



Second quarter and
first half report
2024

Unaudited

2

Financial highlights

Income statement

Amounts in NOK million

	2nd quarter 2024	2nd quarter 2023	Jan.-June 2024	Jan.-June 2023	Full year 2023
Net interest income	15 817	15 232	31 343	29 832	61 547
Net commissions and fees	3 439	2 819	6 141	5 453	11 115
Net gains on financial instruments at fair value	1 010	1 277	2 193	3 741	5 283
Net insurance result	433	338	636	493	1 183
Other operating income	873	536	1 656	1 221	2 569
Net other operating income	5 756	4 971	10 627	10 907	20 150
Total income	21 572	20 203	41 970	40 739	81 697
Operating expenses	(7 503)	(7 044)	(14 809)	(13 907)	(28 395)
Restructuring costs and non-recurring effects	(3)	(40)	19	(153)	(225)
Pre-tax operating profit before impairment	14 067	13 120	27 180	26 679	53 077
Net gains on fixed and intangible assets	(3)	15	(5)	15	11
Impairment of financial instruments	(560)	(871)	(882)	(792)	(2 649)
Pre-tax operating profit	13 504	12 263	26 294	25 902	50 440
Tax expense	(2 701)	(2 821)	(5 259)	(5 958)	(10 811)
Profit from operations held for sale, after taxes	(37)	19	(66)	(11)	(149)
Profit for the period	10 766	9 462	20 969	19 934	39 479

Balance sheet

Amounts in NOK million

	30 June 2024	31 Dec. 2023	30 June 2023
Total assets	3 677 388	3 439 724	3 559 000
Loans to customers	2 011 602	1 997 363	2 025 481
Deposits from customers	1 565 330	1 422 941	1 472 869
Total equity	269 425	269 296	254 065
Average total assets	4 000 010	3 687 312	3 696 693
Total combined assets ¹	4 344 006	4 034 568	4 111 179

Key figures and alternative performance measures

	2nd quarter 2024	2nd quarter 2023	Jan.-June 2024	Jan.-June 2023	Full year 2023
Return on equity, annualised (per cent) ¹	16.6	15.6	16.1	16.4	15.9
Earnings per share (NOK)	6.83	5.93	13.31	12.51	24.83
Combined weighted total average spreads for lending and deposits (per cent) ¹	1.40	1.37	1.41	1.39	1.39
Average spreads for ordinary lending to customers (per cent) ¹	1.67	1.40	1.65	1.50	1.45
Average spreads for deposits from customers (per cent) ¹	1.04	1.34	1.11	1.24	1.32
Cost/income ratio (per cent) ¹	34.8	35.1	35.2	34.5	35.0
Ratio of customer deposits to net loans to customers at end of period, customer segments (per cent) ¹	77.1	74.9	77.1	74.9	74.9
Net loans at amortised cost and financial commitments in stage 2, per cent of net loans at amortised cost ¹	9.32	9.16	9.32	9.16	9.35
Net loans at amortised cost and financial commitments in stage 3, per cent of net loans at amortised cost ¹	1.07	1.09	1.07	1.09	1.17
Impairment relative to average net loans to customers at amortised cost, annualised (per cent) ¹	(0.11)	(0.18)	(0.09)	(0.08)	(0.13)
Common equity Tier 1 capital ratio at end of period (per cent)	19.0	18.9	19.0	18.9	18.2
Leverage ratio at end of period (per cent)	6.5	6.6	6.5	6.6	6.8
Share price at end of period (NOK)	209.70	200.70	209.70	200.70	216.00
Book value per share at end of period (NOK)	160.35	152.43	160.35	152.43	162.92
Price/book value ¹	1.31	1.32	1.31	1.32	1.33
Dividend per share (NOK)					16.00

Sustainability:

Finance and facilitate sustainable activities (NOK billion, accumulated)	645.2	456.8	645.2	456.8	561.8
Total assets invested in mutual funds with a sustainability profile at end of period (NOK billion)	113.6	110.5	113.6	110.5	124.3
Score from Traction's reputation survey in Norway (points)	58	61	58	61	57
Customer satisfaction index, CSI, personal customers in Norway (score)	69.7	72.7	69.5	73.2	71.4
Female representation at management levels 1-4 (per cent)	38.0	40.0	38.0	40.0	38.8

¹ Defined as alternative performance measure (APM). APMs are described on ir.dnb.no.

For additional key figures and definitions, please see the Factbook on ir.dnb.no.

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There has been no full or partial external audit of the quarterly directors' report and accounts, though the report has been reviewed by the Audit Committee.

Directors' report

The Norwegian economy continued to show sound activity during the second quarter, supported by low unemployment rates. As inflationary pressure alleviates, strengthening of households' purchasing power continues, and the first lowering of the key policy rate is now expected in the first half of 2025. DNB mirrors the Norwegian economy, and the results in the quarter remained strong with a solid capital position. The portfolio is well-diversified and robust.

Second quarter financial performance

The Group delivered profits of NOK 10 766 million in the quarter, an increase of NOK 1 305 million, or 13.8 per cent, from the corresponding quarter of last year. Compared with the first quarter of 2024, profits increased by NOK 564 million or 5.5 per cent.

Earnings per share were NOK 6.83, compared with NOK 5.93 in the year-earlier period, and NOK 6.48 in the first quarter.

The common equity Tier 1 (CET1) capital ratio was 19.0 per cent at end-June, up from 18.9 per cent a year earlier and at the same level as in the previous quarter.

The leverage ratio was 6.5 per cent at end-June, compared with 6.6 per cent in the year-earlier period and 6.2 per cent at end-March.

Annualised return on equity (ROE) came in at 16.6 per cent in the second quarter, driven by strong results across the Group. The corresponding figures were 15.6 per cent in the second quarter of 2023, and in the first quarter of 2024.

Net interest income was up NOK 585 million, or 3.8 per cent, from the second quarter of 2023, due to customer repricing effects and higher interest on equity. Compared with the previous quarter, net interest income increased by NOK 290 million, or 1.9 per cent. The increase was driven by growth and customer activity.

Net other operating income amounted to NOK 5 756 million, up NOK 785 million or 15.8 per cent from the corresponding period in 2023. Net commissions and fees had an all-time high performance, with strong deliveries across product areas, and increased by 22.0 per cent. Compared with the previous quarter, net operating income increased by NOK 884 million or 18.1 per cent.

Operating expenses amounted to NOK 7 505 million in the second quarter, up NOK 422 million from the corresponding period a year earlier, due to an increase in both personnel costs and IT expenses. Compared with the previous quarter, operating expenses were up NOK 221 million, reflecting seasonally higher activity.

Impairment of financial instruments amounted to NOK 560 million in the second quarter, mainly driven by impairment provisions in stage 3. The corresponding figure for 2023 was NOK 871 million.

Sustainability

In the second quarter, DNB announced its first transition loan, an instrument targeted at helping hard-to-abate sectors in their transition efforts. The loan was announced as part of DNB's transition loan pilot project, and DNB is currently working to establish a framework for loans of this kind. Also in the second quarter, DNB continued the work with energy efficiency in its property portfolios. Energy efficiency is essential for achieving the goals in DNB's transition plan, and work is well underway on exploring how energy efficiency can be promoted among both personal and corporate customers.

In June, legislative amendments to the Norwegian Accounting Act were passed by the Storting (the Norwegian parliament), with a view to implementing the Corporate Sustainability Directive (CSRD) in Norwegian law, aiming to follow the same timeline as in the EU. The CSRD comes with extensive reporting requirements, and as part of the process of implementing the new requirements, DNB is

currently updating its double materiality analysis to identify which material topics the Group is to report on going forward.

During the second quarter, DNB Asset Management (DAM) published its statement on the principal adverse impacts (PAI) of investment decisions on sustainability factors. The disclosure is required under the Sustainable Finance Disclosure Regulation (SFDR), and describes how the PAIs of investment decisions are considered under SFDR. DAM is also in the process of updating two of its expectation documents on the topics climate change and human capital.

As of end-June, DNB had facilitated a cumulative total of NOK 645 billion in sustainable financing volumes and was on track to reach the target of NOK 1 500 billion by 2030. With regard to the target of NOK 200 billion in assets in mutual funds with a sustainability profile by 2025, NOK 114 billion had been invested as at the end of the second quarter.

Other events in the second quarter

At the Annual General Meeting (AGM) on 29 April, a resolution was made to reduce the share capital through the cancellation of own shares and the redemption of shares belonging to the Norwegian government. The transaction was completed on 21 June, and the total number of shares issued was reduced by 3.25 per cent to 1 492 530 286. The AGM also gave the Board of Directors an authorisation for a new share buy-back programme of 3.5 per cent of the company's share capital, as well as an authorisation to DNB Markets to repurchase 0.5 per cent of the shares for hedging purposes. The authorisation is valid until the AGM in 2025. On 17 June, a buy-back programme of 1.0 per cent was announced. As at 30 June, DNB had purchased 1 499 699 shares in the open market. In addition, a proportion of the government's holding will be redeemed after the AGM in 2025, bringing total buy-backs to 0.15 per cent as at end-June.

In May, DNB adjusted its organisational structure to meet changes in the market, and this also involved changes to the Group Management team.

On 27 June, the Financial Supervisory Authority of Norway (Finanstilsynet) approved the business combination between Fremtind Forsikring AS and Eika Forsikring AS. The business combination took place on 1 July, after which DNB owns 28.46 per cent of the combined entity.

For the second year in a row, DNB's internal chatbot, Juno, was given the annual Agent Assist Excellence Award by boost.ai.

DNB is collaborating with the European Investment Fund (EIF) on offering a new range of loans to small and medium-sized enterprises in Norway. The goal is to stimulate sustainability and digitalisation. In the second quarter, DNB signed a new guarantee, InvestEU, which will mobilise loans with a value of up to NOK 2.5 billion. This makes DNB the first Norwegian bank in the InvestEU programme.

In June, DNB was voted the best pension provider in the annual quality survey of the Norwegian Association of Insurance Brokers. The award is voted on by the members of the Association and is given to the company that delivers the highest quality in several different areas. DNB won for the sixth year in a row.

Every year, Universum ranks Norway's most attractive employers among students at Norwegian universities and university colleges. This year, around 11 000 students participated. DNB continues to hold the top position in business. The Group has also retained its title as the financial industry's best employer in banking and finance. In addition, DNB is ranked number 5 in IT and number 13 in law.

DNB was the main partner of Oslo Pride 2024, which took place in June. Several hundred DNB employees and their families and friends took part in the parade.

In Traction's reputation survey for the second quarter, DNB scored 58 points, up from 55 in the previous quarter. The goal is a score over 65 points, indicating that DNB is a well-liked bank.

Half-year financial performance

DNB recorded profits of NOK 20 969 million in the first half of 2024, up NOK 1 035 million, or 5.2 per cent, from the previous year. Annualised return on equity was 16.1 per cent, compared with 16.4 per cent in the year-earlier period, and earnings per share were NOK 13.31, up from NOK 12.51 in the first half of 2023.

Net interest income increased by NOK 1 511 million, or 5.1 per cent, from the corresponding period last year, driven by customer repricing effects and higher interest on equity. There was an average increase in the healthy loan portfolio of 0.4 per cent, and a 0.4 per cent decrease in average deposit volumes from the first half of 2023. The combined spreads widened by 3 basis points, compared with the year-earlier period. Average lending spreads for the customer segments widened by 14 basis points, and deposit spreads narrowed by 13 basis points.

Net other operating income decreased by NOK 280 million, or 2.6 per cent, from the first half of 2023. This was mainly due to negative effects on basis swaps and other mark-to-market adjustments. Net commissions and fees showed a strong development and increased by NOK 689 million, or 12.6 per cent, compared with the prior year period.

Total operating expenses were up NOK 730 million or 5.2 per cent from the first half of 2023, due to higher activity.

There were impairment provisions of NOK 882 million in the first half of 2024, compared with impairment provisions of NOK 792 million in the corresponding period last year. For the personal customers industry segment there were impairment provisions of NOK 222 million in the first half of 2024, which were mainly in stage 3 and driven by consumer finance. The corporate industry segments saw impairment provisions of NOK 660 million in the first half of 2024. The impairment provisions can primarily be ascribed to specific customers in stage 3.

Second quarter income statement – main items

Net interest income

Amounts in NOK million	2Q24	1Q24	2Q23
Lending spreads, customer segments	7 826	7 598	6 595
Deposit spreads, customer segments	3 775	4 169	4 819
Amortisation effects and fees	1 141	1 055	1 066
Operational leasing	793	800	739
Contributions to the deposit guarantee and resolution funds	(372)	(344)	(266)
Other net interest income	2 653	2 248	2 278
Net interest income	15 817	15 526	15 232

Net interest income increased by NOK 585 million, or 3.8 per cent, from the second quarter of 2023. This was mainly due to customer repricing effects and higher interest on equity. The repricings implemented in February had full effect in the quarter. There was an average decrease of NOK 8 billion, or 0.4 per cent, in the healthy loan portfolio compared with the second quarter of 2023. During the same period, deposits were up NOK 10 billion, or 0.7 per cent. Adjusted for exchange rate effects, there was an increase of NOK 9 billion, or 0.6 per cent. Average lending spreads widened by 27 basis points, and average deposit spreads narrowed by 29 basis points compared with the second quarter of 2023. Volume-weighted spreads for the customer segments widened by 3 basis points.

Compared with the first quarter of 2024, net interest income increased by NOK 290 million, or 1.9 per cent, driven by growth and customer activity. There was an average increase of NOK 5 billion, or 0.3 per cent, in the healthy loan portfolio, and deposits were up NOK 30 billion, or 2.1 per cent. Average lending spreads widened by 4 basis points, and average deposit spreads narrowed by

13 basis points compared with the previous quarter. Volume-weighted spreads for the customer segments narrowed by 3 basis points.

The principles relating to the calculation of margins on short-term deposits were revised in the second quarter. Adjusted for this change, combined spreads were stable.

Net other operating income

Amounts in NOK million	2Q24	1Q24	2Q23
Net commissions and fees	3 439	2 702	2 819
Basis swaps	(290)	(240)	53
Exchange rate effects related to additional Tier 1 capital	(79)	543	209
Net gains on other financial instruments at fair value	1 379	880	1 016
Net insurance result	433	203	338
Net profit from associated companies	258	188	76
Other operating income	615	595	460
Net other operating income	5 756	4 872	4 971

Net other operating income increased by NOK 785 million, or 15.8 per cent, compared with the second quarter of 2023. Net commissions and fees reached an all-time high result with an increase of NOK 621 million, or 22.0 per cent. The increase was mainly driven by a solid result from investment banking services.

Compared with the previous quarter, net other operating income increased by NOK 884 million, or 18.1 per cent, mainly due to strong net commissions and fees, as a result of a robust fee platform. This was partly offset by negative exchange rate effects related to additional Tier 1 (AT1) capital and basis swaps.

Operating expenses

Amounts in NOK million	2Q24	1Q24	2Q23
Salaries and other personnel expenses	(4 316)	(4 251)	(4 010)
Restructuring expenses	(3)	(10)	(1)
Other expenses	(2 288)	(2 148)	(2 136)
Depreciation of fixed and intangible assets	(898)	(908)	(899)
Impairment of fixed and intangible assets		32	(37)
Total operating expenses	(7 505)	(7 284)	(7 083)

Operating expenses were up NOK 422 million, or 6.0 per cent, compared with the second quarter of 2023. This was due to a higher number of full-time employees, relating to a further strengthening of core competence, as well as an increase in IT expenses. In addition, there were higher pension expenses, due to the increased return on the closed defined-benefit pension scheme. The scheme is partly hedged, and a corresponding gain was recognised in net gains on financial instruments.

Compared with the first quarter of 2024, operating expenses were up NOK 221 million, or 3.0 per cent, reflecting seasonally higher activity.

The cost/income ratio was 34.8 per cent in the second quarter.

Impairment of financial instruments by industry segment

Amounts in NOK million	2Q24	1Q24	2Q23
Personal customers	(111)	(111)	(3)
Commercial real estate	(141)	64	(66)
Residential property	(29)	(79)	(24)
Power and renewables	(21)	(18)	(196)
Oil, gas and offshore	(20)	(14)	606
Other	(238)	(165)	(1 188)
Total impairment of financial instruments	(560)	(323)	(871)

Impairment of financial instruments amounted to NOK 560 million in the quarter. In the personal customers industry segment, impairment provisions ended at NOK 111 million, while the corporate customers industry segments saw impairment provisions of NOK 449 million. The impairment provisions for the quarter could primarily be ascribed to specific customers in stage 3, spread across various industry segments. Net stage 3 loans and financial

commitments amounted to NOK 21.2 billion at end-June, which was an increase of NOK 0.1 billion from the previous quarter and NOK 0.4 billion lower than the corresponding period of 2023.

Taxes

The DNB Group's tax expense for the second quarter is estimated at NOK 2 701 million, or 20.0 per cent of the pre-tax operating profit. The tax expense is affected by the estimated debt interest distribution, which is expected to reduce the tax expense for the Group in 2024.

Financial performance – segments

Financial governance in DNB is adapted to the different customer segments. Reported figures reflect total sales of products and services to the relevant segments.

DNB's organisational structure, including the Group Management team, was changed on 6 May. The organisational changes will be reflected in the segment reporting as of the third quarter.

Personal customers

Income statement in NOK million	2Q24	1Q24	2Q23
Net interest income	5 521	5 526	5 203
Net other operating income	1 570	1 358	1 467
Total income	7 091	6 884	6 670
Operating expenses	(3 029)	(2 811)	(2 744)
Pre-tax operating profit before impairment	4 062	4 072	3 926
Net gains on fixed and intangible assets	(3)	0	0
Impairment of financial instruments	(81)	(67)	(104)
Pre-tax operating profit	3 979	4 005	3 822
Tax expense	(995)	(1 001)	(955)
Profit for the period	2 984	3 004	2 866

Average balance sheet items in NOK billion

Loans to customers	938.6	948.1	960.1
Deposits from customers	575.8	573.2	586.6

Key figures in per cent

Lending spreads ¹	1.04	0.96	0.57
Deposit spreads ¹	1.82	1.91	2.18
Return on allocated capital	19.5	19.6	18.2
Cost/income ratio	42.7	40.8	41.1
Ratio of deposits to loans	61.3	60.5	61.1

¹ Calculated relative to the corresponding money market rate. See ir.dnb.no for additional information on alternative performance measures (APMs).

The personal customers segment delivered strong profits and an increase in return on allocated capital of 1.3 percentage points from the corresponding quarter of last year. From the previous quarter, return on allocated capital decreased by 0.1 percentage points.

Average loans to customers decreased by 2.2 per cent from the second quarter of 2023, and of this decrease, 2.1 per cent was in the mortgage portfolio. Compared with the previous quarter, average lending was down 1.0 per cent. Deposits from customers decreased by 1.8 per cent from the corresponding period last year and increased by 0.5 per cent from the previous quarter. The ratio of deposits to loans was 61.3 per cent for the quarter, an increase from both the corresponding quarter of last year and the previous quarter. Combined spreads on loans and deposits widened by 15 basis points from the second quarter of last year and by 1 basis points from the previous quarter.

Net other operating income increased by 7.0 per cent and 15.6 per cent, compared with the corresponding quarter of last year and the previous quarter, respectively. This was mainly due to higher income from payment services and real estate broking.

Operating expenses was up 10.4 per cent, from the corresponding quarter of last year. The development from the second quarter of 2023 was affected by factors such as price and wage inflation as well as increased activity. Compared with the previous

quarter, operating expenses were up 7.8 per cent. This was mainly due to high activity within real estate broking and IT.

Impairment provisions amounted to NOK 81 million in the personal customers segment in the quarter, compared with impairment provisions of NOK 104 million and NOK 67 million in the corresponding quarter of 2023 and the first quarter of 2024, respectively. The impairment provisions were mainly in stage 3. Overall, the credit portfolio remained robust.

DNB's market share of credit to households in Norway was 22.9 per cent at end-May 2024. The market share of total household savings was 29.3 per cent at the same point in time, while the market share of savings in mutual funds amounted to 34.8 per cent. DNB Eiendom had a market share of 14.4 per cent in the second quarter.

Corporate customers

Income statement in NOK million	2Q24	1Q24	2Q23
Net interest income	9 238	9 247	9 507
Net other operating income	3 463	2 558	2 725
Total income	12 700	11 805	12 232
Operating expenses	(4 411)	(4 226)	(4 067)
Pre-tax operating profit before impairment	8 289	7 579	8 165
Net gains on fixed and intangible assets	0	0	1
Impairment of financial instruments	(479)	(254)	(765)
Profit from repossessed operations	(54)	(43)	14
Pre-tax operating profit	7 756	7 282	7 414
Tax expense	(1 939)	(1 821)	(1 853)
Profit for the period	5 817	5 462	5 560

Average balance sheet items in NOK billion

Loans to customers	968.9	956.4	955.4
Deposits from customers	890.5	857.4	864.4

Key figures in per cent

Lending spreads ¹	2.28	2.29	2.24
Deposit spreads ¹	0.55	0.69	0.77
Return on allocated capital	20.9	19.7	20.8
Cost/income ratio	34.7	35.8	33.3
Ratio of deposits to loans	91.9	89.6	90.5

¹ Calculated relative to the corresponding money market rate. See ir.dnb.no for additional information on alternative performance measures (APMs).

The corporate customers segment delivered a return on allocated capital of 20.9 per cent in the second quarter, up from 20.8 per cent in the corresponding quarter of 2023, and from 19.7 per cent in the previous quarter.

Net interest income decreased by NOK 269 million compared with the second quarter of 2023 and was at the same level compared with the previous quarter. Lending volumes were up 1.4 per cent compared with the corresponding quarter of last year. Adjusted for exchange rate effects, volumes increased by 1.4 per cent. Compared with the previous quarter, lending volumes were up 1.3 per cent or 0.6 per cent adjusted for exchange rate effects. Lending spreads widened by 4 basis points compared with the corresponding quarter of last year. Compared with the previous quarter, lending spreads narrowed by 1 basis point. Deposit volumes were up by 3.0 per cent compared with the corresponding quarter of 2023. Compared with the previous quarter, deposits from customers were up 3.9 per cent, or 3.0 per cent adjusted for exchange rate effects. Deposit spreads narrowed by 14 basis points from the first quarter of 2024, due to the revised principles relating to the calculation of margins on short-term deposits. The ratio of deposits to loans has remained high for some time, but is expected to gradually decrease.

Net other operating income amounted to NOK 3 463 million in the second quarter, an increase of NOK 738 million compared with the second quarter of 2023, and NOK 905 million from the previous quarter. Income from net commissions and fees increased by NOK 481 million from the corresponding quarter of last year and by

NOK 631 million from the previous quarter. Income from Markets activities was up NOK 176 million from the corresponding quarter of last year and NOK 326 million from the previous quarter, mainly due to income from investment banking services.

Operating expenses were up 8.5 per cent from the second quarter of last year, primarily driven by higher fees and IT expenses and costs related to Markets activities. Compared with the previous quarter, operating expenses were up 4.4 per cent, mainly driven by higher fees and IT expenses.

There were impairment provisions of NOK 479 million in the corporate customers segment, which were mainly driven by specific customers in stage 3, spread across various industry segments.

DNB is well-positioned for continued profitable growth in the large corporate customers segment and for building further on its market-leading position in the SME segment. The corporate customers segment has embedded DNB's net-zero ambition into key sectoral strategies, and through a wide range of advisory services and sustainable finance products the Group assists its customers in their transition to a low carbon economy and more sustainable value creation.

Other operations

This segment includes the results from risk management in DNB Markets and from traditional pension products with a guaranteed rate of return. In addition, the other operations segment includes Group items not allocated to the customer segments.

<i>Income statement in NOK million</i>	2Q24	1Q24	2Q23
Net interest income	1 058	753	523
Net other operating income	880	998	515
Total income	1 938	1 750	1 038
Operating expenses	(222)	(288)	(8)
Pre-tax operating profit before impairment	1 716	1 462	1 030
Net gains on fixed and intangible assets	(1)	(2)	14
Impairment of financial instruments	1	(1)	(1)
Profit from repossessed operations	54	43	(14)
Pre-tax operating profit	1 770	1 501	1 028
Tax expense	233	264	(12)
Profit from operations held for sale, after taxes	(37)	(29)	19
Profit for the period	1 966	1 737	1 035
Average balance sheet items in NOK billion			
Loans to customers	107.0	104.7	112.4
Deposits from customers	202.5	131.0	68.5

The profit for the other operations segment was NOK 1 966 million in the second quarter.

Risk management income was down from NOK 705 million to NOK 463 million in the second quarter of 2024, compared with the corresponding period last year. The reduction was mainly due to lower volatility in counterparty risk (XVA) and somewhat lower income relating to liquidity management. Compared with the previous quarter, risk management income decreased by NOK 108 million. Interest trading income was at approximately the same level as in the first quarter, but still at a historically high level due to high interest volatility and flow of deals. Returns in the bond portfolio were slightly lower than in the previous quarter, as the portfolio did not achieve the same benefit of narrowing spreads that was seen in the first quarter.

The pre-tax profit for guaranteed pension products was NOK 475 million in the second quarter, compared with NOK 383 million in the corresponding period of last year, and NOK 483 million in the first quarter. The increase in profit compared with the previous year can primarily be ascribed to improved return on the company's own funds.

The solvency margin without transitional rules was 263 per cent as of 30 June an increase from 257 per cent at the end of the first quarter, mainly due to decreased market risk and the contribution from return on assets in the common portfolio. Interest rates were

virtually unchanged in the quarter and had a minor effect on the solvency margin. At the current interest rate level, the transitional rules for technical insurance provisions have no effect, and the solvency margins with and without transitional rules are equal.

DNB's share of the profit in associated companies (most importantly Luminor, Vipps and Fremtind) is included in this segment. There was an increase in profit from these companies of NOK 181 million compared with the second quarter of 2023, and of NOK 70 million compared with the previous quarter, mainly due to higher profit in Fremtind.

Funding, liquidity and balance sheet

The bank's short-term funding programmes have for a long time been a highly stable and reliable source of funding, even in turbulent markets. Higher interest rates in Europe have contributed to the bank focusing more on Europe for its commercial paper issues. In Europe, activity is significantly higher for EUR, GBP and USD. This is a valuable source of diversification from the reliable US Commercial Paper (USCP) programme. It also gives the bank the opportunity to further refine its pricing. In the second quarter, the volume issued in Europe under the European Commercial Paper/ Certificates of Deposit (ECP/ECD) programmes exceeded the volume issued under the USCP programme for the first time.

The conditions for obtaining long-term funding for financial institutions were favourable throughout much of the second quarter. A positive risk sentiment and good liquidity in the credit markets led to a significant reduction in credit risk premiums in the first two months of the quarter, and the risk sentiment was largely driven by developments in government bond yields and expectations relating to the future levels of the key policy rates. A poorer risk sentiment towards the end of the quarter also resulted in significantly lower activity in the market with very few new issues. DNB issued long-term debt instruments totalling NOK 22.8 billion in the quarter, divided between covered bonds in EUR, senior debt in CHF and NOK, and AT1 capital in USD.

The total nominal value of long-term debt securities issued by the Group was NOK 518 billion at end-June, compared with NOK 549 billion a year earlier. The average remaining term to maturity for long-term debt securities issued was 3.6 years, compared with 3.4 years a year earlier.

The short-term liquidity requirement, the Liquidity Coverage Ratio (LCR), remained stable at above 100 per cent throughout the quarter and was 135 per cent at the end of June. The net long-term stable funding ratio, NSFR, was 115 per cent, which was well above the minimum requirement of 100 per cent for stable and long-term funding.

Total combined assets in the DNB Group were NOK 4 344 billion at the end of June, up from NOK 4 111 billion a year earlier. Total assets in the Group's balance sheet were NOK 3 677 billion at end-June 2024, compared with NOK 3 559 billion at end-June 2023.

Loans to customers decreased by NOK 14 billion, or 0.7 per cent, from the second quarter of 2023. Customer deposits were up NOK 92 billion, or 6.3 per cent, during the same period. The ratio of customer deposits to net loans to customers was 77.1 per cent, up from 74.9 per cent a year earlier.

Capital position

The common equity Tier 1 (CET1) capital ratio was 19.0 per cent at end-June, up from 18.9 per cent a year earlier and at the same level as at end-March.

Retained earnings in the period contributed to a 33 basis-point increase in the CET1 capital ratio, while the announced share buy-back programme of 1.0 per cent reduced the ratio by 29 basis points.

The CET1 capital ratio requirement for DNB at end-June was 15.6 per cent, while the expectation from the supervisory authorities

was 16.9 per cent including Pillar 2 Guidance. The Group thus had a solid 2.1 percentage-point headroom above the current supervisory authorities' capital level expectation.

The risk exposure amount was stable from end-March and amounted to NOK 1 090 billion at end-June. Volume growth was offset by exchange rate effects and positive migration.

The leverage ratio was 6.5 per cent at end-June, down from 6.6 per cent in the year-earlier period, and up from 6.2 per cent at end-March.

Capital adequacy

The capital adequacy regulations specify a minimum requirement for own funds based on a risk exposure amount that includes credit risk, market risk and operational risk. In addition to meeting the Pillar 1 minimum requirement, DNB must meet the Pillar 2 requirements and the combined buffer requirements under Pillar 1.

Capital and risk

	2Q24	1Q24	2Q23
CET1 capital ratio, per cent	19.0	19.0	18.9
Tier 1 capital ratio, per cent	20.8	21.1	20.4
Capital ratio, per cent	23.3	23.6	23.0
Risk exposure amount, NOK billion	1 090	1 089	1 095
Leverage ratio, per cent	6.5	6.2	6.6

As the DNB Group consists of both a credit institution and a life insurance company, DNB has to satisfy a cross-sectoral calculation test to demonstrate that it complies with sectoral requirements: the capital adequacy requirement, in accordance with the CRR/CRD, and the Solvency II requirement. At end-June, DNB complied with these requirements by a good margin, with excess capital of NOK 47.9 billion.

New regulatory framework

New Norwegian Financial Supervision Act – Proposition to the Storting no. 75L (2023–2024)

On 11 June, the Storting adopted a new Financial Supervision Act in accordance with the proposal from the Norwegian government. The Act will replace the current Financial Supervision Act from 1956, and follows the recommendations from the legal committee for the Financial Supervision Act in Official Norwegian Report 2023: 6. The bill takes consideration of changes that have affected Finanstilsynet over time, both in terms of the scope of its activities and the rules and legislation it manages, as well as changes to supervisory practice and supervisory instruments.

Amendments to the Norwegian Financial Contracts Act relating to compulsory means of payment (cash)

On 7 June, the Storting adopted amendments to the Financial Contracts Act that entail that consumers must have the right to pay with cash in any retail premises where a business owner sells goods or services, as long as payment is received for the goods or services in the retail premises. The amendments were applied to Section 2-1 of the Financial Contracts Act. The rules regarding the right to pay with cash will enter into force on 1 October 2024.

Norges Bank's advice on the systemic risk buffer

The Monetary Policy and Financial Stability Committee of the Norwegian central bank, Norges Bank, sent a letter to the Norwegian Ministry of Finance on 8 May, recommending that the systemic risk buffer requirement for the banks should be kept unchanged at 4.5 per cent. The Ministry of Finance sets the systemic risk buffer requirement. Norges Bank is responsible for preparing the decision-making basis and for advising the Ministry of Finance on the buffer requirement at least every two years.

Countercyclical capital buffer remains unchanged

Under Section 34 of the Norwegian Regulations on capital requirements and national adaptation of CRR/CRD IV, Norges Bank must determine the level of the countercyclical capital buffer rate for Norwegian exposures every quarter. At its meeting on 2 May, the Monetary Policy and Financial Stability Committee of Norges Bank decided to maintain the countercyclical capital buffer requirement at 2.5 per cent.

Basel IV – CRR III/CRD VI and postponement of the Fundamental Review of the Trading Book

On 24 April, the European Parliament adopted amendments to the EU's capital requirements regulations through the CRD VI Directive and the CRR III Regulation. On 31 May 2024, the Council also adopted the amendments, and the legislation was published in the Official Journal of the European Union as Regulation (EU) 2024/1623 and Directive (EU) 2024/1619, respectively.

The CRR III Regulation will enter into force (with a few exceptions) on 1 January 2025, while the member states are expected to introduce measures that implement the CRD VI 18 months and one day after its entry into force. The implementation date in Norway will depend on when the CRR III Regulation is implemented in the EEA Agreement, and the Norwegian authorities have signalled that they are aiming to follow the same timeline as in the EU.

On 18 June, the European Commission announced that it would postpone the Fundamental Review of the Trading Book (FRTB) to 1 January 2026. The postponement will not formally become part of the EU legislation until the Commission adopts a delegated act with the amendment. This process normally takes at least three months.

Macroeconomic developments

Among Norway's trading partners, the main situation for the first half of the year is that unemployment has remained low, and there has been clear growth in employment in several countries. As price growth is falling and wage growth is increasing, real wage growth is about to pick up. Price growth for consumer products among Norway's trading partners continued to decline in the first quarter of 2024 and into the second quarter. Price growth relating to services for households has remained at the same level, however, and contributed to inflation not declining as quickly as expected by the central banks earlier this year. The central banks have found that their monetary policies have had a tightening effect, but the key figures that have been published so far this year indicate that economies are tolerating the interest rate levels well.

Norges Bank kept the key policy rate unchanged at its monetary policy meeting in June. The forecasts in the June monetary policy report indicated that the key policy rate will remain at 4.50 per cent until the end of the year, before being gradually reduced. This clearly shifted expectations of an interest rate cut further into the future. It can partly be ascribed to changes in interest rate expectations and the estimates for growth and inflation outside Norway having been revised upwards.

The Norwegian economy has been through a period of low growth, but there are prospects of growth increasing in the second half of the year. Mainland GDP growth was 0.2 per cent from the fourth quarter of 2023 to the first quarter of 2024. Registered unemployment rose to 2.0 per cent in the second quarter of 2024, but is still at a low level. Norges Bank's regional network estimated economic growth in the second and third quarters of 2024 of, 0.2 and 0.3 per cent, respectively (quarter-on-quarter). Capacity utilisation in the economy appeared to be somewhat higher than previously assumed, among other things, as a result of higher net exports and greater public demand. The improved prospects for economic growth were an important reason why Norges Bank

revised its interest rate path upwards in June. The projections for price and wage growth were also revised upwards, despite core inflation as measured by the CPI-ATE index having declined to 4.1 per cent year-on-year in May. This was slightly lower than Norges Bank's estimate in its March report. However, higher salaries and prospects of increased price growth for imported goods gave reason to adjust the estimates for price growth upwards, which also contributed to a higher interest rate path.

Future prospects

The Group's overriding financial target is a return on equity (ROE) above 13 per cent.

Norges Bank's stepwise increase of the key policy rate, from 2.75 per cent to 4.50 per cent during 2023, followed by DNB's repricing announcements, had full effect in the second quarter.

The following factors will also contribute to the Group reaching its ROE target: growth in loans and in commissions and fees from capital-light products, combined with cost-control measures. The annual organic loan growth for the Group is expected to be between 3 and 4 per cent over time, but could be lower or higher in certain years. After muted loan growth in first half of 2024, some pick-up in growth in the second half of the year is expected.

DNB has an ambition to increase net commissions and fees by between 4 and 5 per cent annually over time, and to maintain a cost/income ratio below 40 per cent.

The long-term tax rate is expected to be 23 per cent. Due to debt interest distribution in Norwegian taxation, the tax rate is estimated at 20 per cent for 2024.

The supervisory expectation for the common equity Tier 1 (CET1) capital ratio for DNB is above 16.9 per cent. In its capital planning, DNB has set the supervisory expectation plus some headroom as its target capital level. The headroom will reflect market-driven fluctuations, including in foreign exchange, and potential minor regulatory changes. The actual ratio achieved in the second quarter was 19.0 per cent.

The Group's dividend policy remains unchanged, with a payout ratio of more than 50 per cent in cash dividends and an ambition to increase the nominal dividend per share each year. In addition to dividend payments, repurchases of own shares are being used as a flexible tool for allocating excess capital to DNB's owners.

Oslo, 10 July 2024

The Board of Directors of DNB Bank ASA



Olaug Svarva
(Chair of the Board)



Jens Petter Olsen
(Vice Chair of the Board)



Gro Bakstad



Christine Bosse



Petter-Børre Furberg



Lilian Hattrem



Haakon Christopher Sandven



Eli Solhaug



Kim Wahl



Kjerstin R. Braathen
(Group Chief Executive Officer, CEO)

Accounts for the DNB Group

G – INCOME STATEMENT

<i>Amounts in NOK million</i>	2nd quarter 2024	2nd quarter 2023	Jan.-June 2024	Jan.-June 2023	Full year 2023
Interest income, effective interest method	47 571	36 641	93 839	69 058	153 550
Other interest income	1 594	1 826	3 667	3 563	7 095
Interest expenses, effective interest method	(33 203)	(24 231)	(66 365)	(44 137)	(101 757)
Other interest expenses	(146)	996	203	1 347	2 658
Net interest income	15 817	15 232	31 343	29 832	61 547
Commission and fee income	4 354	3 765	7 991	7 306	14 772
Commission and fee expenses	(915)	(946)	(1 849)	(1 853)	(3 658)
Net gains on financial instruments at fair value	1 010	1 277	2 193	3 741	5 283
Net insurance result	433	338	636	493	1 183
Profit from investments accounted for by the equity method	258	76	446	241	449
Net gains on investment properties	(7)	(1)	(3)	(2)	43
Other income	622	461	1 214	982	2 077
Net other operating income	5 756	4 971	10 627	10 907	20 150
Total income	21 572	20 203	41 970	40 739	81 697
Salaries and other personnel expenses	(4 319)	(4 011)	(8 580)	(7 952)	(16 320)
Other expenses	(2 288)	(2 136)	(4 436)	(4 191)	(8 506)
Depreciation and impairment of fixed and intangible assets	(898)	(937)	(1 774)	(1 916)	(3 794)
Total operating expenses	(7 505)	(7 083)	(14 790)	(14 059)	(28 620)
Pre-tax operating profit before impairment	14 067	13 120	27 180	26 679	53 077
Net gains on fixed and intangible assets	(3)	15	(5)	15	11
Impairment of financial instruments	(560)	(871)	(882)	(792)	(2 649)
Pre-tax operating profit	13 504	12 263	26 294	25 902	50 440
Tax expense	(2 701)	(2 821)	(5 259)	(5 958)	(10 811)
Profit from operations held for sale, after taxes	(37)	19	(66)	(11)	(149)
Profit for the period	10 766	9 462	20 969	19 934	39 479
Portion attributable to shareholders	10 271	9 149	20 060	19 341	38 166
Portion attributable to non-controlling interests	6	11	6	11	2
Portion attributable to additional Tier 1 capital holders	489	302	903	581	1 312
Profit for the period	10 766	9 462	20 969	19 934	39 479
Earnings/diluted earnings per share (NOK)	6.83	5.93	13.31	12.51	24.83
Earnings per share excluding operations held for sale (NOK)	6.86	5.91	13.36	12.52	24.93

G – COMPREHENSIVE INCOME STATEMENT

<i>Amounts in NOK million</i>	2nd quarter 2024	2nd quarter 2023	Jan.-June 2024	Jan.-June 2023	Full year 2023
Profit for the period	10 766	9 462	20 969	19 934	39 479
Actuarial gains and losses					(291)
Property revaluation	(16)	(1)	(16)	(1)	2
Financial liabilities designated at FVTPL, changes in credit risk	(37)	21	(67)	58	(102)
Tax	9	(5)	17	(15)	99
Items that will not be reclassified to the income statement	(44)	15	(67)	43	(292)
Currency translation of foreign operations	(1 328)	1 956	2 663	8 074	4 950
Currency translation reserve reclassified to the income statement	(29)		(29)		
Hedging of net investment	1 016	(1 529)	(2 171)	(6 585)	(3 845)
Financial assets at fair value through OCI	88	(124)	537	(109)	(147)
Tax	(276)	416	409	1 673	998
Items that may subsequently be reclassified to the income statement	(529)	719	1 408	3 053	1 955
Other comprehensive income for the period	(573)	734	1 342	3 096	1 663
Comprehensive income for the period	10 194	10 196	22 311	23 030	41 142

G – BALANCE SHEET

<i>Amounts in NOK million</i>	Note	30 June 2024	31 Dec. 2023	30 June 2023
Assets				
Cash and deposits with central banks		542 410	331 408	568 971
Due from credit institutions		181 926	94 259	58 820
Loans to customers	G4, G5, G6, G7	2 011 602	1 997 363	2 025 481
Commercial paper and bonds	G7	468 962	569 464	426 375
Shareholdings	G7	31 386	22 281	30 903
Assets, customers bearing the risk	G7	187 007	166 722	152 437
Financial derivatives	G7	162 547	178 263	200 344
Investment properties		8 945	9 454	12 578
Investments accounted for by the equity method		18 187	19 100	19 149
Intangible assets		10 461	10 456	10 431
Deferred tax assets		390	388	566
Fixed assets		21 635	21 439	21 396
Assets held for sale		1 197	1 195	1 787
Other assets		30 732	17 932	29 762
Total assets		3 677 388	3 439 724	3 559 000
Liabilities and equity				
Due to credit institutions		331 847	206 714	310 928
Deposits from customers	G7	1 565 330	1 422 941	1 472 869
Financial derivatives	G7	167 980	189 178	211 647
Debt securities issued	G7, G8	773 133	807 928	795 404
Insurance liabilities, customers bearing the risk		187 007	166 722	152 437
Insurance liabilities		192 598	195 319	194 344
Payable taxes		4 760	9 488	6 657
Deferred taxes		2 700	2 722	2 140
Other liabilities		39 369	22 583	32 693
Liabilities held for sale		387	540	381
Provisions		1 213	1 146	1 114
Pension commitments		5 698	5 343	4 969
Senior non-preferred bonds	G8	102 363	99 848	79 388
Subordinated loan capital	G7, G8	33 575	39 957	39 965
Total liabilities		3 407 963	3 170 428	3 304 935
Additional Tier 1 capital		30 176	22 004	18 704
Non-controlling interests		157	168	232
Share capital		18 638	18 960	19 282
Share premium		18 733	18 733	18 733
Other equity		201 721	209 431	197 115
Total equity		269 425	269 296	254 065
Total liabilities and equity		3 677 388	3 439 724	3 559 000

G – STATEMENT OF CHANGES IN EQUITY

<i>Amounts in NOK million</i>	Non-controlling interests	Share capital	Share premium	Additional Tier 1 capital	Net currency translation reserve	Liability credit reserve	Other equity	Total equity
Balance sheet as at 31 December 2022	227	19 378	18 733	16 089	5 200	150	190 063	249 840
Profit for the period	11			581			19 341	19 934
Property revaluation							(1)	(1)
Financial assets at fair value through OCI							(109)	(109)
Financial liabilities designated at FVTPL, changes in credit risk						58		58
Currency translation of foreign operations					8 074			8 074
Hedging of net investment					(6 585)			(6 585)
Tax on other comprehensive income					1 646	(15)	27	1 659
Comprehensive income for the period	11			581	3 135	44	19 259	23 030
Interest payments AT1 capital				(266)				(266)
AT1 capital issued				2 300				2 300
Net purchase of treasury shares		0					8	9
Share buy-back programme		(97)					(1 437)	(1 534)
Non-controlling interests	(7)							(7)
Dividends paid for 2022 (NOK 12.50 per share)							(19 316)	(19 316)
Other equity transactions							10	10
Balance sheet as at 30 June 2023	232	19 282	18 733	18 704	8 335	193	188 586	254 065
Balance sheet as at 31 December 2023	168	18 960	18 733	22 004	7 266	73	202 092	269 296
Profit for the period	6			903			20 060	20 969
Property revaluation							(16)	(16)
Financial assets at fair value through OCI							537	537
Financial liabilities designated at FVTPL, changes in credit risk						(67)		(67)
Currency translation of foreign operations					2 663			2 663
Hedging of net investment					(2 171)			(2 171)
Tax on other comprehensive income					543	17	(134)	426
Reclassified to the income statement on the liquidation of foreign operations					(29)			(29)
Comprehensive income for the period	6			903	1 005	(50)	20 447	22 311
Interest payments AT1 capital				(481)				(481)
AT1 capital issued ¹				10 551				10 551
AT1 capital redeemed ²				(2 800)				(2 800)
Share buy-back programme		(323)					(4 958)	(5 281)
Non-controlling interests	(17)							(17)
Dividends paid for 2023 (NOK 16.00 per share)							(24 153)	(24 153)
Balance sheet as at 30 June 2024	157	18 638	18 733	30 176	8 271	23	193 427	269 425

1 The DNB Group's parent, DNB Bank ASA, has issued three additional Tier 1 capital instruments in the first half of 2024. The first was issued in February, has a nominal value of SEK 1 100 million and is perpetual with a floating interest of 3-month STIBOR plus 3.1 per cent p.a. The second was issued in February, has a nominal value of SEK 2 000 million and is perpetual with an interest rate of 5.89 per cent p.a. until 27 August 2029. Thereafter 3-month STIBOR plus 3.1 per cent. The third was issued in May, has a nominal value of USD 700 million and is perpetual with an interest rate of 7.38 per cent p.a.

2 Two additional Tier 1 capital instruments have been redeemed in the first half of 2024. The first was issued by Sbanken ASA in 2019, had a nominal value of NOK 100 million and was redeemed in March. The second was issued by DNB Bank ASA in 2019, had a nominal value of NOK 2 700 million and was redeemed in June.

G – CASH FLOW STATEMENT

<i>Amounts in NOK million</i>	Jan.-June 2024	Jan.-June 2023	Full year 2023
Operating activities			
Net payments on loans to customers	(7 611)	(28 794)	(13 895)
Net receipts on deposits from customers	112 307	34 111	6 476
Receipts on issued bonds and commercial paper	429 117	886 853	1 566 536
Payments on redeemed bonds and commercial paper	(485 300)	(878 440)	(1 511 124)
Net receipts/(payments) on loans to credit institutions	45 544	112 244	(38 759)
Interest received	97 998	71 491	157 263
Interest paid	(46 724)	(32 677)	(94 298)
Net receipts on commissions and fees	5 692	6 123	10 577
Net receipts/(payments) on the sale of financial assets in liquidity or trading portfolio	133 135	102 153	(52 503)
Payments to operations	(15 371)	(14 560)	(23 960)
Taxes paid	(9 219)	(858)	(2 956)
Receipts on premiums	10 464	9 305	18 852
Net payments on premium reserve transfers	(2 012)	(1 199)	(1 496)
Payments of insurance settlements	(8 034)	(7 830)	(15 270)
Other net payments	(14 462)	(1 990)	(1 319)
Net cash flow from operating activities	245 523	255 934	4 124
Investing activities			
Net payments on the acquisition or disposal of fixed assets	(1 567)	(2 247)	(4 081)
Receipts on investment properties	21	1 087	2 616
Payments on and for investment properties	(5)	(19)	(16)
Investment in long-term shares		(3)	(407)
Disposals of long-term shares		115	117
Dividends received on long-term investments in shares	739	14	14
Net cash flow from investing activities	(812)	(1 052)	(1 756)
Financing activities			
Receipts on issued senior non-preferred bonds		14 306	34 685
Payments on redeemed senior non-preferred bonds	(38)	(130)	(80)
Receipts on issued subordinated loan capital		11 788	11 788
Redemptions of subordinated loan capital	(5 848)	(10 026)	(10 030)
Receipts on issued AT1 capital	10 551	2 300	5 829
Redemptions of AT1 capital	(2 800)		
Interest payments on AT1 capital	(481)	(276)	(1 225)
Lease payments	(415)	(184)	(559)
Net purchase of own shares	(5 281)	(1 526)	(6 916)
Dividend payments	(24 153)	(19 316)	(19 316)
Net cash flow from financing activities	(28 467)	(3 063)	14 176
Effects of exchange rate changes on cash and cash equivalents	1 994	9 000	1 913
Net cash flow	218 238	260 818	18 458
Cash as at 1 January	335 580	317 123	317 123
Net receipts of cash	218 238	260 818	18 458
Cash at end of period ¹	553 818	577 941	335 580

*) Of which: Cash and deposits with central banks	542 410	568 971	331 408
Deposits with credit institutions with no agreed period of notice ¹	11 407	8 970	4 172

¹ Recorded under "Due from credit institutions" in the balance sheet.

NOTE G1 BASIS FOR PREPARATION

The quarterly financial statements for the Group have been prepared in accordance with IAS 34 Interim Financial Reporting, as issued by the International Accounting Standards Board and as adopted by the European Union. When preparing the consolidated financial statements, the management makes estimates, judgements and assumptions that affect the application of the accounting principles, as well as income, expenses, and the carrying amount of assets and liabilities. Estimates and assumptions are subject to continual evaluation and are based on historical experience and other factors, including expectations of future events that are believed to be probable on the balance sheet date. A description of the accounting policies, significant estimates, and areas where judgement is applied by the Group, can be found in Note G1 Accounting principles in the annual report for 2023. In the interim report, the accounting policies, significant estimates, and areas where judgement is applied by the Group are in conformity with those described in the annual report.

NOTE G2 SEGMENTS

According to DNB's management model, the operating segments are independent profit centres that are fully responsible for their profit after tax and for achieving the targeted returns on allocated capital. DNB has the following operating segments: Personal customers, Corporate customers, Risk management and Traditional pension products (with guaranteed rate of return). The Risk management and Traditional pension products segments are included in Other operations. DNB's share of profit in major associated companies (most importantly Luminor, Vipps and Fremtind) is included in Other operations.

Income statement, second quarter

Amounts in NOK million	Personal customers		Corporate customers		Other operations		Eliminations		DNB Group	
	2nd quarter		2nd quarter		2nd quarter		2nd quarter		2nd quarter	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Net interest income	5 521	5 203	9 238	9 507	1 058	523			15 817	15 232
Net other operating income	1 570	1 467	3 463	2 725	880	515	(157)	264	5 756	4 971
Total income	7 091	6 670	12 700	12 232	1 938	1 038	(157)	264	21 572	20 203
Operating expenses	(3 029)	(2 744)	(4 411)	(4 067)	(222)	(8)	157	(264)	(7 505)	(7 083)
Pre-tax operating profit before impairment	4 062	3 926	8 289	8 165	1 716	1 030			14 067	13 120
Net gains on fixed and intangible assets	(3)	0	0	1	(1)	14			(3)	15
Impairment of financial instruments	(81)	(104)	(479)	(765)	1	(1)			(560)	(871)
Profit from repossessed operations			(54)	14	54	(14)				
Pre-tax operating profit	3 979	3 822	7 756	7 414	1 770	1 028			13 504	12 263
Tax expense	(995)	(955)	(1 939)	(1 853)	233	(12)			(2 701)	(2 821)
Profit from operations held for sale, after taxes					(37)	19			(37)	19
Profit for the period	2 984	2 866	5 817	5 560	1 966	1 035			10 766	9 462

Income statement, January-June

Amounts in NOK million	Personal customers		Corporate customers		Other operations		Eliminations		DNB Group	
	Jan.-June		Jan.-June		Jan.-June		Jan.-June		Jan.-June	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Net interest income	11 047	10 447	18 485	18 390	1 811	994			31 343	29 832
Net other operating income	2 928	2 763	6 021	5 539	1 877	2 166	(198)	439	10 627	10 907
Total income	13 975	13 211	24 505	23 929	3 688	3 160	(198)	439	41 970	40 739
Operating expenses	(5 840)	(5 440)	(8 637)	(8 099)	(510)	(82)	198	(439)	(14 790)	(14 059)
Pre-tax operating profit before impairment	8 134	7 771	15 868	15 831	3 178	3 078			27 180	26 679
Net gains on fixed and intangible assets	(2)	0	0	1	(3)	14			(5)	15
Impairment of financial instruments	(148)	(251)	(734)	(540)	(1)	(1)			(882)	(792)
Profit from repossessed operations			(97)	145	97	(145)				
Pre-tax operating profit	7 984	7 520	15 038	15 437	3 271	2 946			26 294	25 902
Tax expense	(1 996)	(1 880)	(3 760)	(3 859)	497	(218)			(5 259)	(5 958)
Profit from operations held for sale, after taxes					(66)	(11)			(66)	(11)
Profit for the period	5 988	5 640	11 279	11 577	3 703	2 717			20 969	19 934

NOTE G3 CAPITAL ADEQUACY

Capital adequacy is calculated and reported in accordance with the EU capital requirements regulations for banks and investment firms (CRR/CRD). The regulatory consolidation deviates from consolidation in the accounts and comprises the parent company, subsidiaries and associated companies, excluding insurance companies. Associated companies are consolidated pro rata.

Own funds

<i>Amounts in NOK million</i>	30 June 2024	31 Dec. 2023	30 June 2023
Total equity	269 425	269 296	254 065
Effect from regulatory consolidation	2 869	2 835	2 295
Adjustment to retained earnings for foreseeable dividends	(12 139)		(8 863)
Additional Tier 1 capital instruments included in total equity	(29 554)	(21 803)	(18 274)
Net accrued interest on additional Tier 1 capital instruments	(622)	(201)	(430)
Common equity Tier 1 capital instruments	229 980	250 127	228 793
Regulatory adjustments			
Pension funds above pension commitments	(50)	(44)	(41)
Goodwill	(9 509)	(9 516)	(9 473)
Deferred tax assets that rely on future profitability, excluding temporary differences	(369)	(306)	(409)
Other intangible assets	(2 564)	(2 355)	(2 527)
Dividends payable and group contributions		(24 153)	
Share buy-back program	(2 822)	(5 165)	
Deduction for investments in insurance companies ¹	(3 670)	(4 277)	(4 543)
IRB provisions shortfall	(2 756)	(2 876)	(3 023)
Additional value adjustments (AVA)	(928)	(939)	(1 264)
Insufficient coverage for non-performing exposures	(437)	(362)	(254)
(Gains) or losses on liabilities at fair value resulting from own credit risk	(27)	(73)	(193)
(Gains) or losses on derivative liabilities resulting from own credit risk (DVA)	(246)	(134)	(233)
Common equity Tier 1 capital	206 602	199 927	206 833
Additional Tier 1 capital instruments	21 780	21 803	18 274
Deduction of holdings of Tier 1 instruments in insurance companies ²	(1 500)	(1 500)	(1 500)
Additional Tier 1	20 280	20 303	16 774
Tier 1 capital	226 882	220 230	223 607
Term subordinated loan capital	32 615	32 772	33 407
Deduction of holdings of Tier 2 instruments in insurance companies ²	(5 588)	(5 588)	(5 588)
Non-eligible Tier 2 capital			
Tier 2 capital	27 027	27 184	27 819
Own funds	253 909	247 414	251 427
Total risk exposure amount	1 090 019	1 099 949	1 095 070
Minimum capital requirement	87 201	87 996	87 606
Capital ratios:			
Common equity Tier 1 capital ratio	19.0	18.2	18.9
Tier 1 capital ratio	20.8	20.0	20.4
Total capital ratio	23.3	22.5	23.0

¹ Deductions are made for significant investments in financial sector entities when the total value of the investments exceeds 10 per cent of common equity Tier 1 capital. The amounts that are not deducted are given a risk weight of 250 per cent.

² Investments in Tier 1 and Tier 2 instruments issued by the Group's insurance companies are deducted from the Group's Tier 1 and Tier 2 capital.

NOTE G3 CAPITAL ADEQUACY (continued)

The majority of the credit portfolios are reported according to the IRB approach. Exposures to central and regional governments, institutions, equity positions and other assets are, however, reported according to the standardised approach.

Specification of exposures

	Original exposure 30 June 2024	Exposure at default (EAD) 30 June 2024	Average risk weight in per cent 30 June 2024	Risk exposure amount (REA) 30 June 2024	Capital requirement 30 June 2024	Capital requirement 31 Dec. 2023
<i>Amounts in NOK million</i>						
IRB approach						
Corporate exposures	1 248 296	1 010 872	40.2	406 349	32 508	33 912
<i>of which specialised lending (SL)</i>	7 269	6 964	32.4	2 254	180	188
<i>of which small and medium-sized enterprises (SME)</i>	211 975	194 733	40.0	77 832	6 227	7 363
<i>of which other corporates</i>	1 029 051	809 176	40.3	326 263	26 101	26 362
Retail exposures	1 011 220	996 844	22.4	223 312	17 865	17 788
<i>of which secured by mortgages on immovable property</i>	930 336	930 336	21.8	202 517	16 201	16 137
<i>of which other retail</i>	80 884	66 508	31.3	20 795	1 664	1 651
Total credit risk, IRB approach	2 259 516	2 007 716	31.4	629 661	50 373	51 700
Standardised approach						
Central government and central banks	589 488	588 735	0.0	91	7	7
Regional government or local authorities	54 837	47 910	1.1	529	42	58
Public sector entities	89 470	87 240	0.0	21	2	1
Multilateral development banks	59 859	59 858				48
International organisations	1 008	1 008				
Institutions	88 738	54 903	29.4	16 124	1 290	1 494
Corporate	194 974	174 181	68.2	118 736	9 499	9 165
Retail	179 245	76 583	74.7	57 181	4 574	4 053
Secured by mortgages on immovable property	129 428	121 077	40.8	49 377	3 950	4 307
Exposures in default	4 200	3 236	137.2	4 440	355	325
Items associated with particular high risk	734	734	150.0	1 100	88	88
Covered bonds	59 894	59 894	10.0	5 989	479	432
Collective investment undertakings	1 367	1 367	14.6	200	16	45
Equity positions	24 105	24 103	230.8	55 641	4 451	4 287
Other assets	30 652	30 652	55.2	16 929	1 354	1 299
Total credit risk, standardised approach	1 507 997	1 331 481	24.5	326 360	26 109	25 609
Total credit risk	3 767 514	3 339 197	28.6	956 021	76 482	77 309
Settlement risk				7	1	0
Market risk						
Position and general risk, debt instruments				8 456	676	651
Position and general risk, equity instruments				1 129	90	61
Currency risk				5	0	0
Commodity risk				81	6	0
Total market risk				9 671	774	712
Credit value adjustment risk (CVA)				3 130	250	280
Operational risk				121 190	9 695	9 695
Total risk exposure amount				1 090 019	87 201	87 996

NOTE G4 DEVELOPMENT IN GROSS CARRYING AMOUNT AND MAXIMUM EXPOSURE

Loans to customers at amortised cost

Amounts in NOK million	January-June 2024				Full year 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 Jan.	1 791 350	145 406	26 283	1 963 040	1 750 560	142 273	27 499	1 920 333
Transfer to stage 1	55 151	(53 878)	(1 273)		98 766	(95 121)	(3 644)	
Transfer to stage 2	(76 736)	78 096	(1 361)		(146 983)	151 640	(4 657)	
Transfer to stage 3	(1 352)	(5 137)	6 489		(5 174)	(8 846)	14 020	
Originated and purchased	217 111	2 897	1 371	221 379	459 375	10 524	2 735	472 634
Derecognition	(183 739)	(18 892)	(7 209)	(209 840)	(377 292)	(55 901)	(9 891)	(443 084)
Exchange rate movements	4 592	111	63	4 766	12 424	1 166	232	13 823
Other ¹					(325)	(329)	(10)	(665)
Gross carrying amount as at end of period	1 806 379	148 603	24 363	1 979 346	1 791 350	145 406	26 283	1 963 040

Financial commitments

Amounts in NOK million	January-June 2024				Full year 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Maximum exposure as at 1 Jan.	747 287	38 506	3 091	788 885	686 122	36 127	3 194	725 444
Transfer to stage 1	13 209	(13 126)	(83)		21 467	(20 835)	(631)	
Transfer to stage 2	(14 753)	14 826	(73)		(31 434)	31 560	(126)	
Transfer to stage 3	(137)	(389)	526		(686)	(1 933)	2 619	
Originated and purchased	328 636	1 104	267	330 007	425 524	3 608	88	429 219
Derecognition	(303 629)	(5 043)	(682)	(309 354)	(362 389)	(10 246)	(2 063)	(374 697)
Exchange rate movements	5 468	206	(5)	5 670	8 683	225	11	8 919
Maximum exposure as at end of period	776 082	36 084	3 041	815 207	747 287	38 506	3 091	788 885

¹ The reduction of the gross carrying value is related to a legacy foreign currency portfolio in Poland. See note G50 Contingencies in DNB Group's annual report 2023.

NOTE G5 DEVELOPMENT IN ACCUMULATED IMPAIRMENT OF FINANCIAL INSTRUMENTS

Loans to customers at amortised cost

<i>Amounts in NOK million</i>	January-June 2024				Full year 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Accumulated impairment as at 1 Jan.	(680)	(834)	(6 261)	(7 775)	(637)	(793)	(6 544)	(7 974)
Transfer to stage 1	(176)	158	18		(354)	262	92	
Transfer to stage 2	47	(55)	8		91	(116)	26	
Transfer to stage 3	1	34	(36)		7	51	(58)	
Originated and purchased	(198)	(82)		(279)	(237)	(50)	(1)	(288)
Increased expected credit loss	(204)	(461)	(4 663)	(5 328)	(374)	(884)	(4 892)	(6 150)
Decreased (reversed) expected credit loss	407	287	3 851	4 544	799	488	3 299	4 586
Write-offs			933	933			1 556	1 556
Derecognition	45	135	163	343	31	217	297	546
Exchange rate movements	(1)		(12)	(14)	(6)	(10)	(35)	(51)
Other								
Accumulated impairment as at end of period	(760)	(818)	(5 998)	(7 577)	(680)	(834)	(6 261)	(7 775)

Financial commitments

<i>Amounts in NOK million</i>	January-June 2024				Full year 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Accumulated impairment as at 1 Jan.	(245)	(228)	(205)	(679)	(194)	(195)	(204)	(593)
Transfer to stage 1	(85)	84	1		(113)	111	2	
Transfer to stage 2	18	(20)	1		22	(25)	3	
Transfer to stage 3		11	(11)		1	14	(14)	
Originated and purchased	(145)	(10)		(155)	(209)	(110)		(319)
Increased expected credit loss	(37)	(96)	(776)	(909)	(66)	(202)	(110)	(378)
Decreased (reversed) expected credit loss	186	41	691	919	315	82	113	510
Derecognition	14	29	83	126	1	98	6	105
Exchange rate movements	(1)	(2)		(3)	(2)	(1)		(3)
Other								
Accumulated impairment as at end of period	(294)	(191)	(216)	(701)	(245)	(228)	(205)	(679)

For explanatory comments about the impairment of financial instruments, see the directors' report.

NOTE G6 LOANS AND FINANCIAL COMMITMENTS TO CUSTOMERS BY INDUSTRY SEGMENT

Loans to customers as at 30 June 2024

<i>Amounts in NOK million</i>	Gross carrying amount	Accumulated impairment			Loans at fair value	Total
		Stage 1	Stage 2	Stage 3		
Bank, insurance and portfolio management	106 902	(25)	(10)	(28)		106 839
Commercial real estate	233 643	(181)	(78)	(597)	76	232 863
Shipping	36 330	(16)	(0)	(236)		36 078
Oil, gas and offshore	34 095	(11)	(3)	(1 016)		33 065
Power and renewables	59 718	(29)	(23)	(843)		58 823
Healthcare	33 718	(14)	(11)	(0)		33 692
Public sector	3 365	(0)	(0)	(0)		3 365
Fishing, fish farming and farming	80 582	(15)	(39)	(134)	86	80 480
Retail industries	56 134	(50)	(117)	(398)	4	55 572
Manufacturing	49 358	(33)	(46)	(184)	1	49 095
Technology, media and telecom	35 003	(13)	(15)	(203)	4	34 775
Services	86 146	(85)	(112)	(526)	22	85 445
Residential property	128 110	(73)	(51)	(460)	291	127 817
Personal customers	962 385	(133)	(191)	(611)	39 336	1 000 786
Other corporate customers	73 857	(82)	(121)	(763)	14	72 905
Total¹	1 979 346	(760)	(818)	(5 998)	39 833	2 011 602

¹ Of which NOK 61 872 million in repo trading volumes.

Loans to customers as at 31 December 2023

<i>Amounts in NOK million</i>	Gross carrying amount	Accumulated impairment			Loans at fair value	Total
		Stage 1	Stage 2	Stage 3		
Bank, insurance and portfolio management	107 209	(20)	(18)	(46)		107 125
Commercial real estate	234 327	(163)	(71)	(572)	78	233 598
Shipping	33 972	(17)	(1)	(206)		33 749
Oil, gas and offshore	32 931	(8)	(4)	(1 099)		31 820
Power and renewables	59 366	(25)	(17)	(766)		58 558
Healthcare	30 411	(9)	(6)	(12)		30 384
Public sector	1 820	(0)	(0)	(0)		1 820
Fishing, fish farming and farming	77 590	(13)	(46)	(120)	87	77 498
Retail industries	52 363	(40)	(105)	(395)	1	51 824
Manufacturing	45 632	(33)	(37)	(156)		45 405
Technology, media and telecom	31 316	(11)	(9)	(315)	1	30 981
Services	85 517	(84)	(139)	(427)	16	84 882
Residential property	127 397	(70)	(29)	(387)	269	127 179
Personal customers	972 110	(110)	(210)	(563)	41 635	1 012 862
Other corporate customers	71 081	(76)	(142)	(1 197)	12	69 677
Total¹	1 963 040	(680)	(834)	(6 261)	42 099	1 997 364

¹ Of which NOK 66 698 million in repo trading volumes.

NOTE G6 LOANS AND FINANCIAL COMMITMENTS TO CUSTOMERS BY INDUSTRY SEGMENT (continued)

Financial commitments as at 30 June 2024

<i>Amounts in NOK million</i>	Maximum exposure	Accumulated impairment			Total
		Stage 1	Stage 2	Stage 3	
Bank, insurance and portfolio management	35 748	(17)	(4)		35 728
Commercial real estate	30 127	(23)	(3)	(2)	30 098
Shipping	17 448	(5)	(0)		17 443
Oil, gas and offshore	71 148	(12)	(13)	(0)	71 122
Power and renewables	76 238	(24)	(8)		76 206
Healthcare	29 758	(7)	(29)	(0)	29 721
Public sector	14 932	(0)	(0)		14 932
Fishing, fish farming and farming	30 121	(4)	(2)	(0)	30 115
Retail industries	35 494	(28)	(23)	(102)	35 342
Manufacturing	55 868	(30)	(15)	(5)	55 818
Technology, media and telecom	23 287	(9)	(3)	(60)	23 215
Services	34 897	(67)	(33)	(4)	34 792
Residential property	24 071	(22)	(14)	(9)	24 026
Personal customers	301 777	(21)	(23)	(2)	301 731
Other corporate customers	34 292	(24)	(21)	(30)	34 217
Total	815 207	(294)	(191)	(216)	814 506

Financial commitments as at 31 December 2023

<i>Amounts in NOK million</i>	Maximum exposure	Accumulated impairment			Total
		Stage 1	Stage 2	Stage 3	
Bank, insurance and portfolio management	37 177	(20)	(4)	(0)	37 153
Commercial real estate	29 480	(21)	(2)	(2)	29 455
Shipping	21 452	(7)	(0)		21 445
Oil, gas and offshore	79 394	(10)	(6)	(0)	79 378
Power and renewables	64 615	(20)	(8)		64 587
Healthcare	25 220	(6)	(30)		25 184
Public sector	13 416	(0)	(0)		13 416
Fishing, fish farming and farming	26 280	(4)	(3)	(0)	26 273
Retail industries	37 602	(29)	(42)	(12)	37 519
Manufacturing	59 176	(34)	(15)	(4)	59 122
Technology, media and telecom	38 685	(9)	(5)	(30)	38 641
Services	26 787	(25)	(51)	(9)	26 702
Residential property	25 178	(25)	(9)	(9)	25 135
Personal customers	269 591	(11)	(23)	(3)	269 554
Other corporate customers	34 832	(23)	(29)	(135)	34 644
Total	788 885	(245)	(228)	(205)	788 206

NOTE G7 FINANCIAL INSTRUMENTS AT FAIR VALUE

<i>Amounts in NOK million</i>	Level 1	Level 2	Level 3	Total
Assets as at 30 June 2024				
Loans to customers			39 833	39 833
Commercial paper and bonds	12 332	438 466	560	451 358
Shareholdings	6 557	11 013	13 815	31 386
Assets, customers bearing the risk		187 007		187 007
Financial derivatives	946	158 378	3 223	162 547
Liabilities as at 30 June 2024				
Deposits from customers		48 674		48 674
Debt securities issued		3 973		3 973
Senior non-preferred bonds		1 725		1 725
Subordinated loan capital		1 064		1 064
Financial derivatives	1 143	163 932	2 906	167 980
Other financial liabilities ¹	2 113			2 113
Assets as at 31 December 2023				
Loans to customers			42 099	42 099
Commercial paper and bonds	29 801	521 952	385	552 138
Shareholdings	4 122	4 144	14 015	22 281
Assets, customers bearing the risk		166 722		166 722
Financial derivatives	1 172	174 339	2 752	178 263
Liabilities as at 31 December 2023				
Deposits from customers		44 308		44 308
Debt securities issued		4 493		4 493
Senior non-preferred bonds		1 757		1 757
Subordinated loan capital		1 093		1 093
Financial derivatives	1 653	185 180	2 345	189 178
Other financial liabilities ¹	3 036	0		3 036

¹ Short positions, trading activities.

For a further description of the instruments and valuation techniques, see the annual report for 2023.

Financial instruments at fair value, level 3

<i>Amounts in NOK million</i>	Financial assets				Financial liabilities
	Loans to customers	Commercial paper and bonds	Shareholdings	Financial derivatives	Financial derivatives
Carrying amount as at 1 January 2023	49 105	847	16 744	3 431	3 129
Net gains recognised in the income statement	492	8	948	108	(21)
Additions/purchases	4 368	1 045	1 830	1 353	1 294
Sales		(1 021)	(4 309)		
Settled	(11 866)			(2 141)	(2 057)
Transferred from level 1 or level 2		241			
Transferred to level 1 or level 2		(728)	(1 096)		
Other		(8)	(103)	1	
Carrying amount as at 31 December 2023	42 099	385	14 015	2 752	2 345
Net gains recognised in the income statement	11	13	108	324	93
Additions/purchases	2 619	478	592	1 213	1 205
Sales		(192)	(900)		
Settled	(4 897)			(1 066)	(737)
Transferred from level 1 or level 2		14			
Transferred to level 1 or level 2		(145)			
Other		7			
Carrying amount as at 30 June 2024	39 833	560	13 815	3 223	2 906

Sensitivity analysis, level 3

An increase in the discount rate on fixed-rate loans by 10 basis points will decrease the fair value by NOK 105 million. The effects on other Level 3 financial instruments are insignificant.

NOTE G8 DEBT SECURITIES ISSUED, SENIOR NON-PREFERRED BONDS AND SUBORDINATED LOAN CAPITAL

As an element in liquidity management, the DNB Group issues and redeems own securities issued by DNB Bank ASA and DNB Boligkreditt AS (bond debt only).

Debt securities issued 2024

<i>Amounts in NOK million</i>	Balance sheet 30 June 2024	Issued 2024	Matured/ redeemed 2024	Exchange rate movements 2024	Other changes 2024	Balance sheet 31 Dec. 2023
Commercial papers issued, nominal amount	374 524	372 851	(432 047)	11 252		422 469
Bond debt, nominal amount ¹	92 677	4 196	(33 853)	3 449		118 885
Covered bonds, nominal amount ¹	320 893	52 069	(19 399)	3 366		284 857
Value adjustments ²	(14 962)		(0)	16	3 306	(18 284)
Debt securities issued	773 133	429 117	(485 300)	18 083	3 306	807 928

DNB Bank ASA	465 398	377 047	(465 901)	14 716	4 612	534 923
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Debt securities issued 2023

<i>Amounts in NOK million</i>	Balance sheet 31 Dec. 2023	Issued 2023	Matured/ redeemed 2023	Exchange rate movements 2023	Other changes 2023	Balance sheet 31 Dec. 2022
Commercial papers issued, nominal amount	422 469	1 514 109	(1 361 699)	(22 403)		292 462
Bond debt, nominal amount	118 885	14 418	(63 953)	9 309		159 111
Covered bonds, nominal amount	284 857	38 008	(85 473)	19 197		313 125
Value adjustments ²	(18 284)			33	8 496	(26 812)
Debt securities issued	807 928	1 566 536	(1 511 124)	6 135	8 496	737 886

DNB Bank ASA	534 923	1 528 531	(1 425 329)	(13 063)	2 879	441 903
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Senior non-preferred bonds 2024

<i>Amounts in NOK million</i>	Balance sheet 30 June 2024	Issued 2024	Matured/ redeemed 2024	Exchange rate movements 2024	Other changes 2024	Balance sheet 31 Dec. 2023
Senior non-preferred bonds, nominal amount	104 870		(38)	2 756		102 153
Value adjustments ²	(2 507)				(202)	(2 305)
Senior non-preferred bonds	102 363	0	(38)	2 756	(202)	99 848

DNB Bank ASA	102 363		(38)	2 756	(202)	99 848
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Senior non-preferred bonds 2023

<i>Amounts in NOK million</i>	Balance sheet 31 Dec. 2023	Issued 2023	Matured/ redeemed 2023	Exchange rate movements 2023	Other changes 2023	Balance sheet 31 Dec. 2022
Senior non-preferred bonds, nominal amount	102 153	34 685	(80)	2 363		65 185
Value adjustments ²	(2 305)				3 178	(5 483)
Senior non-preferred bonds	99 848	34 685	(80)	2 363	3 178	59 702

DNB Bank ASA	99 848	34 675	(4)	2 363	5 068	57 746
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NOTE G8 DEBT SECURITIES ISSUED, SENIOR NON-PREFERRED BONDS AND SUBORDINATED LOAN CAPITAL (continued)

Subordinated loan capital and perpetual subordinated loan capital securities 2024

	Balance sheet 30 June 2024	Issued 2024	Matured/ redeemed 2024	Exchange rate movements 2024	Other changes 2024	Balance sheet 31 Dec. 2023
<i>Amounts in NOK million</i>						
Term subordinated loan capital, nominal amount	32 615		(125)	(32)		32 772
Perpetual subordinated loan capital, nominal amount	664		(5 723)	(52)		6 439
Value adjustments ²	296		(2)		(448)	746
Subordinated loan capital and perpetual subordinated loan capital securities	33 575	0	(5 850)	(83)	(448)	39 957

DNB Bank ASA	33 575		(5 850)	(83)	(448)	39 957
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Subordinated loan capital and perpetual subordinated loan capital securities 2023

	Balance sheet 31 Dec. 2023	Issued 2023	Matured/ redeemed 2023	Exchange rate movements 2023	Other changes 2023	Balance sheet 31 Dec. 2022
<i>Amounts in NOK million</i>						
Term subordinated loan capital, nominal amount	32 772	11 788	(10 030)	418		30 596
Perpetual subordinated loan capital, nominal amount	6 439			133		6 306
Value adjustments ²	746		(4)		864	(114)
Subordinated loan capital and perpetual subordinated loan capital securities	39 957	11 788	(10 034)	551	864	36 788

DNB Bank ASA	39 957	11 788	(10 034)	551	1 774	35 877
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¹ Excluding own bonds. The total nominal amount of outstanding covered bonds in DNB Boligkreditt was NOK 428.1 billion as at 30 June 2024. The market value of the cover pool represented NOK 709.7 billion.

² Including accrued interest, fair value adjustments and premiums/discounts.

NOTE G9 CONTINGENCIES

Due to its extensive operations in Norway and abroad, the DNB Group is regularly a party to various legal actions and tax-related disputes. None of the current disputes are expected to have any material impact on the Group's financial position.

See note G24 Taxes and G50 Contingencies in the annual report for 2023.

Accounts for DNB Bank ASA

P – INCOME STATEMENT

<i>Amounts in NOK million</i>	2nd quarter 2024	2nd quarter 2023	Jan.-June 2024	Jan.-June 2023	Full year 2023
Interest income, effective interest method	40 369	31 350	79 765	57 837	130 687
Other interest income	2 867	2 521	6 039	4 873	10 507
Interest expenses, effective interest method	(31 009)	(22 480)	(61 881)	(40 781)	(94 694)
Other interest expenses	67	924	564	1 889	3 175
Net interest income	12 294	12 316	24 488	23 818	49 675
Commission and fee income	3 109	2 575	5 622	5 008	10 587
Commission and fee expenses	(849)	(843)	(1 641)	(1 594)	(3 203)
Net gains on financial instruments at fair value	1 497	1 029	2 995	3 532	5 665
Other income	775	1 296	1 804	1 453	10 099
Net other operating income	4 532	4 057	8 780	8 399	23 149
Total income	16 826	16 372	33 268	32 217	72 824
Salaries and other personnel expenses	(3 698)	(3 383)	(7 356)	(6 637)	(13 795)
Other expenses	(2 160)	(1 959)	(4 207)	(3 759)	(7 861)
Depreciation and impairment of fixed and intangible assets	(915)	(951)	(1 808)	(1 922)	(4 346)
Total operating expenses	(6 772)	(6 293)	(13 370)	(12 317)	(26 002)
Pre-tax operating profit before impairment	10 054	10 080	19 898	19 900	46 822
Net gains on fixed and intangible assets	(0)	2	(2)	3	36
Impairment of financial instruments	(514)	265	(1 028)	364	(848)
Pre-tax operating profit	9 540	10 346	18 867	20 267	46 010
Tax expense	(1 908)	(2 380)	(3 774)	(4 662)	(6 695)
Profit for the period	7 631	7 967	15 094	15 605	39 316
Portion attributable to shareholders of DNB Bank ASA	7 142	7 669	14 191	15 039	38 019
Portion attributable to additional Tier 1 capital holders	489	298	903	567	1 297
Profit for the period	7 631	7 967	15 094	15 605	39 316

P – COMPREHENSIVE INCOME STATEMENT

<i>Amounts in NOK million</i>	2nd quarter 2024	2nd quarter 2023	Jan.-June 2024	Jan.-June 2023	Full year 2023
Profit for the period	7 631	7 967	15 094	15 605	39 316
Actuarial gains and losses					(274)
Financial liabilities designated at FVTPL, changes in credit risk	(20)	26	(29)	47	(24)
Tax	5	(6)	7	(12)	75
Items that will not be reclassified to the income statement	(15)	19	(22)	35	(223)
Currency translation of foreign operations	(21)	(19)	61	144	135
Financial assets at fair value through OCI	89	(167)	528	(159)	(196)
Tax	(22)	42	(132)	40	49
Items that may subsequently be reclassified to the income statement	46	(145)	458	25	(12)
Other comprehensive income for the period	30	(125)	436	60	(235)
Comprehensive income for the period	7 662	7 841	15 529	15 666	39 081

P – BALANCE SHEET

<i>Amounts in NOK million</i>	Note	30 June 2024	31 Dec. 2023	30 June 2023
Assets				
Cash and deposits with central banks		541 217	330 263	568 510
Due from credit institutions		604 193	547 958	533 584
Loans to customers	P3, P4	1 130 072	1 128 358	1 142 094
Commercial paper and bonds	P4	408 200	503 075	366 427
Shareholdings	P4	7 410	5 052	6 511
Financial derivatives	P4	194 231	203 041	230 884
Investments in associated companies		10 700	10 697	10 293
Investments in subsidiaries		129 775	127 604	130 546
Intangible assets		8 259	8 231	8 176
Deferred tax assets		1 057	1 089	104
Fixed assets		17 631	17 578	15 703
Other assets		24 753	22 334	23 421
Total assets		3 077 499	2 905 278	3 036 254
Liabilities and equity				
Due to credit institutions		422 573	296 319	400 586
Deposits from customers	P4	1 558 675	1 419 130	1 466 068
Financial derivatives	P4	203 137	221 388	255 338
Debt securities issued	P4, G8	465 398	534 923	520 883
Payable taxes		3 354	7 746	5 884
Deferred taxes		946	937	2 338
Other liabilities		36 716	52 146	29 667
Provisions		781	727	760
Pension commitments		5 029	4 723	4 380
Senior non-preferred bonds	G8	102 363	99 848	79 388
Subordinated loan capital	P4, G8	33 575	39 957	39 965
Total liabilities		2 832 547	2 677 845	2 805 256
Additional Tier 1 capital		30 176	22 004	18 704
Share capital		18 638	18 960	19 282
Share premium		18 733	18 733	18 733
Other equity		177 404	167 736	174 279
Total equity		244 952	227 433	230 997
Total liabilities and equity		3 077 499	2 905 278	3 036 254

P – STATEMENT OF CHANGES IN EQUITY

<i>Amounts in NOK million</i>	Share capital	Share premium	Additional Tier 1 capital	Net currency translation reserve	Liability credit reserve	Other equity	Total equity
Balance sheet as at 31 December 2022	19 378	18 733	15 386	506	50	159 798	213 851
Profit for the period			567			15 039	15 605
Financial assets at fair value through OCI						(159)	(159)
Financial liabilities designated at FVTPL, changes in credit risk					47		47
Currency translation of foreign operations				144			144
Tax on other comprehensive income					(12)	40	28
Comprehensive income for the period			567	144	35	14 920	15 666
Interest payments AT1 capital			(253)				(253)
AT1 capital issued			2 300				2 300
Net purchase of treasury shares	0					8	9
Share buy-back programme	(97)					(1 437)	(1 534)
Merger Sbanken ASA			705			245	950
Other equity transactions						10	10
Balance sheet as at 30 June 2023	19 282	18 733	18 704	650	85	173 543	230 997
Balance sheet as at 31 December 2023	18 960	18 733	22 004	641	33	167 063	227 433
Profit for the period			903			14 191	15 094
Financial assets at fair value through OCI						528	528
Financial liabilities designated at FVTPL, changes in credit risk					(29)		(29)
Currency translation of foreign operations				61			61
Tax on other comprehensive income					7	(132)	(125)
Comprehensive income for the period			903	61	(22)	14 587	15 529
Interest payments AT1 capital			(481)				(481)
AT1 capital issued ¹			10 551				10 551
AT1 capital redeemed ²			(2 800)				(2 800)
Share buy-back programme	(323)					(4 958)	(5 281)
Balance sheet as at 30 June 2024	18 638	18 733	30 176	702	11	176 691	244 952

1 DNB Bank ASA has issued three additional Tier 1 capital instruments in the first half of 2024. The first was issued in February, has a nominal value of SEK 1 100 million and is perpetual with a floating interest of 3-month STIBOR plus 3.1 per cent p.a. The second was issued in February, has a nominal value of SEK 2 000 million and is perpetual with an interest rate of 5.89 per cent p.a. until 27 August 2029. Thereafter 3-month STIBOR plus 3.1 per cent. The third was issued in May, has a nominal value of USD 700 million and is perpetual with an interest rate of 7.38 per cent p.a.

2 Two additional Tier 1 capital instruments have been redeemed in the first half of 2024. The first was issued by Sbanken ASA in 2019, had a nominal value of NOK 100 million and was redeemed in March. The second was issued by DNB Bank ASA in 2019, had a nominal value of NOK 2 700 million and was redeemed in June.

NOTE P1 BASIS FOR PREPARATION

DNB Bank ASA has prepared the financial statements according to the Norwegian Ministry of Finance's regulations on annual accounts. A description of the accounting principles applied by the company when preparing the financial statements can be found in Note 1 Accounting principles in the annual report for 2023. In the interim report, the accounting policies, significant estimates, and areas where judgement is applied by the company are in conformity with those described in the annual report.

See note G8 to the consolidated accounts for information about debt securities issued, senior non-preferred bonds and subordinated loan capital, and note G9 for information about contingencies.

NOTE P2 CAPITAL ADEQUACY

Capital adequacy is calculated and reported in accordance with the EU capital requirements regulations for banks and investment firms (CRR/CRD).

Own funds

<i>Amounts in NOK million</i>	30 June 2024	31 Dec. 2023	30 June 2023
Total equity	244 952	227 433	230 997
Adjustment to retained earnings for foreseeable dividends	(8 980)		(7 519)
Additional Tier 1 capital instruments included in total equity	(29 554)	(21 803)	(18 274)
Net accrued interest on additional Tier 1 capital instruments	(622)	(201)	(430)
Common equity Tier 1 capital instruments	205 795	205 430	204 774
Regulatory adjustments			
Pension funds above pension commitments	(50)	(44)	(41)
Goodwill	(6 433)	(6 435)	(6 427)
Deferred tax assets that rely of future profitability, excluding temporary differences	(14)	(14)	(24)
Other intangible assets	(1 689)	(1 429)	(1 545)
Share buy-back program	(2 822)	(5 165)	
IRB provisions shortfall	(1 403)	(1 553)	(1 703)
Additional value adjustments (AVA)	(933)	(933)	(1 152)
Insufficient coverage for non-performing exposures	(358)	(316)	(160)
(Gains) or losses on liabilities at fair value resulting from own credit risk	(11)	(33)	(85)
(Gains) or losses on derivative liabilities resulting from own credit risk (DVA)	(246)	(380)	(571)
Common equity Tier 1 capital	191 836	189 129	193 066
Additional Tier 1 capital instruments	21 780	21 803	18 274
Additional Tier 1 capital	21 780	21 803	18 274
Tier 1 capital	213 616	210 932	211 340
Term subordinated loan capital	32 615	32 772	33 407
Tier 2 capital	32 615	32 772	33 407
Own funds	246 231	243 704	244 748
Total risk exposure amount	953 473	966 418	965 474
Minimum capital requirement	76 278	77 313	77 238
Capital ratios:			
Common equity Tier 1 capital ratio	20.1	19.6	20.0
Tier 1 capital ratio	22.4	21.8	21.9
Total capital ratio	25.8	25.2	25.4

NOTE P3 DEVELOPMENT IN ACCUMULATED IMPAIRMENT OF FINANCIAL INSTRUMENTS

Loans to customers at amortised cost

<i>Amounts in NOK million</i>	January-June 2024				Full year 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Accumulated impairment as at 1 Jan.	(569)	(761)	(5 441)	(6 771)	(483)	(617)	(5 806)	(6 905)
Transfer to stage 1	(139)	121	18		(309)	221	88	
Transfer to stage 2	41	(49)	7		79	(103)	24	
Transfer to stage 3	1	32	(34)		5	50	(54)	
Originated and purchased	(148)	(39)		(187)	(163)	(49)		(212)
Increased expected credit loss	(179)	(394)	(4 324)	(4 898)	(272)	(717)	(3 307)	(4 296)
Decreased (reversed) expected credit loss	332	270	3 378	3 980	558	354	2 875	3 787
Write-offs			909	909			952	952
Derecognition (including repayments)	31	106	159	295	31	149	44	224
Merger Sbanken ASA					(12)	(46)	(252)	(309)
Exchange rate movements					(2)	(3)	(5)	(10)
Accumulated impairment as at end of period	(629)	(714)	(5 328)	(6 671)	(569)	(761)	(5 441)	(6 771)

Financial commitments

<i>Amounts in NOK million</i>	January-June 2024				Full year 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Accumulated impairment as at 1 Jan.	(210)	(181)	(205)	(596)	(165)	(173)	(203)	(540)
Transfer to stage 1	(81)	80	1		(94)	92	2	
Transfer to stage 2	16	(17)	1		20	(22)	3	
Transfer to stage 3		11	(11)		1	13	(14)	
Originated and purchased	(136)	(10)		(147)	(178)	(95)		(273)
Increased expected credit loss	(31)	(84)	(619)	(734)	(62)	(171)	(110)	(343)
Decreased (reversed) expected credit loss	176	34	547	757	268	85	112	465
Derecognition	13	26	83	121	3	92	7	102
Merger Sbanken ASA					(2)	(2)	(1)	(5)
Exchange rate movements					(1)	(1)		(2)
Other								
Accumulated impairment as at end of period	(254)	(142)	(203)	(599)	(210)	(181)	(205)	(596)

For explanatory comments about the impairment of financial instruments, see the directors' report.

NOTE P4 FINANCIAL INSTRUMENTS AT FAIR VALUE

<i>Amounts in NOK million</i>	Level 1	Level 2	Level 3	Total
Assets as at 30 June 2024				
Loans to customers		214 330	7 779	222 110
Commercial paper and bonds	9 146	398 660	394	408 200
Shareholdings	5 602	1 115	693	7 410
Financial derivatives	946	190 063	3 223	194 231
Liabilities as at 30 June 2024				
Deposits from customers		48 674		48 674
Debt securities issued		133		133
Senior non-preferred bonds		1 725		1 725
Subordinated loan capital		1 064		1 064
Financial derivatives	1 143	199 088	2 906	203 137
Other financial liabilities ¹	2 113			2 113
Assets as at 31 December 2023				
Loans to customers		229 137	10 064	239 201
Commercial paper and bonds	26 770	476 057	248	503 075
Shareholdings	3 315	962	775	5 052
Financial derivatives	1 172	199 117	2 752	203 041
Liabilities as at 31 December 2023				
Deposits from customers		44 308		44 308
Debt securities issued		117		117
Senior non-preferred bonds		1 757		1 757
Subordinated loan capital		1 093		1 093
Financial derivatives	1 653	217 390	2 345	221 388
Other financial liabilities ¹	3 036	0		3 036

¹ Short positions, trading activities.

Loans with floating interest rate measured at fair value through other comprehensive income are categorised within level 2, since the valuation is mainly based on observable inputs. The corresponding loans are measured at amortised cost in the Group, due to a hold to collect business model.

For a further description of the instruments and valuation techniques, see the annual report for 2023.

NOTE P5 INFORMATION ON RELATED PARTIES

DNB Boligkreditt AS

In the first half of 2024, loan portfolios representing NOK 18.4 billion (NOK 0.8 billion in the first half of 2023) were transferred from the bank to DNB Boligkreditt in accordance with the "Agreement relating to transfer of loan portfolio between DNB Bank ASA and DNB Boligkreditt AS".

At end-June 2024, the bank had invested NOK 107.7 billion in covered bonds issued by DNB Boligkreditt.

The servicing agreement between DNB Boligkreditt and DNB Bank ensures DNB Boligkreditt a minimum margin achieved on loans to customers. A margin below the minimum level will be at DNB Bank's risk, resulting in a negative management fee (payment from DNB Bank to DNB Boligkreditt). The management fee paid to the bank for purchased services amounted to a negative NOK 305 million in the first half of 2024 (a negative NOK 906 million in the first half of 2023).

In the first half of 2024, DNB Boligkreditt entered into reverse repurchasing agreements (reverse repos) with the bank as counterparty. The value of the repos amounted to NOK 10.0 billion at end-June 2024.

DNB Boligkreditt has a long-term overdraft facility in DNB Bank with a limit of NOK 305 billion.

Statement pursuant to Section 5-6 of the Securities Trading Act

We hereby confirm that the half-yearly financial statements for the Group and the company for the period 1 January through 30 June 2024 to the best of our knowledge have been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the European Union, and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the company taken as a whole.

To the best of our knowledge, the half-yearly report gives a true and fair:

- overview of important events that occurred during the accounting period and their impact on the half-yearly financial statements
- description of the principal risks and uncertainties facing the Group over the next accounting period
- description of major transactions with related parties.

Oslo, 10 July 2024
The Board of Directors of DNB Bank ASA



Olaug Svarva
(Chair of the Board)



Lillian Hattrem



Jens Petter Olsen
(Vice Chair of the Board)



Haakon Christopher Sandven



Gro Bakstad



Eli Solhaug



Christine Bosse



Kim Wahl



Petter-Børre Furberg



Kjerstin R. Braathen
(Group Chief Executive Officer, CEO)



Ida Lerner
(Group Chief Financial Officer, CFO)

Information about DNB

Organisation number

Register of Business Enterprises NO 984 851 006 MVA

Board of Directors

Olaug Svarva	Chair of the Board
Jens Petter Olsen	Vice Chair of the Board
Gro Bakstad	
Christine Bosse	
Petter-Børre Furberg	
Lillian Hattrem	
Haakon Christopher Sandven	
Eli Solhaug	
Kim Wahl	

Group Management

Kjerstin R. Braathen	Group Chief Executive Officer (CEO)
Ida Lerner	Group Chief Financial Officer (CFO)
Maria Ervik Løvold	Group Executive Vice President of Personal Banking
Rasmus Aage Figenschou	Group Executive Vice President of Business Banking Norway
Harald Serck-Hanssen	Group Executive Vice President of Large Corporates & International
Håkon Hansen	Group Executive Vice President of Wealth Management
Alexander Opstad	Group Executive Vice President of Markets
Per Kristian Næss-Fladset	Group Executive Vice President of Products, Data & Innovation
Fredrik Berger	Group Chief Compliance Officer (CCO)
Eline Skramstad	Group Chief Risk Officer (CRO)
Elin Sandnes	Group Executive Vice President of Technology & Services and Chief Operating Officer (COO)
Even Graff Westerveld	Group Executive Vice President of People & Communication

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Financial calendar

2024

22 October	Q3 2024
19 November	Capital Markets Day, in London

2025

5 February	Q4 2024
19 March	Annual report 2024
29 April	Annual General Meeting
30 April	Ex-dividend date
9 May	Distribution of dividends
7 May	Q1 2025
11 July	Q2 2025
22 October	Q3 2025

Other sources of information

Separate annual and quarterly reports are prepared for DNB Boligkreditt and DNB Livsforsikring. The reports and the Factbook are available on ir.dnb.no. Annual and quarterly reports can be ordered by sending an e-mail to Investor Relations.

The quarterly report has been produced by Group Financial Reporting in DNB.

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