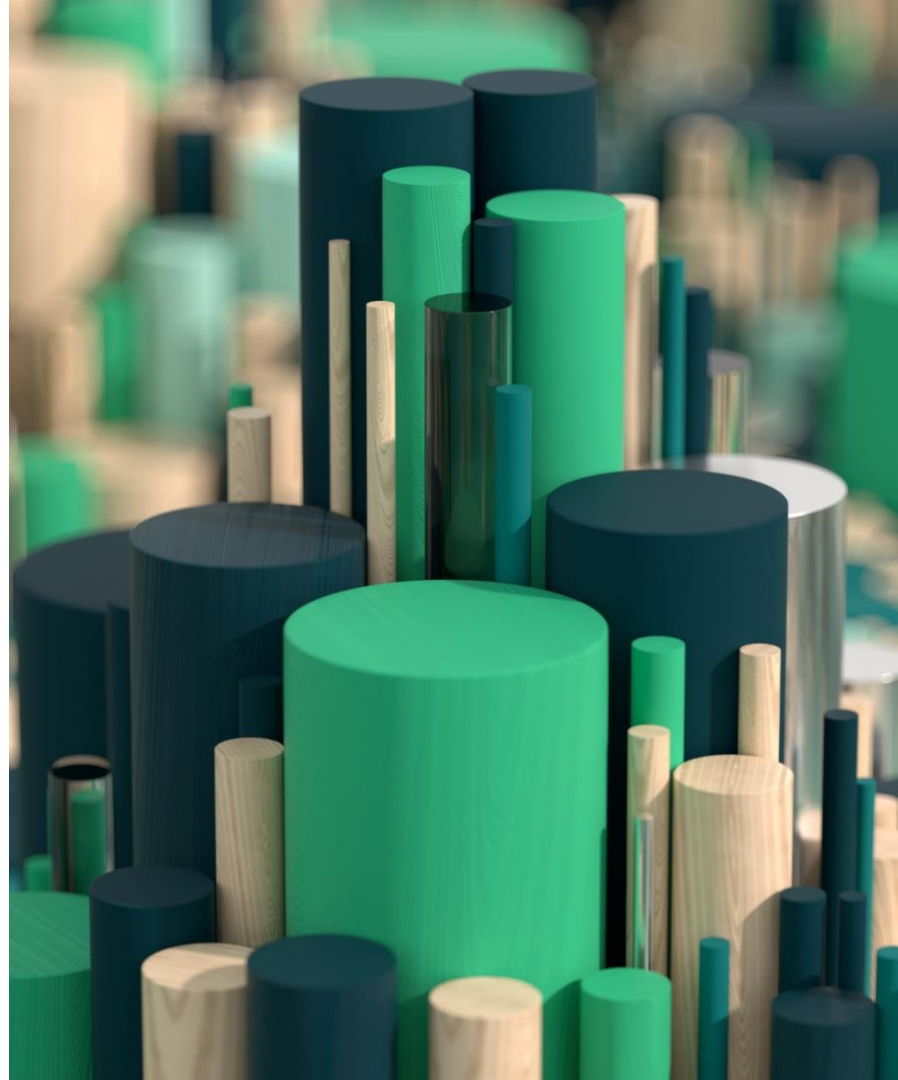
# Results DNB Group

First quarter 2024

Kjerstin R. Braathen (CEO)  
Ida Lerner (CFO)

# Q1

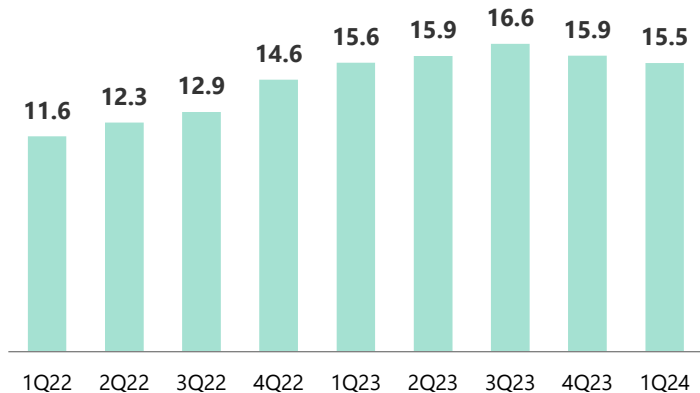
23 April 2024



# Continued strong performance and solid asset quality

## Return on equity

Per cent, trailing 12-month figures



Profit for the period  
NOK billion  
**10.2**

CET1 capital ratio  
Per cent  
**19.0**

**Return on equity (ROE) of 15.6 per cent in the quarter**  
Solid results across customer segments and product areas.

**Net interest income (NII) down 2.9 per cent from 4Q23**  
Driven by lower credit growth, product-mix effects and fewer interest days.

**Net commissions and fees (NCF) up 2.6 per cent from 1Q23**  
All-time high first quarter results.  
Assets under management surpassed NOK 1 000 billion during 1Q24.

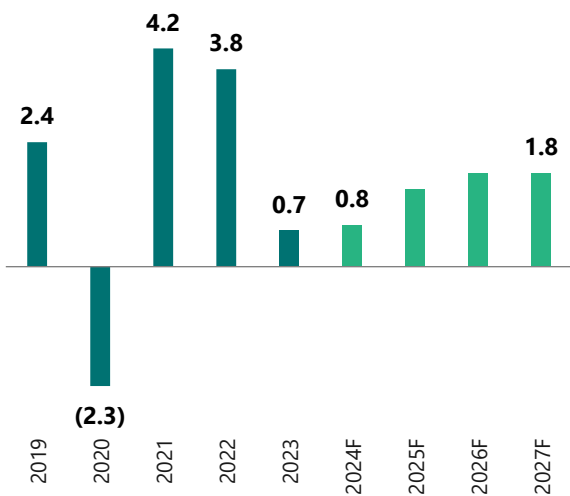
**Robust asset quality and low impairment provisions**  
99.3 per cent in stages 1 and 2.  
Impairment provisions of NOK 323 million in the quarter.

**Earnings per share (EPS) up 9.3 per cent from 4Q23**  
EPS of NOK 6.48 in the quarter (NOK 5.93 in 4Q23).

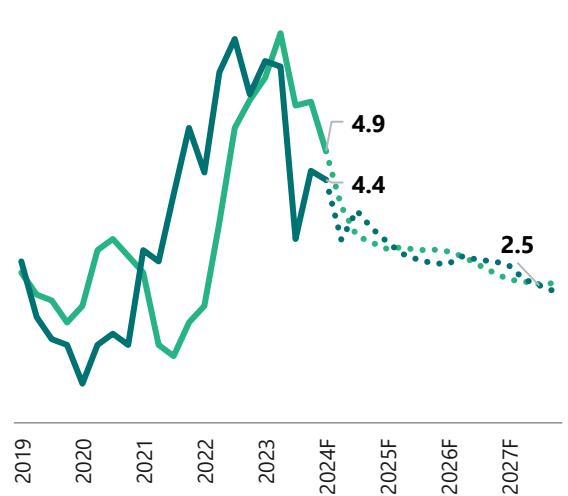
# Norwegian economy remains robust, and first key policy rate cut pushed out in time

- Moderate growth in mainland economy forecast in short term, followed by accelerating growth from 2025
- Continued easing of inflationary pressure
- Key policy rate expected to remain at 4.50 per cent until December 2024, then gradually decrease to 3.25 per cent by year-end 2025

**Mainland GDP**  
Actual and DNB Markets forecast  
Per cent

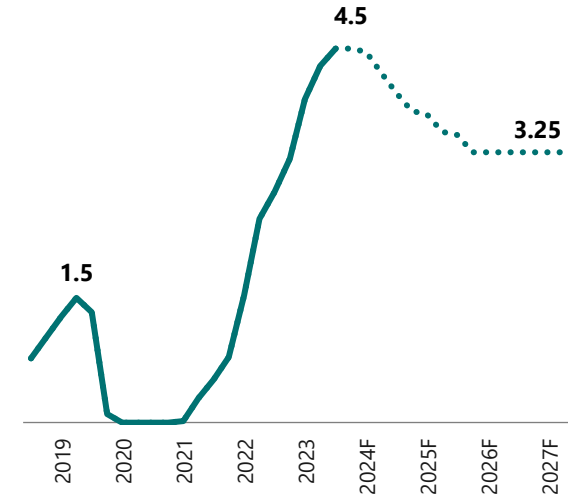


**Inflation**  
Actual and DNB Markets forecast  
Per cent



— Core inflation (CPI-ATE) — Headline inflation (CPI)

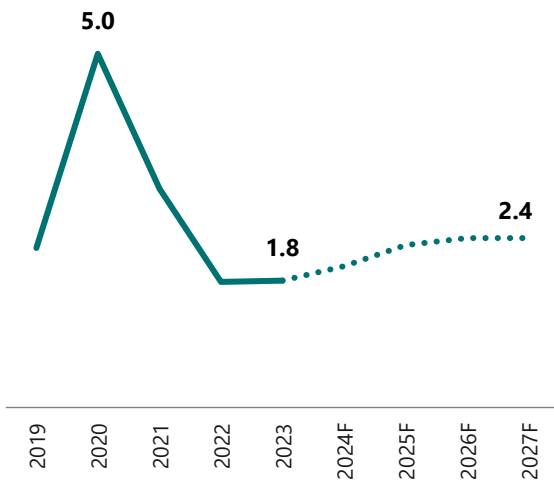
**Key policy rate**  
Actual and DNB Markets forecast  
Per cent



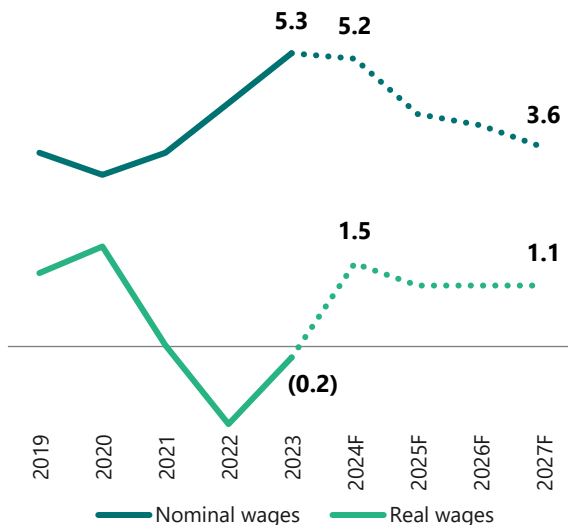
# Improved purchasing power sets stage for rise in consumer spending

- Resilient activity level supports low unemployment levels going forward
- Real wage growth for households expected to boost purchasing power
- Growth anticipated in residential property prices in the ensuing period, due to improved purchasing power and limited supply of newbuilds

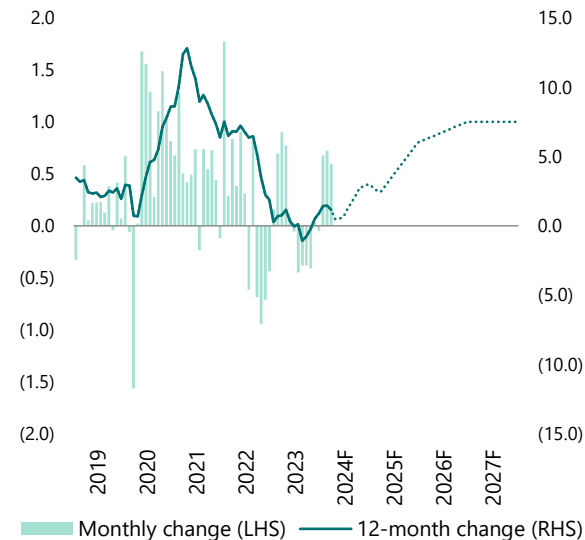
**Unemployment rate**  
Actual and DNB Markets forecast  
Per cent



**Wage growth**  
Actual and DNB Markets forecast  
Per cent



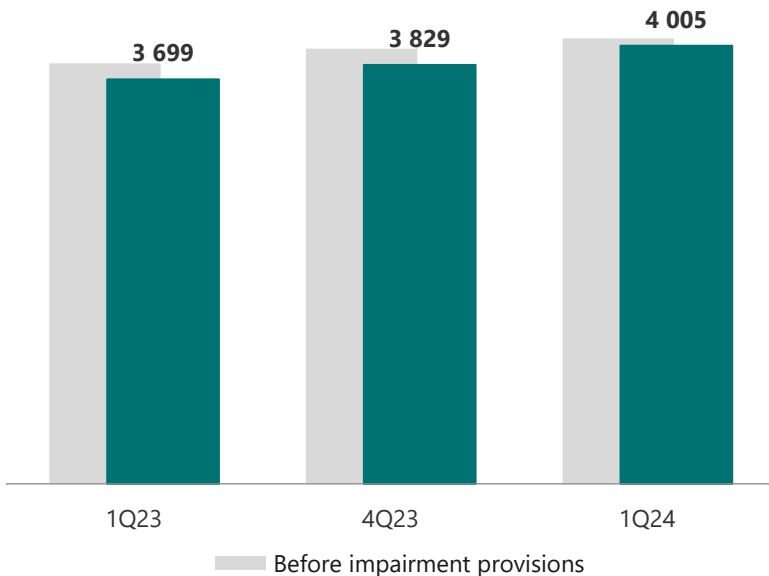
**Residential property prices**  
Seasonally adjusted, DNB Markets forecast  
Per cent



# Personal customers – solid results

## Pre-tax operating profit

NOK million

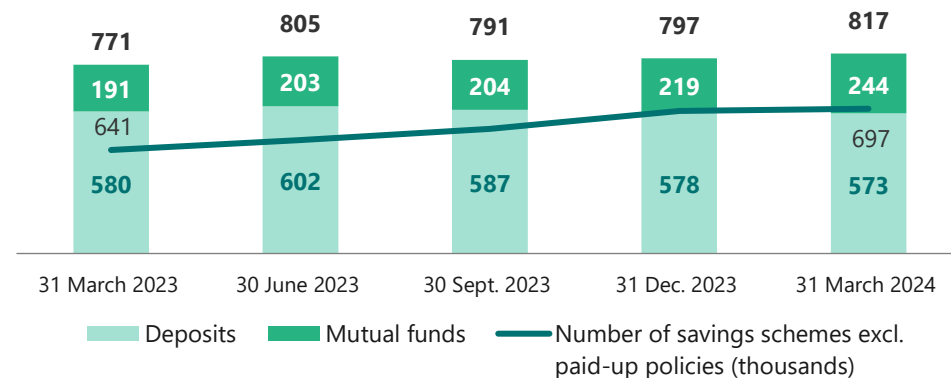


## Highlights of the quarter

- Loans and deposits down from end-2023 by 1.4 and 0.9 per cent, respectively
- Activity level in residential real estate market picked up during the quarter
- Norwegian households remain robust and resilient – increased travel activity
- Strong underlying growth in new savings schemes – 8.7 per cent growth YoY

## Solid development in savings

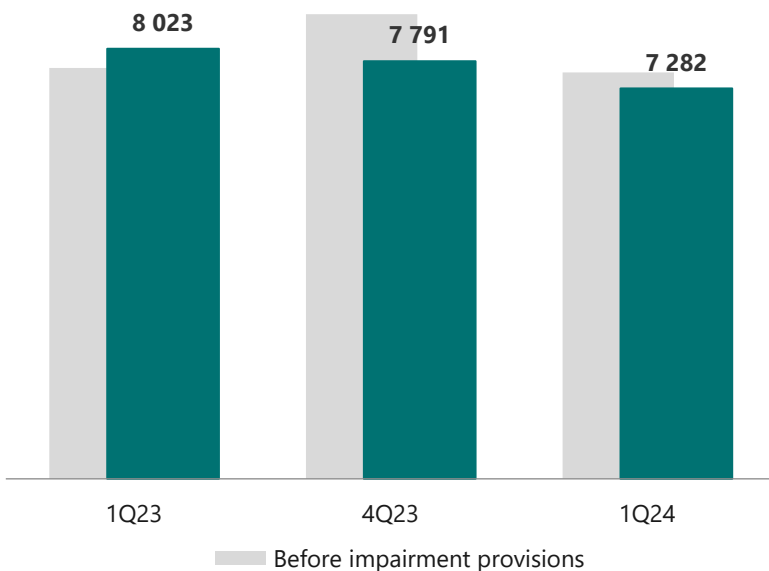
Savings volumes at end of period, NOK billion



# Corporate customers – high activity level and strong performance

## Pre-tax operating profit

NOK million



## Highlights of the quarter

- Profitable growth from end-2023 in both loans and deposits of 2.8 per cent and 7.2 per cent, respectively
- Other income excluding mark-to-market effects on a level with 1Q23
- Strong asset quality and well-diversified portfolio

## Prospera benchmarking – leading positions within important product areas



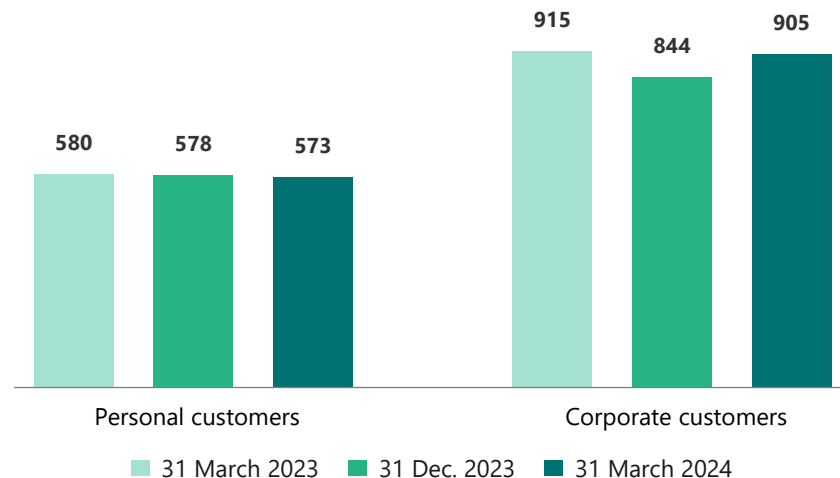
# Volumes affected by lower credit growth

- Total loan volume up 0.7 per cent – up 2.8 per cent in Corporate customers and down 1.4 per cent in Personal customers
- Total deposit volume up 3.9 per cent – up 7.2 per cent in Corporate customers and down 0.9 per cent in Personal customers

**Loans by customer segment**  
NOK billion



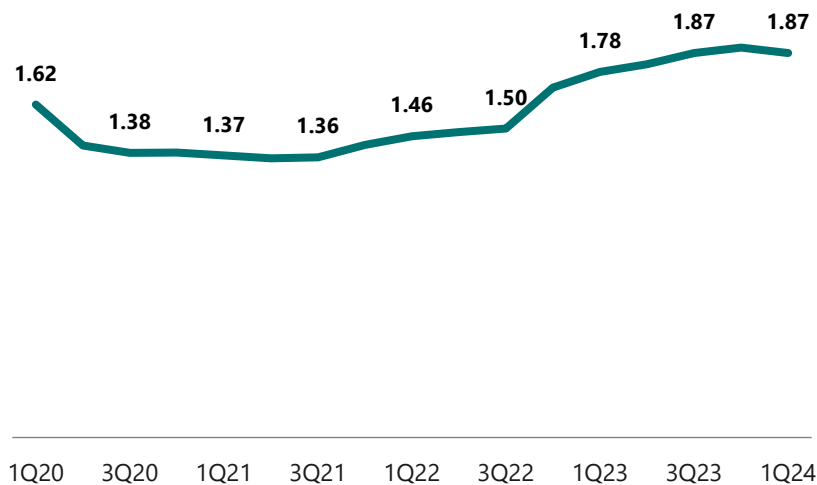
**Deposits by customer segment**  
NOK billion



# Net interest margin remains strong

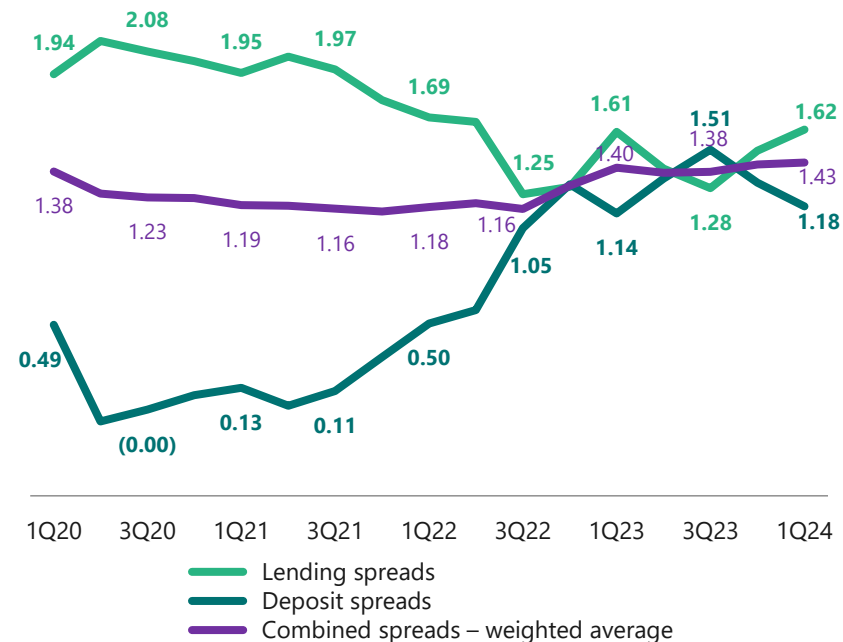
## Net interest margin<sup>1</sup>

Per cent



## Spreads in customer segments

Per cent

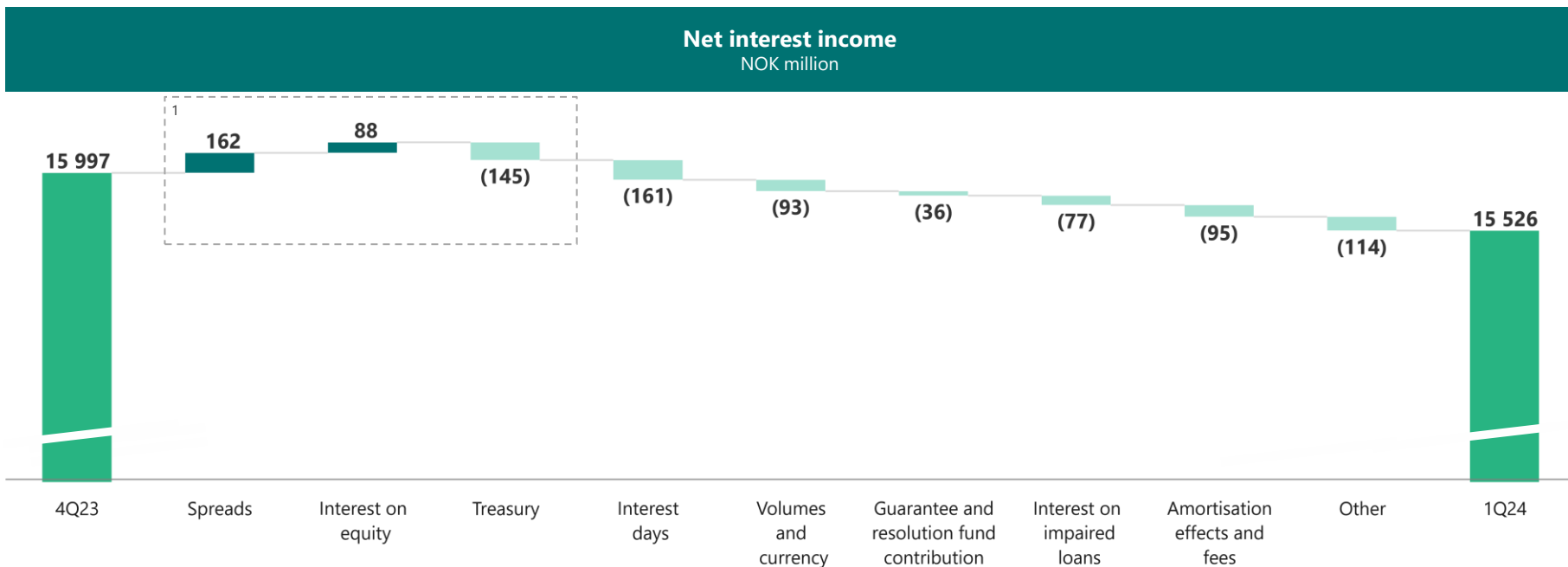


<sup>1</sup> Total net interest income relative to average loans and deposits in the customer segments.



## Net interest income down 2.9 per cent

- Increased competition, product-mix effects and fewer interest days affected the result this quarter
- Lending growth in Corporate customers picked up late in the quarter
- Full effect of repricings implemented end-October and end-November 2023, partial effect of repricing implemented end-February 2024

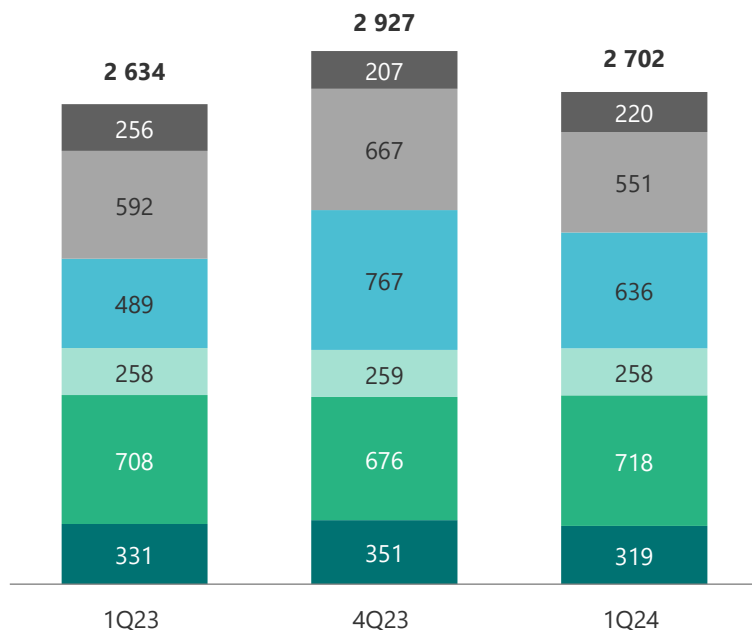


1 Effect of repricings and product-mix effects.

# Commissions and fees – all-time high first quarter result

## Commissions and fees

NOK million / Change in per cent from 1Q23



-14.0

### Real estate broking

Fewer properties for sale due to Easter falling in first quarter. Activity level increased towards end of quarter.

-7.0

### Investment banking services

Strong contribution from DCM<sup>1</sup>. Increased activity at end of quarter.

+30.0

### Asset management and custodial services

Continued growth in AUM<sup>2</sup> – up NOK 157 billion. Positive net in-flow of NOK 30 billion from both retail and institutional customers.

+0.3

### Guarantee commissions

Stable demand for Trade Finance products.

+1.4

### Money transfer and banking services

Driven by higher travel activity and increased income from banking services.

-3.6

### Sale of insurance products

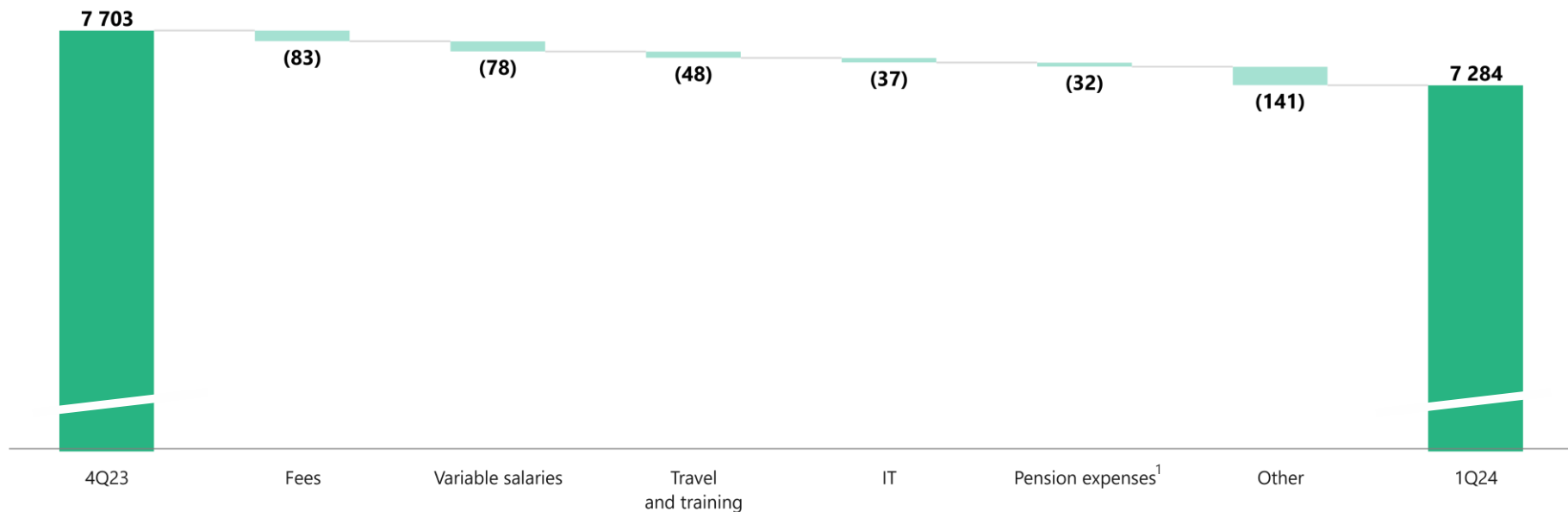
Continued positive development in non-guaranteed pensions.

1 DCM: Debt capital markets.

2 AUM: Assets under management.

# Operating expenses reflect seasonally lower activity level

## Operating expenses NOK million



1 The pension scheme is partly hedged and recognised in net gains on financial instruments.

## Robust and well-diversified portfolio – 99.3 per cent in stages 1 and 2

- Personal customer portfolio – continued strong credit quality
- Corporate customer portfolio – stage 3 impairment provisions relating to customer-specific events in both large corporates and small and medium-sized enterprises

Impairment of financial instruments by industry segment			
NOK million			
	1Q24	4Q23	1Q23
<b>Total</b>	<b>(323)</b>	<b>(920)</b>	<b>79</b>

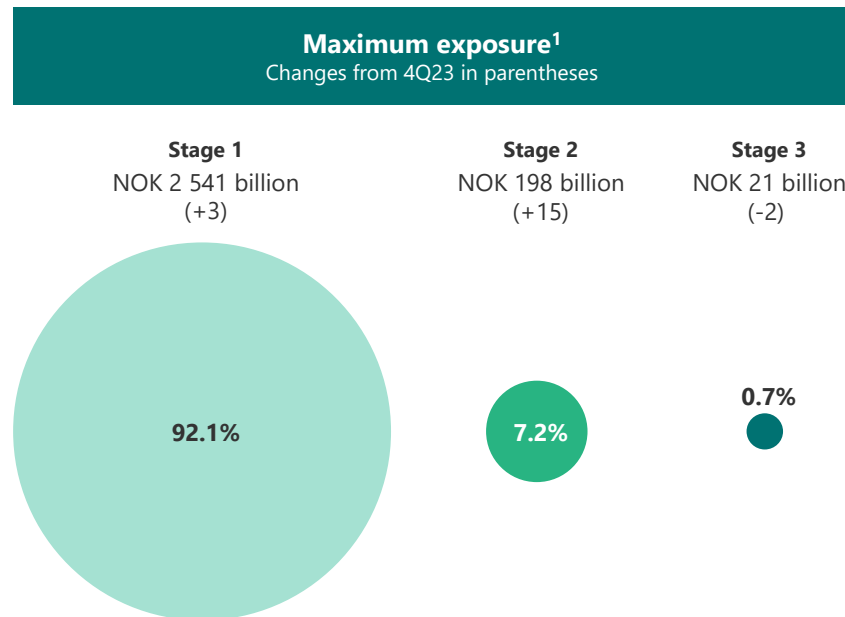
Of which:

### Personal customers

- Stages 1 and 2	(43)	16	11
- Stage 3	(68)	(132)	(81)

### Corporate customers

- Stage 1 and 2	(32)	(118)	(87)
- Stage 3	(180)	(685)	236

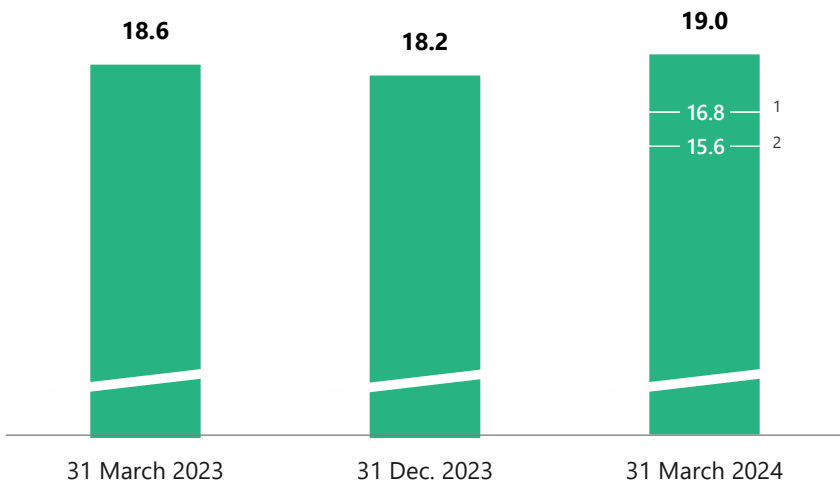


<sup>1</sup> On- and off-balance sheet items, net of accumulated impairment provisions.

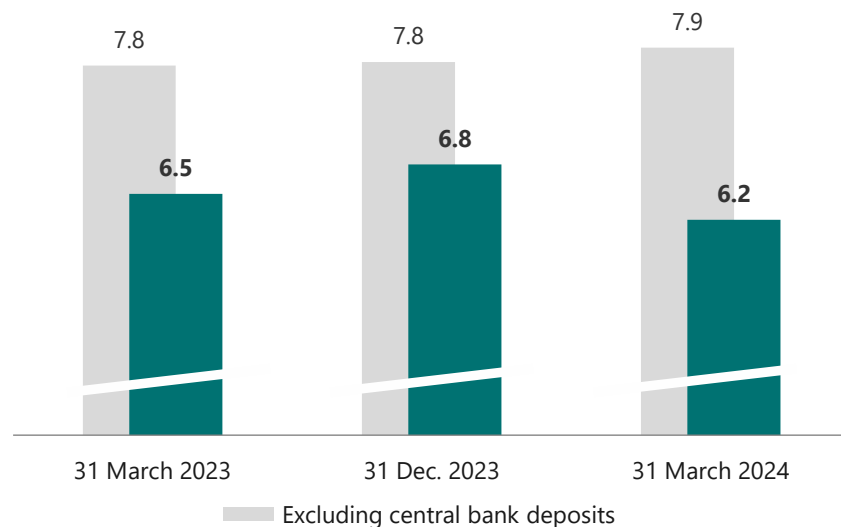
# Strong capital position

- CET1 capital ratio increased by 78 basis points to 19.0 per cent, ~210 basis point headroom to Financial Supervisory Authority's (FSA's) expectation
  - Profit generation and ordinary dividends from DNB Livsforsikring increased CET1 capital ratio by 31 and 8 basis points, respectively
  - Portfolio growth and currency effects in the quarter offset by positive migration
- Board of Directors will apply for approval from Annual General Meeting to repurchase up to 3.5 per cent of company's share capital

**CET1 capital ratio**  
Per cent



**Leverage ratio**  
Per cent

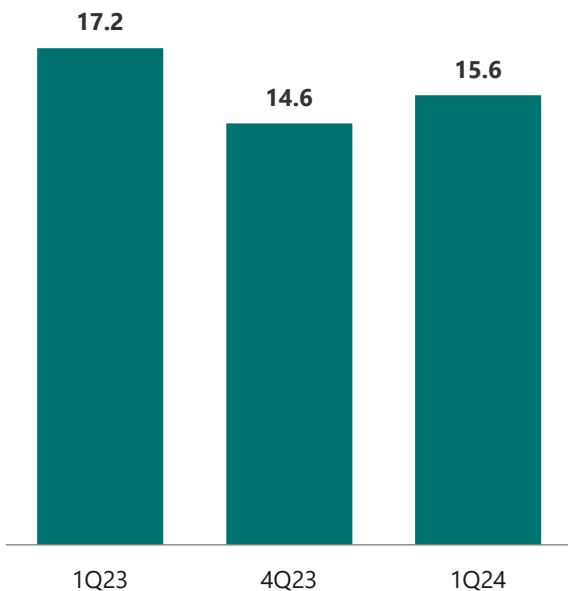


1 The FSA's current expectation: 16.8 per cent.  
2 The FSA's current requirement: 15.6 per cent.

# Strong first quarter result

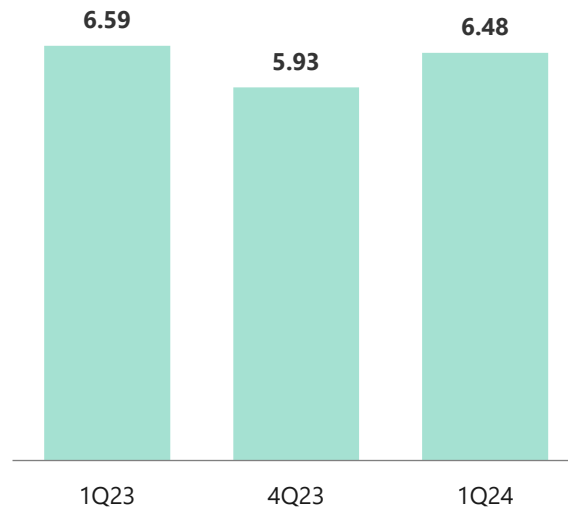
## Return on equity

Per cent



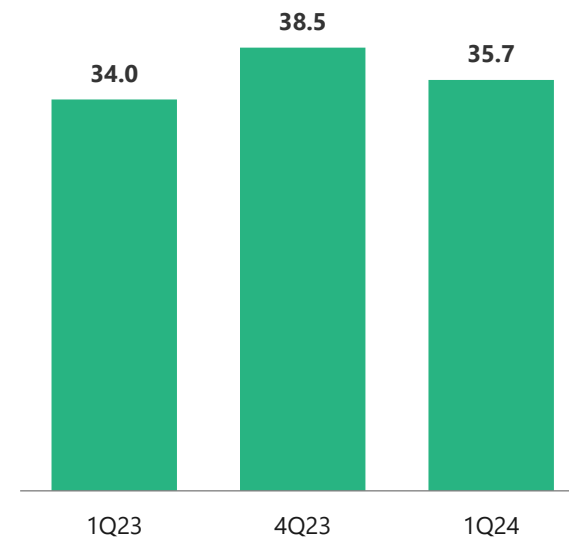
## Earnings per share

NOK



## Cost/income ratio

Per cent



# Appendix



# Income statement

NOK million	1Q24	4Q23	1Q23	Change from 4Q23	Change from 1Q23
Net interest income	15 526	15 997	14 600	(471)	927
Other operating income	4 872	3 991	5 936	880	(1 065)
<b>Total income</b>	<b>20 398</b>	<b>19 988</b>	<b>20 536</b>	<b>409</b>	<b>(138)</b>
<b>Operating expenses</b>	<b>(7 284)</b>	<b>(7 703)</b>	<b>(6 976)</b>	<b>418</b>	<b>(308)</b>
<b>Pre-tax operating profit before impairment</b>	<b>13 113</b>	<b>12 286</b>	<b>13 560</b>	<b>828</b>	<b>(446)</b>
Impairment of loans and guarantees and gains on assets	(324)	(920)	79	596	(404)
<b>Pre-tax operating profit</b>	<b>12 789</b>	<b>11 366</b>	<b>13 639</b>	<b>1 423</b>	<b>(850)</b>
Tax expense	(2 558)	(1 824)	(3 137)	(734)	579
Profit from operations held for sale, after taxes	(29)	(138)	(30)	110	1
<b>Profit for the period</b>	<b>10 203</b>	<b>9 403</b>	<b>10 472</b>	<b>799</b>	<b>(270)</b>
<b>Portion attributable to shareholders</b>	<b>9 789</b>	<b>9 019</b>	<b>10 192</b>	<b>771</b>	<b>(403)</b>



## Other operating income

NOK million	1Q24	4Q23	1Q23	Change from 4Q23	Change from 1Q23
<b>Net commissions and fees</b>	<b>2 702</b>	<b>2 927</b>	<b>2 634</b>	<b>(225)</b>	<b>68</b>
Customer revenues in DNB Markets	715	816	781	(101)	(66)
Trading revenues in DNB Markets	227	222	324	5	(97)
Hedging of defined-benefit pension scheme	99	82	62	17	37
Credit spreads on bonds	87	(16)	72	103	15
Credit spreads on fixed-rate loans	54	22	(235)	32	289
CVA/DVA/FVA	42	(137)	78	179	(35)
Other mark-to-market adjustments	(344)	(260)	859	(84)	(1 203)
Basis swaps	(240)	(500)	(4)	260	(236)
Exchange rate effects on additional Tier 1 capital	543	(392)	527	935	17
<b>Net gains on financial instruments at fair value</b>	<b>1 183</b>	<b>(162)</b>	<b>2 464</b>	<b>1 345</b>	<b>(1 280)</b>
<b>Net life insurance result</b>	<b>203</b>	<b>326</b>	<b>154</b>	<b>(123)</b>	<b>49</b>
<b>Profit from investments accounted for by the equity method</b>	<b>188</b>	<b>274</b>	<b>164</b>	<b>(86)</b>	<b>24</b>
<b>Other</b>	<b>595</b>	<b>626</b>	<b>520</b>	<b>(31)</b>	<b>75</b>
<b>Net other operating income, total</b>	<b>4 872</b>	<b>3 991</b>	<b>5 936</b>	<b>881</b>	<b>(1 064)</b>

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