

DNB

Q2

DNB Bank

A company in the DNB Group

Financial highlights

Income statement

Amounts in NOK million	DNB Bank Group				
	2nd quarter 2016	2nd quarter 2015	2016	January-June 2015	Full year 2015
Net interest income	8 623	8 755	17 426	17 366	35 535
<i>Net commissions and fees</i>	1 468	1 751	2 749	3 226	5 956
<i>Net gains on financial instruments at fair value</i>	1 029	1 167	3 392	4 588	8 704
<i>Other operating income</i>	1 713	544	2 339	1 214	2 248
Net other operating income, total	4 210	3 462	8 481	9 028	16 909
Total income	12 833	12 217	25 906	26 395	52 444
Operating expenses	(5 086)	(5 132)	(10 024)	(10 155)	(20 275)
Restructuring costs and non-recurring effects	(94)	(214)	(641)	(434)	1 084
Pre-tax operating profit before impairment	7 653	6 871	15 241	15 805	33 253
Net gains on fixed and intangible assets	(20)	45	(26)	56	45
Impairment of loans and guarantees	(2 321)	(667)	(3 495)	(1 241)	(2 270)
Pre-tax operating profit	5 311	6 249	11 719	14 620	31 028
Tax expense	(1 081)	(1 573)	(2 578)	(3 740)	(7 755)
Profit from operations held for sale, after taxes	(10)	(17)	(23)	(64)	(51)
Profit for the period	4 221	4 660	9 118	10 816	23 222

Balance sheet

Amounts in NOK million	30 June 2016	31 Dec. 2015	30 June 2015
Total assets	2 373 492	2 315 603	2 357 544
Loans to customers	1 536 288	1 531 932	1 499 221
Deposits from customers	966 294	957 322	978 767
Total equity	175 640	173 412	157 602
Average total assets	2 637 054	2 662 039	2 702 214

Key figures

Per cent	2nd quarter 2016	2nd quarter 2015	2016	January-June 2015	Full year 2015
Return on equity, annualised	10.0	12.4	10.8	14.7	15.1
Combined weighted total average spread for lending and deposits ¹⁾	1.33	1.32	1.34	1.25	1.33
Cost/income ratio	40.4	43.8	41.2	40.1	36.6
Impairment relative to average net loans to customers, annualised	(0.61)	(0.18)	(0.46)	(0.17)	(0.15)
Common equity Tier 1 capital ratio, transitional rules, at end of period ²⁾	14.5	12.8	14.5	12.8	14.3
Tier 1 capital ratio, transitional rules, at end of period ²⁾	15.6	13.8	15.6	13.8	15.3
Capital ratio, transitional rules, at end of period ²⁾	18.1	16.2	18.1	16.2	17.9

1) As from the first quarter of 2016, interest rate spreads are based on customer segments. Figures for previous periods have been restated accordingly.

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

For additional key figures and definitions, please refer to page 39.

Second quarter and first half report 2016

Directors' report	2
Accounts	
Income statement DNB Bank ASA	8
Comprehensive income statement DNB Bank ASA	8
Balance sheet DNB Bank ASA	9
Income statement DNB Bank Group.....	10
Comprehensive income statement DNB Bank Group.....	10
Balance sheet DNB Bank Group	11
Statement of changes in equity	12
Cash flow statement	13
Note 1 Basis for preparation	15
Note 2 Segments.....	15
Note 3 Capital adequacy	18
Note 4 Liquidity risk	21
Note 5 Net interest income.....	22
Note 6 Net commission and fee income	23
Note 7 Net gains on financial instruments at fair value	24
Note 8 Operating expenses.....	25
Note 9 Impairment of loans and guarantees	26
Note 10 Loans to customers	27
Note 11 Net impaired loans and guarantees for principal customer groups	27
Note 12 Fair value of financial instruments at amortised cost	28
Note 13 Financial instruments at fair value	29
Note 14 Commercial paper and bonds, held to maturity	33
Note 15 Debt securities issued and subordinated loan capital	34
Note 16 Information on related parties	36
Note 17 Off-balance sheet transactions	37
Statement pursuant to the Securities Trading Act	38
Additional information	
Key figures	39
Profit and balance sheet trends	40
Information about the DNB Bank Group	44

There has been no full or partial external audit of the quarterly directors' report and accounts.

Directors' report

Second quarter financial performance

The DNB Bank Group ¹⁾ recorded profits of NOK 4 221 million in the second quarter of 2016, a reduction of NOK 439 million from the second quarter of 2015. The decline in profits was primarily a result of higher impairment losses on loans and guarantees, though there was also a negative effect on profits of approximately NOK 800 million from basis swaps and the introduction of a funding value adjustment (FVA).

The common equity Tier 1 capital ratio, calculated according to the transitional rules, was 14.5 per cent in the second quarter of 2016, up from 12.8 per cent a year earlier. The leverage ratio for the banking group was 6.5 per cent in the second quarter of 2016, up from 5.6 per cent a year earlier.

Return on equity was 10 per cent in the quarter, which was 2.4 percentage points lower than in the year-earlier period.

Net interest income was reduced by NOK 133 million from the second quarter of 2015, reflecting lower lending volumes, adjusted for exchange rate effects, and higher long-term funding costs.

Net other operating income was NOK 4 210 million, an increase of NOK 748 million from the same quarter in 2015. A positive effect from the completion of the sale of DNB's holding in Visa Europe, announced in November 2015, was partly offset by the implementation of a funding value adjustment on derivatives (FVA) and a negative effect from basis swaps. There was an increase in customer and trading revenues in DNB Markets and greater credit spread effects on bonds, while net commissions and fees were down NOK 353 million or 14.2 per cent compared with the year-earlier period. This was mainly due to high profits from a few investment banking transactions in the second quarter of 2015.

Total operating expenses were down NOK 166 million or 3.1 per cent from the second quarter of 2015, and the cost/income ratio for the quarter was 40.4 per cent.

Impairment losses on loans and guarantees totalled NOK 2 321 million for the quarter, up NOK 1 654 million from the second quarter of 2015. There was a rise in both individual impairment losses and collective impairment losses, reflecting less favourable economic conditions in oil-related industries. The other credit portfolios are still of high quality and the situation in the oil-related industries has had no material impact on these portfolios.

Important events in the second quarter

The restructuring process in DNB's retail operations continued throughout the second quarter. To reflect changes in both markets and regulations, DNB is focusing on digitalisation, cost reductions and the build-up of Tier 1 capital. In line with the banking group's plans, 59 branch offices were closed during the first half of 2016.

In less than a year, the Vipps payment app has revolutionised friend-to-friend payments in Norway. In the course of June, the number of downloads exceeded 2 million, and the number of transactions is rapidly increasing. Vipps is now being further developed for payment solutions in shops, web shops and apps. Vipps for clubs, associations and small businesses has been developed, enabling payment in for example kiosks, at jumble sales and for fundraising campaigns. The solution has been very well received and the number of users has increased considerably within a short period of time.

As part of DNB's strategic focus on insurance, the campaign "Insurance from A to Z" was launched in June. DNB's "Travel

Insurance Best" was, for the third consecutive year, ranked best in Norway by the customer magazine "Norsk Familieøkonomi".

During the quarter, DNB continued to perform well in a number of surveys. In the annual Prospera customer satisfaction survey among bond market investors, DNB Markets came first in almost every category. This is the most important external customer survey of investment firms. New mobile services for equity and currency trading were launched during the quarter. In a survey carried out by Universum, DNB was ranked the most attractive employer in Norway among business students for the second consecutive year and also climbed from fifteenth to eighth place among IT students. In addition, DNB's trainee programme tops the Career Barometer, just like it did in 2015. DNB has the most satisfied pension customers among Norwegian companies, and in the consumer survey Sustainable Brand Index, DNB was best among the banks in Norway.

DNB had an average reputation score in Norway of 64.3 in the second quarter, compared with 66.0 in the previous quarter. Even though DNB has not violated any laws and regulations, the massive Panama Papers media coverage had a negative effect on the reputation in the second quarter. DNB's Board of Directors has engaged the law firm Hjort to make an external review of the matter. Hjort will report to the Board of Directors in the course of the autumn.

Half-year financial performance

The banking group recorded profits of NOK 9 118 million in the first half of 2016, down NOK 1 698 million from the first half of 2015.

Net interest income increased by NOK 59 million. There was an average increase in the healthy loan portfolio of 1.1 per cent parallel to a 3.3 per cent increase in average deposit volumes from the first half of 2015, which was partly due to exchange rate movements. Lending spreads narrowed by 0.15 percentage points, while deposit spreads widened by 0.28 percentage points.

Net other operating income decreased by NOK 547 million from the first half of 2015. Adjusted for basis swaps and non-recurring effects relating to the sale of DNB's holding in Visa Europe, net other operating income was reduced by NOK 534 million, reflecting the implementation of the FVA for derivatives. Net commissions and fees were down NOK 477 million compared with the first half of 2015, mainly due to high profits from a few investment banking transactions in the previous year.

Total operating expenses increased by NOK 76 million from the first half of 2015. However, currency-adjusted operating expenses, excluding restructuring costs, were reduced by NOK 310 million during the corresponding period.

Impairment losses on loans and guarantees totalled NOK 3 495 million in the first half of 2016, up NOK 2 254 million from the low impairment level in the first half of 2015. There was an increase in individual impairment losses of NOK 822 million, primarily stemming from the large corporate segment. Parallel to this, there was an increase in collective impairment losses, reflecting less favourable economic conditions in oil-related industries and consequently negative migration in these portfolios.

¹⁾ DNB Bank ASA is a subsidiary of DNB ASA and part of the DNB Group. The DNB Bank Group, hereinafter called "the banking group", comprises the bank and the bank's subsidiaries. Other companies owned by DNB ASA, including DNB Livsforsikring, DNB Forsikring and DNB Asset Management, are not part of the banking group. Operations in DNB ASA and the total DNB Group are not covered in this report but described in a separate report and presentation.

Second quarter income statement – main items

Net interest income

Amounts in NOK million	2nd quarter		2nd quarter
	2016	Change	2015
Net interest income	8 623	(132)	8 755
Exchange rate movements		192	
Lending and deposit spreads, customer segments		104	
Other net interest income		16	
Equity and non-interest bearing instruments		(67)	
Long-term funding costs		(82)	
Amortisation effects and fees		(118)	
Lending and deposit volumes, customer segments		(177)	

Net interest income declined by NOK 133 million from the second quarter of 2015. For the customer segments, average lending spreads contracted by 0.1 percentage points, while deposit spreads widened by 0.2 percentage points. Volume-weighted spreads for the customer segments were up 0.01 percentage points compared with the same period in 2015. There was an average increase of NOK 5 billion or 0.4 per cent in the healthy loan portfolio compared with the second quarter of 2015. During the same period, deposits were up NOK 27 billion or 2.9 per cent. Adjusted for exchange rate movements, loans were reduced by 7.2 per cent while deposits increased by 1.3 per cent. This gave a NOK 177 million reduction in interest income from the year-earlier period, of which approximately NOK 31 million was due to the transfer of a portfolio of home mortgages from the bank to DNB Livsforsikring in November 2015.

Net other operating income

Amounts in NOK million	2nd quarter		2nd quarter
	2016	Change	2015
Net other operating income	4 210	748	3 462
Profit from associated companies		1 222	
Net gains on other financial instruments		196	
Net gains on investment property		(20)	
Net commissions and fees		(283)	
Basis swaps		(334)	
Other operating income		(33)	

Net other operating income increased by NOK 748 million or 21.6 per cent from the second quarter of 2015. Adjusted for basis swaps, net other operating income rose by NOK 1 082 million.

Profit from associated companies increased by NOK 1 222 million, mainly due to the completion of the sale of Visa Norge's holdings in Visa Europe. The transaction was finalised on 21 June and resulted in a total gain of NOK 1 128 million, of which NOK 855 million was recycled from other comprehensive income.

Net commissions and fees were down NOK 283 million compared with the same period last year, when a few investment banking transactions contributed to the healthy performance. Net gains on other financial instruments gave a NOK 196 million increase in profits, reflecting higher customer and trading revenues from DNB Markets. Fair value adjustments (CVA, DVA and FVA) gave a reduction of NOK 785 million in income compared with the same period of 2015. Of this, NOK 400 million stemmed from a fair value adjustment of OTC derivatives to cover expected funding costs (FVA). These effects were partly offset by higher customer and trading revenues from DNB Markets and profits related to credit spreads on senior debt and covered bonds.

Operating expenses

Amounts in NOK million	2nd quarter		2nd quarter
	2016	Change	2015
Operating expenses excluding non-recurring effects	(5 086)	46	(5 132)
<i>Of which:</i>			
Exchange rate effects for units outside Norway		(78)	
Currency-adjusted operating expenses	(5 008)	124	(5 132)
Operating expenses excluding non-recurring effects	(5 086)	46	(5 132)
Income-related costs			
Ordinary depreciation on operational leasing		(19)	
Expenses related to operations			
Pension expenses		(38)	
IT costs		58	
Travel and training expenses		25	
Other costs		20	
Non-recurring effects	(94)	120	(214)
Other restructuring costs and non-recurring effects	0	3	(3)
IT restructuring		78	(78)
Restructuring costs - employees	(94)	39	(133)
Operating expenses	(5 180)	166	(5 346)

Total operating expenses were reduced by NOK 166 million compared with the second quarter of 2015. Currency-adjusted operating expenses, excluding non-recurring effects, were NOK 124 million lower than in the year-earlier period. The cost/income ratio for the quarter was 40.4 per cent, down from 43.8 per cent in the corresponding quarter in 2015.

Impairment of loans and guarantees

Impairment losses on loans and guarantees totalled NOK 2 321 million in the second quarter, of which collective impairment losses represented 31 per cent. Individual impairment losses were more than twice as high as in the second quarter of 2015. The increase was related to shipping, offshore and energy in the large corporate and international customers segment. The rise in collective impairment reflects both less favourable economic conditions in these industries and negative migration in the related portfolios.

Net non-performing and doubtful loans and guarantees increased by NOK 7.6 billion from end-June 2015, totalling NOK 20.7 billion at end-June 2016. This represented 1.19 per cent of the loan portfolio, up from 0.77 per cent at end-June 2015. The increase mainly stemmed from offshore and energy-related segments. There are no signs of negative spill-over effects from the situation in the oil-related industries in the other credit portfolios.

Taxes

The banking group's tax expense for the second quarter of 2016 is estimated at NOK 1 081 million, or 20.3 per cent of pre-tax operating profits.

Financial performance, segments

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

Personal customers

Income statement in NOK million	2nd quarter		Change	
	2016	2015	NOK mill	%
Net interest income	3 319	3 412	(93)	(2.7)
Net other operating income	975	1 001	(25)	(2.5)
Total income	4 294	4 412	(118)	(2.7)
Operating expenses	(1 998)	(2 148)	150	7.0
Pre-tax operating profit before impairment	2 296	2 264	32	1.4
Net gains on fixed and intangible assets	0	3	(3)	
Impairment of loans and guarantees	(88)	(84)	(4)	
Pre-tax operating profit	2 208	2 183	25	1.2
Tax expense	(552)	(589)	37	6.3
Profit from operations held for sale, after taxes	(0)	(0)	0	
Profit for the period	1 656	1 593	63	3.9

Average balance sheet items in NOK billion

Net loans to customers	694.3	689.0	5.4	0.8
Deposits from customers	398.8	375.9	22.9	6.1

Key figures in per cent

Lending spread ¹⁾	1.82	2.09		
Deposit spread ¹⁾	0.33	(0.03)		
Return on allocated capital ²⁾	17.2	19.9		
Cost/income ratio	46.5	48.7		
Ratio of deposits to loans	57.4	54.6		

1) Calculated relative to the 3-month money market rate.

2) Calculated on the basis of allocated capital, which corresponds to the external capital adequacy requirement which must be met by the DNB Group.

Reduced operating expenses compensated for lower net interest income and contributed to higher profits compared with the second quarter of 2015.

Adjusted for a portfolio of fixed-rate loans sold from DNB Boligkreditt to DNB Livsforsikring in November 2015, loan volumes were up 3.8 per cent from the second quarter of 2015. There was a 6.1 per cent rise in deposits during the same period.

Volume-weighted interest rate spreads contracted by 0.05 percentage points from the second quarter of 2015 and by 0.02 percentage points from the first quarter of 2016.

Income from real estate broking was stable from the second quarter of 2015, while net income from payment transfers and commissions on product sales was slightly down during the period.

There was a low level of restructuring costs in the second quarter of 2016, which was the main factor behind the reduction in costs from the previous year. Extensive marketing activities gave a rise in costs during the quarter, while IT expenses were at a lower level than in the second quarter of 2015. Implemented restructuring measures have resulted in a lower ordinary cost level.

Close to 95 per cent of loans to personal customers represent well-secured home mortgages entailing low risk. In the second quarter of 2016, net impairment losses on loans came to NOK 88 million, which was on a level with the year-earlier period. Just over NOK 60 million of the impairment losses in the second quarter represented adjustments following the sale of a portfolio of non-performing loans in the first quarter of 2016.

The market share of credit to households stood at 25.1 per cent at end-May 2016, while the market share of total household savings was 31.9 per cent. DNB Eiendom had a market share of 18.8 per cent in the second quarter of 2016 and is a leading market player in Norway.

In order to adapt the distribution network and the cost level to changes in customer behaviour, a total of 59 branch offices have been closed this year. Customers increasingly use digital services and contact the bank via electronic channels. Among other things, chat traffic on dnb.no increased by more than 35 per cent in the

second quarter 2016 compared with the year-earlier period, while the number of customers who contacted the bank by phone increased by a mere 3 per cent. DNB Eiendom launched the digital advertisement product "Smart Solgt" (Smart Sale), which targets relevant homebuyers online without requiring an active search.

DNB aspires to achieve continued profitable growth in the personal customer segment. Impairment losses on loans are expected to remain stable at a low level.

Small and medium-sized enterprises

Income statement in NOK million	2nd quarter		Change	
	2016	2015	NOK mill	%
Net interest income	1 570	1 515	55	3.6
Net other operating income	373	295	78	26.6
Total income	1 943	1 809	134	7.4
Operating expenses	(772)	(709)	(62)	(8.8)
Pre-tax operating profit before impairment	1 171	1 100	71	6.5
Net gains on fixed and intangible assets	(1)	(0)	(1)	
Impairment of loans and guarantees	(204)	(280)	76	27.2
Profit from repossessed operations	(12)	(11)	(0)	
Pre-tax operating profit	954	808	146	18.1
Tax expense	(239)	(218)	(20)	(9.4)
Profit for the period	716	590	126	21.4

Average balance sheet items in NOK billion

Net loans to customers	223.8	214.2	9.5	4.5
Deposits from customers	173.5	170.4	3.2	1.9

Key figures in per cent

Lending spread ¹⁾	2.50	2.45		
Deposit spread ¹⁾	0.38	0.18		
Return on allocated capital ²⁾	12.0	11.6		
Cost/income ratio	39.7	39.2		
Ratio of deposits to loans	77.5	79.5		

1) Calculated relative to the 3-month money market rate.

2) Calculated on the basis of allocated capital, which corresponds to the external capital adequacy requirement which must be met by the DNB Group.

An increase in income combined with reduced impairment losses on loans gave a rise in profits from the second quarter of 2015.

Lending volume increased by 1.8 per cent for the year to date and by 4.5 per cent from the second quarter of 2015. Customer deposits rose by 1.9 per cent from the second quarter of 2015.

Overall, rising volumes in combination with wider interest rate spreads ensured a healthy increase in net interest income compared with the second quarter of 2015. The increase in net other operating income was primarily due to higher income from cash management, asset management and corporate finance transactions. The activity within foreign exchange and interest rate hedging products increased towards the end of the second quarter of 2016, giving somewhat higher income from these activities compared with the second quarter of 2015.

The increase in operating expenses from the second quarter of 2015 was mainly due to restructuring costs and an increase in pension costs due to the transition to a defined-contribution scheme for the banking group's employees. The underlying cost base remained at the same level as the year before.

Net impairment losses on loans totalled 0.37 per cent of net loans on an annual basis, down from 0.52 per cent in the second quarter of 2015. Impairment losses in the second quarter of 2016 stemmed primarily from a small number of loans. There has been no material deterioration in the general quality of DNB's portfolio of loans to small and medium-sized corporate customers. Developments in oil-related sectors and affected regions are closely monitored and preventive measures are implemented to retain the level of quality.

DNB expects that the lending growth to small and medium-sized corporate customers will be on a level with the expected domestic credit growth to this customer segment.

Large corporates and international customers

Income statement in NOK million	2nd quarter		Change	
	2016	2015	NOK mill	%
Net interest income	3 484	3 748	(265)	(7.1)
Net other operating income	1 454	1 563	(109)	(7.0)
Total income	4 938	5 311	(374)	(7.0)
Operating expenses	(1 828)	(1 760)	(68)	(3.9)
Pre-tax operating profit before impairment	3 110	3 552	(442)	(12.4)
Net gains on fixed and intangible assets	5	42	(37)	(88.7)
Impairment of loans and guarantees	(2 033)	(284)	(1 749)	
Profit from repossessed operations	(5)	(5)	1	14.6
Pre-tax operating profit	1 077	3 304	(2 227)	(67.4)
Tax expense	(291)	(958)	667	69.7
Profit from operations held for sale, after taxes	(0)	(0)	(0)	
Profit for the period	786	2 346	(1 560)	(66.5)

Average balance sheet items in NOK billion

Net loans to customers	554.0	557.9	(4.0)	(0.7)
Deposits from customers	378.5	379.4	(0.9)	(0.2)

Key figures in per cent

Lending spread ¹⁾	2.22	2.17		
Deposit spread ¹⁾	(0.08)	(0.10)		
Return on allocated capital ²⁾	3.8	13.6		
Cost/income ratio	37.0	33.1		
Ratio of deposits to loans	68.3	68.0		

1) Calculated relative to the 3-month money market rate.

2) Calculated on the basis of allocated capital, which corresponds to the external capital adequacy requirement which must be met by the DNB Group.

Reduced income and higher impairment losses on loans contributed to a reduction in profits compared with the second quarter of 2015.

Lending volumes were down 0.7 per cent from the second quarter of 2015, and adjusted for the weakening of the Norwegian krone the underlying business showed a reduction of 5.7 per cent. The reduction is a consequence of active portfolio management, and over time capital will be reallocated to the segments with the highest long-term returns. Customer deposits were stable from the second quarter of 2015, but adjusted for exchange rate movements deposits declined by 3.6 per cent.

Due to lower activity in the markets and a reduction in interest rate levels, net interest income was down compared with the second quarter of 2015. Volume-weighted interest rate spreads widened by 3 basis points from the second quarter of 2015.

Other operating income was reduced from the second quarter of 2015, mainly due to high profits from a few investment banking transactions in the 2015 period. Compared with the first quarter of 2016, other operating income increased by more than 25 per cent and was at a satisfactory level.

The depreciation of the Norwegian krone gave a rise in operating expenses at the banking group's international units of approximately NOK 48 million from the second quarter of 2015. The number of full-time positions was reduced by 138 from end-June 2015. The reductions took place in international operations and related mainly to the Baltic countries.

Net impairment losses on loans increased compared with the second quarter of 2015, mainly due to the exposure to oil-related industries and shipping markets. On an annual basis, net impairment represented 1.49 per cent of average loans, up 1.28 percentage points from the year-earlier period. There was a 0.64 percentage point rise in individual impairment losses, to 0.95 per cent, in the second quarter of 2016. Higher collective impairment losses accounted for the rest of the increase, reflecting weaker economic conditions in some industries. Net non-performing and doubtful loans and guarantees amounted to NOK 16.1 billion at end-June 2016, compared with NOK 7.7 billion a year earlier.

The business area aims to strengthen profitability and contribute to DNB's long-term ambitions by building and utilising in-depth industry expertise and offering a wide product range to its

prioritised customers. High customer satisfaction is an important element when building strategic relationships. DNB is operating in highly competitive markets, which are affected by different capital requirements for banks.

In consequence of stricter capital requirements combined with expectations of higher impairment losses, 2016 will be a challenging year for the large corporate segment in DNB. Interest rate spreads are expected to stabilise, and new transactions are expected to contribute positively in a longer-term perspective. Through its close relations with leading companies, DNB is well-positioned to cover most of its customers' financial needs and increase the contribution from non-lending products, such as investment banking, trade finance, leasing, factoring and defined-contribution pensions.

Trading

This segment comprises market making and other trading in foreign exchange, fixed income, equity and commodity products, including the hedging of market risk inherent in customer transactions. Customer activities are supported by trading activities.

Income statement in NOK million	2nd quarter		Change	
	2016	2015	NOK mill	%
Net interest income	3	88	(85)	(97.0)
Net other operating income	688	581	106	18.3
Total income	690	669	21	3.2
Operating expenses	(131)	(155)	24	15.7
Pre-tax operating profit	560	514	45	8.8
Tax expense	(140)	(134)	(6)	(4.7)
Profit for the period	420	380	39	10.3

Key figures in per cent

Return on allocated capital ¹⁾	22.8	21.4		
---	------	------	--	--

1) Calculated on the basis of allocated capital, which corresponds to the external capital adequacy requirement which must be met by the DNB Group.

All product categories contributed to the positive development in income from the second quarter of 2015. Income from foreign exchange, fixed-income products, interest rates and credit spread effects related to the bond portfolio showed particularly positive development.

Funding, liquidity and balance sheet

The short-term funding markets were generally sound for banks with high credit ratings in the second quarter of 2016. Longer maturities are still not as attractive, as US money market funds are adapting to upcoming regulations. DNB had ample access to short-term funding throughout the quarter.

There was high, but declining activity in the long-term funding markets during the second quarter. It is assumed that banks qualifying for the targeted longer-term refinancing operations (TLTRO II) announced by the European Central Bank will utilise this funding source, which will reduce the supply side in the European market in the period ahead.

The nominal value of long-term debt securities issued by the banking group was NOK 605 billion at end-June 2016 and NOK 571 billion a year earlier. The average remaining term to maturity for these debt securities was 4 years at end-June 2016, compared with 4.1 years a year earlier.

The banking group stayed well within the liquidity limits throughout the quarter. The short-term liquidity requirement, Liquidity Coverage Ratio (LCR), remained stable at above 100 per cent throughout the second quarter. At end-June 2016, the total LCR was 122 per cent.

Total assets in the banking group's balance sheet were NOK 2 373 billion as at 30 June 2016 and NOK 2 358 billion a year earlier. Net loans to customers increased by NOK 37 billion or 2.5 per cent from end-June 2015. Customer deposits were down NOK 12 billion or 1.3 per cent during the same period. The ratio of

customer deposits to net loans to customers was down from 65.3 per cent at end-June 2015 to 62.9 per cent a year later. The ambition is to have a ratio of customer deposits to net loans of minimum 60 per cent.

Risk and capital adequacy

DNB quantifies risk by measuring risk-adjusted capital requirements. The capital requirement totalled NOK 68.9 billion at end-June 2016.

Developments in the risk-adjusted capital requirement

	30 June 2016	31 March 2016	31 Dec. 2015	30 June 2015
<i>Amounts in NOK billion</i>				
Credit risk	56.1	54.1	55.5	56.1
Market risk	7.0	6.9	6.9	8.8
Operational risk	8.6	8.6	8.4	8.4
Business risk	6.4	6.2	6.2	6.0
Gross risk-adjusted capital requirement	78.1	75.9	77.0	79.4
Diversification effect ¹⁾	(9.3)	(9.4)	(8.5)	(9.5)
Net risk-adjusted capital requirement	68.9	66.5	68.5	69.8
Diversification effect in per cent of gross risk-adjusted capital requirement ¹⁾	11.8	12.4	11.1	12.0

1) *The diversification effect refers to the risk-mitigating effect achieved by the banking group by having operations which are affected by different types of risk where unexpected losses are unlikely to occur at the same time.*

The NOK 2.4 billion increase in the second quarter is mainly a result of the economic downturn in oil-related industry segments. Credit volumes remained relatively stable, with the exception of mortgage loans, where growth was somewhat higher than expected in the second quarter.

On a national basis, housing prices increased somewhat in the first half of 2016 compared with 2015, primarily due to the increasing gap between supply and demand. The trend of increasing regional differences continued and is expected to prevail throughout the year.

There was continued sound and stable credit quality in most portfolios. However, the negative trend in oil-related sectors that started in 2015, continued in the second quarter. After seven successive challenging quarters in these sectors, the downturn is now to some extent materialising in DNB's credit portfolios in the form of increased impairment losses. The slowdown in business activity in these sectors has also led to several companies being restructured.

DNB's ability to deliver services to its customers was negatively affected on some occasions during the second quarter due to unstable IT systems. Mitigating measures have been taken. Operational losses were, however, low.

Calculated according to the transitional rules, risk-weighted assets were NOK 1 059 billion. The common equity Tier 1 capital ratio was 14.5 per cent, while the capital adequacy ratio was 18.1 per cent.

New regulatory framework

Norway joins the EU financial supervisory system

Due to the high bar set by the Norwegian Constitution for transferring sovereignty to international organisations, incorporating the EU regulations establishing the European supervisory authorities into the EEA agreement has required a lengthy dialogue between Norway and the EU before a compromise could be reached. As a result of this, more than 180 relevant EU legislative acts in the area of financial services, granting the supervisory authorities the competence to exercise direct supervisory powers over enterprises, have not been included in the EEA agreement.

On 13 June 2016, the Norwegian parliament (Storting) approved the government's negotiated proposal for a solution to this intractable problem. Since the solution required ceding sovereignty to EFTA, the matter had to be considered according

to Article 115 in the Norwegian Constitution, requiring a majority vote of three-fourths of the parliament members. The parliament resolution was sanctioned by the government on 17 June.

According to the agreement, the Brussels-based EFTA Surveillance Authority, ESA, will be granted competence to make legally binding decisions addressed to national supervisory authorities and individual institutions in Norway, Liechtenstein and Iceland. Decisions will be based on drafts prepared by the relevant EU supervisory authority.

Norway's accession to the European cooperation on financial supervision means that the Norwegian financial services industry will remain fully integrated in the internal market through the EEA agreement. This is good news for DNB and the broader industry. However, it is unclear how quickly the solution negotiated between the EU and the EFTA countries will enter into force.

New rules on card fees

The Ministry of Finance has stipulated rules on interchange fees for transactions using international payment cards. In the future, banks will not be able to charge a fee of more than 0.2 per cent of the transaction value for debit card purchases, while the maximum fee for credit card purchases will be 0.3 per cent. The new maximum fees will generally be introduced as of 1 September 2016. DNB is working actively on measures to compensate for the loss of income.

Macroeconomic developments

According to the OECD, overall growth in real gross domestic product (GDP) in the G20 area remained stable at 0.7 per cent in the first quarter of 2016. GDP growth accelerated in the euro area in the first quarter of the year, picking up in Germany, France and Italy. There was also increasing growth in Australia, Canada, India (to 2.1 per cent, its highest rate in over five years), Japan and Mexico. By contrast, growth continued to slow in, among others, China and the United Kingdom. Also, the first figures released indicated a slowdown for the US economy, though recent figures show rising growth. Compared with the first quarter of 2015, GDP growth for the G20 area remained stable at 3.0 per cent, with India recording the highest growth rate (8.0 per cent) and Brazil the lowest (minus 5.1 per cent).

Norwegian mainland GDP rose by 0.3 per cent in the first quarter of 2016, mostly due to a rise in electricity production. Parallel to the release of the first quarter figures, growth in the second half of 2015 was revised down. Hence, the underlying growth seemed a bit more sluggish than before. However, Norges Bank's regional network reported a few positive signals, and unemployment was stable at 4.6 per cent in the second half of 2015 and the first quarter of 2016. Fiscal policy has been even more expansionary, and it is likely that Norges Bank will cut its policy rate from 0.50 per cent to 0.25 per cent in September. Consumer confidence is still low, but has risen over the last months. Existing home price growth has picked up and was 7.3 per cent year-on-year in May.

On 23 June, the people of the UK voted to leave the European Union. The Brexit vote initially caused severe market movements, but most of the turmoil faded the following week. Most formal assessments agree that the UK would be worse off economically if it were to leave the EU, as higher trade and financial barriers would lead to lower output and incomes. Furthermore, IMF's staff analysis and assessments indicate that it is unlikely that any EU economies would gain from the UK's exit.

In 2015, 20 per cent of Norwegian goods exports were to the UK, representing mostly crude oil and natural gas. 8 per cent of traditional goods exports were to the UK, mainly manufactured goods, amounting to 1.1 per cent of mainland GDP. Exports of services to the UK were a little higher than traditional goods exports, but were dominated by ocean transport services and services to the UK petroleum sector. Most services exports to the UK will probably be little affected by the Brexit. Even allowing for

indirect exports to the UK and lower international growth, the effects on the Norwegian economy through the international trade channel seem to be limited. Higher risk premiums in financial markets and greater uncertainty for enterprises and households may deepen the negative effects. At the time of writing, the financial markets seem to be normalising, with repriced levels for GBP and yield curves. Risk premiums, for example on currency basis swaps, rose immediately after the referendum, but seem to have started to revert. Without severe and long-lasting effects in the financial markets, Brexit will probably have a limited effect on the Norwegian economy.

Future prospects

The Norwegian mainland economy stagnated in the second half of last year, and annual growth ended at 1.0 per cent. There are prospects of even lower growth in 2016.

Norges Bank has responded to the growth prospects by lowering its policy rate to 0.5 per cent and signalled another 25 basis point rate cut in the second half of 2016. Accommodative monetary and fiscal policies support the economy during the process to adapt to lower oil prices. As oil prices have partly

recovered and are expected to rise further, there are prospects of increased growth for the mainland economy.

DNB's lending volumes are expected to rise at an annual rate of 2 to 3 per cent, while volume-weighted spreads are anticipated to be stable. It is DNB's ambition to increase income from capital-light products by minimum 3 per cent per year. In consequence of a negative trend in the offshore supply vessel and rig markets and an increase in collective impairment during the first half of the year, impairment losses are estimated to be up to NOK 18 billion over a three-year period, with the highest impairment losses during the first part of the period. In 2016, impairment losses will exceed NOK 6 billion. Migration is expected to stabilise in 2017 and 2018 and the build-up of collective impairment to cease.

DNB's financial ambitions, as presented in November 2015, stay firm, with a principal target of 12 per cent return on equity. From year-end 2016, the common equity Tier 1 capital ratio shall be minimum 15 per cent, which is in accordance with statutory requirements. From 2017, DNB aims to have a common equity Tier 1 capital ratio of 15.5 per cent, including a management buffer. In addition, DNB's goal is to have a cost/income ratio below 40 per cent towards 2018 and a dividend payout ratio of more than 50 per cent once the capital adequacy target has been reached.

Oslo, 11 July 2016

The Board of Directors of DNB Bank ASA



Anne Carine Tanum
(chairman)



Jarle Berge
(vice-chairman)



Lillian Hattrem



Kim Wahl



Rune Bjerke
(group chief executive)

Income statement

							DNB Bank ASA	
<i>Amounts in NOK million</i>	Note	2nd quarter 2016	2nd quarter 2015	2016	January-June 2015	Full year 2015		
Total interest income	5	8 503	9 715	17 321	19 664	38 287		
Total interest expenses	5	(2 658)	(3 676)	(5 503)	(7 758)	(14 072)		
Net interest income	5	5 846	6 039	11 818	11 906	24 215		
Commission and fee income	6	1 680	1 601	3 278	3 107	6 220		
Commission and expenses	6	(740)	(657)	(1 445)	(1 268)	(2 676)		
Net gains on financial instruments at fair value	7	2 468	885	3 863	2 218	3 964		
Other income		1 245	1 407	2 466	2 935	9 786		
Net other operating income		4 653	3 235	8 163	6 992	17 294		
Total income		10 498	9 274	19 981	18 897	41 509		
Salaries and other personnel expenses	8	(2 208)	(2 287)	(4 813)	(4 476)	(7 245)		
Other expenses	8	(1 636)	(1 787)	(3 083)	(3 483)	(6 591)		
Depreciation and impairment of fixed and intangible assets	8	(453)	(496)	(1 023)	(977)	(2 035)		
Total operating expenses	8	(4 297)	(4 570)	(8 919)	(8 937)	(15 871)		
Pre-tax operating profit before impairment		6 201	4 704	11 061	9 961	25 638		
Net gains on fixed and intangible assets		(5)	42	1	46	91		
Impairment of loans and guarantees	9	(1 700)	(609)	(2 118)	(1 149)	(1 638)		
Pre-tax operating profit		4 496	4 136	8 944	8 858	24 090		
Tax expense		(960)	(1 038)	(2 021)	(2 280)	(3 452)		
Profit for the period		3 536	3 099	6 922	6 579	20 638		
Portion attributable to shareholders of DNB Bank ASA		3 422	2 989	6 693	6 455	20 264		
Portion attributable to additional Tier 1 capital holders		115	110	230	124	374		
Profit for the period		3 536	3 099	6 922	6 579	20 638		

Comprehensive income statement

							DNB Bank ASA	
<i>Amounts in NOK million</i>		2nd quarter 2016	2nd quarter 2015	2016	January-June 2015	Full year 2015		
Profit for the period		3 536	3 099	6 922	6 579	20 638		
Actuarial gains and losses			792	(39)	792	615		
Items that will not be reclassified to the income statement			792	(39)	792	615		
Currency translation of foreign operations		(35)	(49)	(106)	143	238		
Items that may subsequently be reclassified to the income statement		(35)	(49)	(106)	143	238		
Other comprehensive income for the period (net of tax)		(35)	742	(145)	935	853		
Comprehensive income for the period		3 501	3 841	6 777	7 514	21 492		

Balance sheet

		DNB Bank ASA		
<i>Amounts in NOK million</i>	Note	30 June 2016	31 Dec. 2015	30 June 2015
Assets				
Cash and deposits with central banks		151 327	16 004	156 466
Due from credit institutions	12, 13	563 704	630 700	545 493
Loans to customers	10, 11, 12, 13	685 942	705 532	709 598
Commercial paper and bonds at fair value	13, 14	217 875	210 062	225 312
Shareholdings	13	4 337	7 504	7 606
Financial derivatives	13	209 673	213 797	192 972
Commercial paper and bonds, held to maturity	12, 14	15 479	19 162	24 841
Investments in associated companies		975	975	974
Investments in subsidiaries		119 141	120 473	99 482
Intangible assets		3 600	3 675	3 702
Deferred tax assets		6 305	6 320	2 766
Fixed assets		7 262	7 480	7 256
Other assets		11 415	23 735	19 774
Total assets		1 997 034	1 965 419	1 996 242
Liabilities and equity				
Due to credit institutions	12, 13	301 356	262 330	307 668
Deposits from customers	12, 13	901 283	896 488	922 655
Financial derivatives	13	224 833	240 518	220 322
Debt securities issued	12, 13, 15	359 440	340 099	336 773
Payable taxes		1 982	703	2 439
Deferred taxes		14	12	11
Other liabilities		15 408	39 438	29 211
Provisions		1 560	1 101	1 052
Pension commitments		2 455	2 246	4 256
Subordinated loan capital	12, 13, 15	29 498	30 953	28 578
Total liabilities		1 837 828	1 813 886	1 852 965
Share capital		18 314	18 314	18 314
Share premium		19 895	19 895	19 895
Additional Tier 1 capital		9 559	8 353	8 153
Other equity		111 437	104 970	96 915
Total equity		159 205	151 533	143 278
Total liabilities and equity		1 997 034	1 965 419	1 996 242

Off-balance sheet transactions

17

Income statement

		DNB Bank Group				
<i>Amounts in NOK million</i>		2nd quarter	2nd quarter		January-June	Full year
		2016	2015	2016	2015	2015
Total interest income	5	12 973	14 473	26 370	29 347	57 793
Total interest expenses	5	(4 351)	(5 718)	(8 945)	(11 980)	(22 258)
Net interest income	5	8 623	8 755	17 426	17 366	35 535
Commission and fee income	6	2 224	2 425	4 225	4 515	8 694
Commission and fee expenses	6	(756)	(674)	(1 476)	(1 289)	(2 737)
Net gains on financial instruments at fair value	7	1 029	1 167	3 392	4 588	8 704
Profit from investments accounted for by the equity method		1 148	(74)	1 234	(43)	(72)
Net gains on investment property		(18)	2	(23)	4	269
Other income		583	615	1 128	1 253	2 051
Net other operating income		4 210	3 462	8 481	9 028	16 909
Total income		12 833	12 217	25 906	26 395	52 444
Salaries and other personnel expenses	8	(2 736)	(2 767)	(5 823)	(5 416)	(9 140)
Other expenses	8	(1 950)	(2 089)	(3 694)	(4 130)	(7 892)
Depreciation and impairment of fixed and intangible assets	8	(494)	(489)	(1 149)	(1 042)	(2 159)
Total operating expenses	8	(5 180)	(5 346)	(10 665)	(10 589)	(19 191)
Pre-tax operating profit before impairment		7 653	6 871	15 241	15 805	33 253
Net gains on fixed and intangible assets		(20)	45	(26)	56	45
Impairment of loans and guarantees	9	(2 321)	(667)	(3 495)	(1 241)	(2 270)
Pre-tax operating profit		5 311	6 249	11 719	14 620	31 028
Tax expense		(1 081)	(1 573)	(2 578)	(3 740)	(7 755)
Profit from operations held for sale, after taxes		(10)	(17)	(23)	(64)	(51)
Profit for the period		4 221	4 660	9 118	10 816	23 222
Portion attributable to shareholders of DNB Bank ASA		4 106	4 550	8 888	10 692	22 848
Portion attributable to additional Tier 1 capital holders		115	110	230	124	374
Profit for the period		4 221	4 660	9 118	10 816	23 222

Comprehensive income statement

		DNB Bank Group				
<i>Amounts in NOK million</i>		2nd quarter	2nd quarter		January-June	Full year
		2016	2015	2016	2015	2015
Profit for the period		4 221	4 660	9 118	10 816	23 222
Actuarial gains and losses			775	(39)	775	592
Items that will not be reclassified to the income statement			775	(39)	775	592
Currency translation of foreign operations		(1 341)	(695)	(5 718)	1 919	9 618
Currency translation reserve reclassified to the income statement		(43)		(43)		
Hedging of net investment		843	402	3 811	(1 214)	(6 203)
Investments according to the equity method ¹⁾				(33)		889
Investments according to the equity method, reclassified to the income statement ¹⁾		(855)		(855)		
Items that may subsequently be reclassified to the income statement		(1 396)	(293)	(2 838)	705	4 304
Other comprehensive income for the period (net of tax)		(1 396)	482	(2 877)	1 479	4 896
Comprehensive income for the period		2 825	5 142	6 241	12 295	28 118

1) DNB had indirect ownership interests in Visa Europe through its membership in Visa Norge. In connection with the valuation of the holdings in Visa Europe as at 31 March 2016 an accumulated gain of NOK 855 million was recognised in other comprehensive income. Upon the completion of the acquisition of Visa Europe by Visa Inc in the second quarter of 2016, this amount was reclassified to profit and a total gain of NOK 1 128 million was recognised as "Profit from investments accounted for by the equity method" in the income statement.

Balance sheet

		DNB Bank Group		
<i>Amounts in NOK million</i>	Note	30 June 2016	31 Dec. 2015	30 June 2015
Assets				
Cash and deposits with central banks		154 438	19 317	158 812
Due from credit institutions	12, 13	212 327	297 457	245 777
Loans to customers	10, 11, 12, 13	1 536 288	1 531 932	1 499 221
Commercial paper and bonds at fair value	13, 14	219 220	207 063	196 090
Shareholdings	13	5 377	8 794	8 093
Financial derivatives	13	198 929	203 273	181 910
Commercial paper and bonds, held to maturity	12, 14	15 479	19 162	24 841
Investment property		2 016	2 333	4 863
Investments accounted for by the equity method		3 590	4 091	3 241
Intangible assets		4 052	4 176	4 191
Deferred tax assets		1 061	1 138	1 214
Fixed assets		7 766	8 059	7 845
Assets held for sale		180	200	574
Other assets		12 769	8 608	20 872
Total assets		2 373 492	2 315 603	2 357 544
Liabilities and equity				
Due to credit institutions	12, 13	199 896	161 267	228 803
Deposits from customers	12, 13	966 294	957 322	978 767
Financial derivatives	13	156 526	154 878	141 552
Debt securities issued	12, 13, 15	813 371	806 810	777 057
Payable taxes		3 680	2 493	3 853
Deferred taxes		6 488	6 461	4 816
Other liabilities		17 858	18 409	30 958
Liabilities held for sale		59	71	76
Provisions		1 674	1 225	1 141
Pension commitments		2 508	2 301	4 343
Subordinated loan capital	12, 13, 15	29 498	30 953	28 578
Total liabilities		2 197 852	2 142 191	2 199 943
Share capital		18 314	18 314	18 314
Share premium		20 611	20 611	20 611
Additional Tier 1 capital		9 559	8 353	8 153
Other equity		127 155	126 133	110 523
Total equity		175 640	173 412	157 602
Total liabilities and equity		2 373 492	2 315 603	2 357 544

Off-balance sheet transactions

17

Statement of changes in equity

DNB Bank ASA

<i>Amounts in NOK million</i>	Share capital	Share premium	Additional Tier 1 Capital	Actuarial gains and losses	Currency translation reserve	Other equity	Total equity
Balance sheet as at 31 Dec. 2014	18 314	19 895		(2 741)	414	91 838	127 720
Profit for the period			124			6 455	6 579
Other comprehensive income (net of tax)				792	143		935
Comprehensive income for the period			124	792	143	6 455	7 514
Additional Tier 1 Capital issued			8 053			(31)	8 023
Interest payments additional Tier 1 capital			(25)				(25)
Transfer of lending portfolio to subsidiary (continuity)						45	45
Balance sheet as at 30 June 2015	18 314	19 895	8 153	(1 949)	558	98 307	143 278
Balance sheet as at 31 Dec. 2015	18 314	19 895	8 353	(459)	652	104 777	151 533
Profit for the period			230			6 693	6 922
Other comprehensive income				(39)	(106)		(145)
Comprehensive income for the period			230	(39)	(106)	6 693	6 777
Additional Tier 1 capital issued			1 400				1 400
Interest payments additional Tier 1 capital			(412)				(412)
Currency movements taken to income			(11)			11	
Transfer of lending portfolio to subsidiary (continuity)						(91)	(91)
Balance sheet as at 30 June 2016	18 314	19 895	9 559	(497)	546	111 389	159 205

DNB Bank Group

<i>Amounts in NOK million</i>	Share capital	Share premium	Additional Tier 1 capital	Actuarial gains and losses	Currency translation reserve	Net investment reserve	Other equity	Total equity
Balance sheet as at 31 Dec. 2014	18 314	20 611		(2 834)	8 637	(5 645)	102 226	141 309
Profit for the period			124				10 692	10 816
Other comprehensive income (net of tax)				775	1 919	(1 214)		1 479
Comprehensive income for the period			124	775	1 919	(1 214)	10 692	12 295
Additional Tier 1 capital issued			8 053				(31)	8 023
Interest payments additional Tier 1 capital			(25)					(25)
Group contribution to DNB ASA for 2014							(4 001)	(4 001)
Balance sheet as at 30 June 2015	18 314	20 611	8 153	(2 059)	10 556	(6 859)	108 886	157 602
Balance sheet as at 31 Dec. 2015	18 314	20 611	8 353	(479)	18 289	(11 848)	120 171	173 412
Profit for the period			230				8 888	9 118
Other comprehensive income				(39)	(5 761)	3 811	(889)	(2 877)
Comprehensive income for the period			230	(39)	(5 761)	3 811	8 000	6 241
Additional Tier 1 capital issued			1 400					1 400
Interest payments additional Tier 1 capital			(412)					(412)
Currency movements taken to income			(11)				11	
Group contribution to DNB ASA for 2015							(5 000)	(5 000)
Balance sheet as at 30 June 2016	18 314	20 611	9 559	(517)	12 528	(8 037)	123 181	175 640

Cash flow statement

DNB Bank ASA

<i>Amounts in NOK million</i>	2016	January-June 2015	Full year 2015
Operating activities			
Net receipts on loans to customers	6 753	20 076	50 461
Interest received from customers	13 594	15 042	30 885
Net receipts/payments on deposits from customers	16 156	7 101	(44 221)
Interest paid to customers	(1 079)	(1 850)	(10 485)
Net receipts/payments on loans to credit institutions	97 303	102 869	(20 697)
Interest received from credit institutions	1 775	2 003	3 870
Interest paid to credit institutions	(733)	(733)	(1 558)
Net receipts/payments on the sale of financial assets for investment or trading	(8 581)	(5 338)	16 386
Interest received on bonds and commercial paper	2 971	3 338	5 080
Net receipts on commissions and fees	1 653	1 840	3 553
Payments to operations	(6 429)	(6 620)	(16 346)
Taxes paid	(724)	(434)	(800)
Other receipts	1 570	11 473	9 595
Net cash flow from operating activities	124 231	148 767	25 723
Investment activities			
Net payments on the acquisition of fixed assets	(763)	(708)	(1 866)
Receipts on the sale of long-term investments in shares	861		223
Payments on the acquisition of long-term investments in shares	(3 708)	(18 660)	(33 124)
Dividends received on long-term investments in shares	40	10	104
Net cash flow from investment activities	(3 569)	(19 358)	(34 662)
Funding activities			
Receipts on issued bonds and commercial paper	7 923 180	1 252 778	3 072 165
Payments on redeemed bonds and commercial paper	(7 892 227)	(1 280 683)	(3 110 990)
Interest payments on issued bonds and commercial paper	(4 252)	(3 703)	(5 097)
Receipts on the raising of subordinated loan capital		3 805	3 805
Redemptions of subordinated loan capital	(3)	(4 604)	(4 604)
Interest payments on subordinated loan capital	(423)	(516)	(1 027)
Receipts on issued additional Tier 1 capital	1 400	8 023	8 023
Interest payments on additional Tier 1 capital	(412)	(25)	(75)
Group contribution payments	(6 942)	(4 729)	(4 729)
Net cash flow from funding activities	20 320	(29 653)	(42 529)
Effects of exchange rate changes on cash and cash equivalents	(4 062)	2 986	13 547
Net cash flow	136 920	102 741	(37 921)
Cash as at 1 January	19 884	57 805	57 805
Net payments of cash	136 920	102 741	(37 921)
Cash at end of period ¹⁾	156 804	160 545	19 884
*) Of which: Cash and deposits with central banks	151 327	156 466	16 004
Deposits with credit institutions with no agreed period of notice ¹⁾	5 477	4 080	3 880

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

Cash flow statement (continued)

<i>Amounts in NOK million</i>	DNB Bank Group		
	2016	January-June 2015	Full year 2015
Operating activities			
Net payments on loans to customers	(28 844)	(42 565)	(32 213)
Interest received from customers	23 832	26 459	51 863
Net receipts/payments on deposits from customers	21 988	15 738	(34 447)
Interest paid to customers	(180)	(1 323)	(7 475)
Net receipts on loans to credit institutions	116 356	124 377	3 917
Interest received from credit institutions	635	816	1 617
Interest paid to credit institutions	(589)	(671)	(1 355)
Net receipts/payments on the sale of financial assets for investment or trading	(1 807)	593	(16 600)
Interest received on bonds and commercial paper	2 943	3 038	4 592
Net receipts on commissions and fees	2 569	3 227	5 965
Payments to operations	(8 066)	(8 338)	(19 210)
Taxes paid	(1 002)	(1 137)	(2 473)
Other receipts	564	9 485	5 433
Net cash flow from operating activities	128 399	129 699	(40 387)
Investment activities			
Net payments on the acquisition of fixed assets	(792)	(580)	(1 853)
Net receipts/payments, investment property	301	(250)	2 833
Receipts on the sale of long-term investments in shares	860		76
Dividends received on long-term investments in shares	39	0	6
Net cash flow from investment activities	408	(830)	1 062
Funding activities			
Receipts on issued bonds and commercial paper	7 962 761	1 284 582	3 142 451
Payments on redeemed bonds and commercial paper	(7 935 165)	(1 308 149)	(3 145 857)
Interest payments on issued bonds and commercial paper	(10 519)	(10 046)	(15 129)
Receipts on the raising of subordinated loan capital		3 805	3 805
Redemptions of subordinated loan capital	(3)	(4 604)	(4 604)
Interest payments on subordinated loan capital	(425)	(516)	(1 029)
Receipts on issued additional Tier 1 capital	1 400	8 023	8 023
Interest payments on additional Tier 1 capital	(412)	(25)	(75)
Group contributions payments	(6 849)	(4 001)	(4 001)
Net cash flow from funding activities	10 787	(30 930)	(16 415)
Effects of exchange rate changes on cash and cash equivalents	(4 392)	2 823	14 622
Net cash flow	135 202	100 762	(41 118)
Cash as at 1 January	23 194	64 312	64 312
Net payments of cash	135 202	100 762	(41 118)
Cash at end of period ¹⁾	158 396	165 073	23 194
<i>*) Of which: Cash and deposits with central banks</i>	<i>154 438</i>	<i>158 812</i>	<i>19 317</i>
<i>Deposits with credit institutions with no agreed period of notice ¹⁾</i>	<i>3 958</i>	<i>6 261</i>	<i>3 876</i>

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

Note 1 Basis for preparation

The quarterly financial statements for the DNB Bank 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. DNB Bank ASA has prepared the financial statements according to the Norwegian Ministry of Finance's regulations on annual accounts, Section 1-6, on the use of IFRS. When preparing the consolidated financial statements, management makes estimates, judgment and assumptions that affect the application of the accounting principles and the carrying amount of assets, liabilities, income and expenses. 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 judgment is applied by the DNB Bank group, appear in note 1 Accounting principles in the annual report for 2015.

Note 2 Segments

Financial governance in DNB is geared to the different customer segments. The follow-up of total customer relationships and segment profitability are two important dimensions when making strategic priorities and deciding where to allocate the Bank Group's resources. Special product areas are responsible for production and development for parts of the product range and for ensuring that the Bank Group meets the needs of the various customer segments. Reported figures for the different segments will reflect the banking group's total sales of products and services to the relevant customer segments.

- | | |
|--|---|
| Personal customers | - includes the banking group's total products and activities to private customers in all channels, both digital and physical. DNB offers a wide range of products through Norway's largest distribution network, comprising branches, telephone banking (24/7), digital banking, real estate broking as well as external channels (post offices and in-store postal and banking outlets). |
| Small and medium sized enterprises | - is responsible for product sales and advisory services to small and medium-sized enterprises in Norway. Customers in this segment range from small businesses and start-up companies to relatively large corporate customers, and the product offerings are adapted to the customers' different needs. Small and medium-sized enterprises are served through the Group's large physical distribution network throughout Norway as well as digital and telephone banking (24/7). |
| Large corporates and international customers | - includes large Norwegian and international corporate customers and all customers served by DNB's subsidiary banks in the Baltics and Poland. Operations are based on sound industry expertise and long-term customer relationships. |
| Trading | - includes market making and other trading activities in fixed income, currencies and commodities (FICC) as well as equities, including risk management of the risk inherent in customer transactions. Markets' trading activities support the customer activities. |

The income statement and balance sheet for the segments have been prepared on the basis of internal financial reporting for the functional organisation of the DNB Bank Group into segments, as reported to group management (chief operating decision maker) for an assessment of current developments and the allocation of resources. Figures for the segments are based on DNB's management model, the banking group's accounting principles and principles for allocating costs and capital between segments and are based on a number of assumptions, estimates and discretionary distributions.

Capital allocated to the segments is calculated on the basis of the banking group's common equity Tier 1 capital and long-term capitalisation ambition. The allocation of capital to all units is based on the banking group's adaptation to Basel III with capital requirement related to credit risk, market risk and operational risk. The allocation of capital for credit risk is based on the banking group's internal measurement of risk-adjusted capital requirements for credit. Capital requirements for market risk are allocated directly in accordance with risk-weighted volume, and operational risk is allocated based on the respective units' total income.

Note 2 Segments (continued)

Income statement, second quarter

	DNB Bank Group													
	Personal customers				Small and medium-sized enterprises		Large corporates and international customers		Trading		Other operations/ eliminations ¹⁾		DNB Bank Group	
	2nd quarter		2nd quarter		2nd quarter		2nd quarter		2nd quarter		2nd quarter		2nd quarter	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
<i>Amounts in NOK million</i>														
Net interest income	3 319	3 412	1 570	1 515	3 484	3 748	3	88	247	(8)	8 623	8 755		
Net other operating income	975	1 001	373	295	1 454	1 563	688	581	720	22	4 210	3 462		
Total income	4 294	4 412	1 943	1 809	4 938	5 311	690	669	968	14	12 833	12 217		
Operating expenses	(1 998)	(2 148)	(772)	(709)	(1 828)	(1 760)	(131)	(155)	(452)	10 118	(5 180)	5 346		
Pre-tax operating profit before impairment	2 296	2 264	1 171	1 100	3 110	3 552	560	514	516	(559)	7 653	6 871		
Net gains on fixed and intangible assets	0	3	(1)	(0)	5	42			(24)	1	(20)	45		
Impairment of loans and guarantees ²⁾	(88)	(84)	(204)	(280)	(2 033)	(284)	(0)		4	(18)	(2 321)	(667)		
Profit from repossessed operations			(12)	(11)	(5)	(5)			16	17				
Pre-tax operating profit	2 208	2 183	954	808	1 077	3 304	560	514	513	(560)	5 311	6 249		
Tax expense	(552)	(589)	(239)	(218)	(291)	(958)	(140)	(134)	141	327	(1 081)	(1 573)		
Profit from operations held for sale, after taxes	(0)	(0)			(0)				(10)	(17)	(10)	(17)		
Profit for the period	1 656	1 593	716	590	786	2 346	420	380	643	(250)	4 221	4 660		

1) See the tables below for more information about other operations/eliminations.

2) See note 9 Impairment of loans and guarantees for an analysis of the gross change in impairment for the banking group.

Main average balance sheet items

	DNB Bank Group													
	Personal customers				Small and medium-sized enterprises		Large corporates and international customers		Trading		Other operations/ eliminations		DNB Bank Group	
	2nd quarter		2nd quarter		2nd quarter		2nd quarter		2nd quarter		2nd quarter		2nd quarter	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
<i>Amounts in NOK billion</i>														
Loans to customers ¹⁾	694.3	689.0	223.8	214.2	554.0	557.9	25.3	10.1	24.6	9.7	1 522.0	1 480.9		
Deposits from customers ¹⁾	398.8	375.9	173.5	170.4	378.5	379.4	132.7	125.1	4.1	6.4	1 087.7	1 057.2		
Allocated capital ²⁾	38.7	32.1	24.0	20.5	84.3	69.2	7.4	7.1						

Key figures

	DNB Bank Group													
	Personal customers				Small and medium-sized enterprises		Large corporates and international customers		Trading		Other operations		DNB Bank Group	
	2nd quarter		2nd quarter		2nd quarter		2nd quarter		2nd quarter		2nd quarter		2nd quarter	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
<i>Per cent</i>														
Cost/income ratio ³⁾	46.5	48.7	39.7	39.2	37.0	33.1	18.9	23.2					40.4	43.8
Ratio of deposits to loans ^{1) 4)}	57.4	54.6	77.5	79.5	68.3	68.0							71.5	71.4
Return on allocated capital, annualised ²⁾	17.2	19.9	12.0	11.6	3.8	13.6	22.8	21.4					5.3	12.4

1) Loans to customers include accrued interest, impairment and value adjustments. Correspondingly, deposits from customers include accrued interest and value adjustments. In November 2015, a portfolio of residential mortgages amounting to approximately NOK 20 billion was sold from DNB Boligkreditt to DNB Livsforsikring, the lifeinsurance company owned by DNB ASA. Personal Banking Norway will continue to manage the portfolio on behalf of DNB Livsforsikring.

2) Allocated capital for the segments is calculated based on the external capital adequacy requirement (Basel III) which must be met by the banking group. The capital allocated in 2016 corresponds to a common equity Tier 1 capital ratio of 17.2 per cent compared to 14.5 per cent in 2015. Recorded capital is used for the banking group.

3) Total operating expenses relative to total income.

4) Deposits from customers relative to loans to customers. Calculated on the basis of average balance sheet items.

Note 2 Segments (continued)

Income statement, January-June

											DNB Bank Group	
	Personal customers		Small and medium-sized enterprises		Large corporates and international customers		Trading		Other operations/eliminations		DNB Group	
	Jan.-June	2015	Jan.-June	2015	Jan.-June	2015	Jan.-June	2015	Jan.-June	2015	Jan.-June	2015
<i>Amounts in NOK million</i>	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Net interest income	6 715	6 738	3 131	2 970	7 124	7 359	8	192	447	108	17 426	17 366
Net other operating income	1 816	1 887	709	627	2 573	2 906	1 025	1 049	2 358	2 559	8 481	9 028
Total income	8 531	8 626	3 840	3 597	9 698	10 265	1 033	1 241	2 804	2 667	25 906	26 395
Operating expenses	(4 406)	(4 169)	(1 527)	(1 403)	(3 727)	(3 544)	(262)	(253)	(742)	(1 220)	(10 665)	(10 589)
Pre-tax operating profit before impairment	4 124	4 457	2 313	2 193	5 970	6 720	771	988	2 062	1 447	15 241	15 805
Net gains on fixed and intangible assets	0	3	2	(1)	9	47			(36)	7	(26)	56
Impairment of loans and guarantees ¹⁾	342	(39)	(455)	(570)	(3 389)	(596)			7	(37)	(3 495)	(1 241)
Profit from repossessed operations			(28)	(11)	(3)	(62)			31	73		
Pre-tax operating profit	4 466	4 421	1 832	1 611	2 586	6 110	771	988	2 064	1 491	11 719	14 620
Taxes	(1 117)	(1 194)	(458)	(435)	(698)	(1 772)	(193)	(257)	(113)	(83)	(2 578)	(3 740)
Profit from operations held for sale, after taxes	(1)				3				(25)	(64)	(23)	(64)
Profit for the period	3 348	3 227	1 374	1 176	1 891	4 338	578	731	1 926	1 344	9 118	10 816

2) See note 9 Impairment of loans and guarantees for an analysis of the gross change in impairment for the banking group.

Other operations/eliminations

Other operations/eliminations include IT and Operations, HR (Human Resources), Group Finance including Group Treasury, Risk Management, Corporate Communications, the partially owned company Eksportfinans, investments in IT infrastructure. In addition, Other operations/eliminations include that part of the banking group's equity that is not allocated to the segments. Profits from repossessed operations which are fully consolidated in the DNB Bank Group are presented net under "Profit from repossessed operations" in the internal reporting of segments. The acquired companies and all intra-group eliminations are included in Other operations/eliminations.

Pre-tax operating profit

	DNB Bank Group	
	2nd quarter 2016	2nd quarter 2015
<i>Amounts in NOK million</i>		
Unallocated interest income	156	(30)
Income from equities investments	10	10
Gains on fixed and intangible assets	(24)	1
Mark-to-market adjustments on financial instruments	(229)	(233)
Basis swaps	(388)	(54)
Profit from associated companies ¹⁾	1 148	(39)
Net gains on investment property	2	(5)
Profit from repossessed operations	16	17
Unallocated impairment of loans and guarantees	4	(18)
Unallocated personnel expenses	(113)	(95)
Unallocated IT and Operations expenses	(34)	18
Funding costs on goodwill	(5)	(7)
IT restructuring		(78)
Impairment of fixed assets and value adjustments on investments property		2
Other	(30)	(47)
Pre-tax operating profit	513	(560)

1) DNB had indirect ownership interests in Visa Europe through its membership in Visa Norge. In connection with the valuation of the holdings in Visa Europe as at 31 March 2016 an accumulated gain of NOK 855 million was recognised in other comprehensive income. Upon the completion of the acquisition of Visa Europe by Visa Inc in the second quarter of 2016, this amount was reclassified to profit and a total gain of NOK 1 128 million was recognised as "Profit from investments accounted for by the equity method" in the income statement.

Note 3 Capital adequacy

Capital adequacy is calculated and reported in accordance with the EU capital requirements regulations for banks and investment firms (CRD IV/CRR). The regulatory consolidation deviates from the accounting consolidation and comprises the parent company, subsidiaries and associated companies within the financial sector. Associated companies are consolidated pro rata. The figures as at 30 June 2016 are partially based on estimates.

DNB Bank ASA		Primary capital	DNB Bank Group	
31 Dec. 2015	30 June 2016	<i>Amounts in NOK million</i>	30 June 2016	31 Dec. 2015
151 533	152 512	Total equity	166 752	173 412
		Effect from regulatory consolidation	(581)	(541)
(8 053)	(9 453)	Additional Tier 1 capital instruments included in total equity	(9 453)	(8 053)
(219)	(79)	Net accrued interest on additional Tier 1 capital instruments	(79)	(219)
143 261	142 980	Common equity Tier 1 capital instruments	156 639	164 599
		Deductions		
(38)	(40)	Pension funds above pension commitments	(40)	(38)
(3 012)	(2 979)	Goodwill	(2 996)	(3 029)
(195)	(195)	Deferred tax assets that are not due to temporary differences	(641)	(640)
(663)	(621)	Other intangible assets	(985)	(1 075)
		Group contribution, payable		(5 000)
(1 383)	(632)	Expected losses exceeding actual losses, IRB portfolios	(1 233)	(2 309)
(671)	(555)	Value adjustment due to the requirements for prudent valuation (AVA)	(909)	(1 055)
(15)	(16)	Adjustments for unrealised losses/(gains) on debt recorded at fair value	(414)	(412)
(785)	(970)	Adjustments for unrealised losses/(gains) arising from the institution's own credit risk related to derivative liabilities (DVA)	(196)	(150)
136 499	136 973	Common equity Tier 1 capital	149 225	150 889
	140 255	Common equity Tier 1 capital incl. 50 per cent of profit for the period	153 853	
10 267	11 351	Additional Tier 1 capital instruments	11 351	10 267
146 766	148 323	Tier 1 capital	160 575	161 156
	151 606	Tier 1 capital incl. 50 per cent of profit for the period	165 204	
5 702	5 546	Perpetual subordinated loan capital	5 546	5 702
22 185	21 200	Term subordinated loan capital	21 200	22 185
27 887	26 746	Tier 2 capital	26 746	27 887
174 653	175 070	Total eligible capital	187 322	189 043
	178 353	Total eligible capital incl. 50 per cent of profit for the period	191 950	
906 084	799 143	Risk-weighted volume, transitional rules	1 059 481	1 056 731
72 487	63 931	Minimum capital requirement, transitional rules	84 758	84 539
15.1	17.6	Common equity Tier 1 capital ratio, transitional rules (%)	14.5	14.3
16.2	19.0	Tier 1 capital ratio, transitional rules (%)	15.6	15.3
19.3	22.3	Capital ratio, transitional rules (%)	18.1	17.9
	17.1	Common equity Tier 1 capital ratio, transitional rules, excluding 50 per cent of profit for the period (%)	14.1	
	18.6	Tier 1 capital ratio, transitional rules, excluding 50 per cent of profit for the period (%)	15.2	
	21.9	Capital ratio, transitional rules, excluding 50 per cent of profit for the period (%)	17.7	

Note 3 Capital adequacy (continued)

The majority of the credit portfolios are reported according to the IRB approach. However, one portfolio, banks and financial institutions (DNB Bank) is still subject to final IRB approval from Finanstilsynet. The portfolio Large corporate clients rated by simulation models (DNB Bank) was approved in December 2015.

Specification of risk-weighted volume and capital requirements

	Nominal exposure		Average risk weights in per cent	Risk-weighted volume	DNB Bank ASA	
	30 June 2016	EAD ¹⁾ 30 June 2016			30 June 2016	Capital requirements 30 June 2016
<i>Amounts in NOK million</i>						
IRB approach						
Corporate	772 093	623 862	50.0	311 999	24 960	24 752
Specialised Lending (SL)	9 544	9 129	39.0	3 561	285	396
Retail - mortgage loans	79 113	79 099	29.7	23 462	1 877	2 045
Retail - other exposures	110 567	90 737	26.9	24 419	1 953	1 965
Securitisation	15 479	15 479	84.4	13 067	1 045	1 201
Total credit risk, IRB approach	986 795	818 306	46.0	376 508	30 121	30 359
Standardised approach						
Central government	38 478	48 299	0.2	113	9	30
Institutions	410 471	312 773	23.1	72 242	5 779	13 545
Corporate	100 511	78 495	93.0	73 010	5 841	6 713
Retail - mortgage loans	6 219	5 789	40.2	2 327	186	177
Retail - other exposures	106 070	36 524	74.6	27 233	2 179	1 587
Equity positions	121 044	121 044	100.3	121 356	9 708	9 807
Other assets	17 311	17 311	131.7	22 802	1 824	1 704
Total credit risk, standardised approach	800 104	620 236	51.4	319 083	25 527	33 562
Total credit risk	1 786 899	1 438 542	48.4	695 592	55 647	63 922
Market risk						
Position risk, debt instruments				24 311	1 945	1 849
Position risk, equity instruments				293	23	19
Currency risk						
Commodity risk				0	0	3
Credit value adjustment risk (CVA)				7 114	569	947
Total market risk				31 718	2 537	2 818
Operational risk				71 833	5 747	5 747
Total risk-weighted volume and capital requirements before transitional rules				799 143	63 931	72 487
Additional capital requirements according to transitional rules						
Total risk-weighted volume and capital requirements				799 143	63 931	72 487

1) EAD, exposure at default.

Note 3 Capital adequacy (continued)

Specification of risk-weighted volume and capital requirements

	DNB Bank Group					
	Nominal exposure	EAD ¹⁾	Average risk weights	Risk-weighted volume	Capital requirements	Capital requirements
	30 June 2016	30 June 2016	in per cent 30 June 2016	30 June 2016	30 June 2016	31 Dec. 2015
<i>Amounts in NOK million</i>						
IRB approach						
Corporate	1 070 530	881 037	48.5	427 029	34 162	33 421
Specialised Lending (SL)	11 277	10 856	40.8	4 433	355	468
Retail - mortgage loans	680 606	680 592	23.0	156 335	12 507	12 241
Retail - other exposures	110 567	90 737	26.9	24 419	1 953	1 965
Securitisation	15 479	15 479	84.4	13 067	1 045	1 201
Total credit risk, IRB approach	1 888 458	1 678 701	37.2	625 283	50 023	49 295
Standardised approach						
Central government	48 506	60 453	0.2	148	12	33
Institutions	191 106	124 260	25.9	32 130	2 570	2 390
Corporate	164 628	129 916	85.8	111 477	8 918	10 164
Retail - mortgage loans	48 702	46 776	46.2	21 621	1 730	1 764
Retail - other exposures	132 177	58 313	71.8	41 844	3 348	2 642
Equity positions	7 656	7 656	104.1	7 968	637	263
Securitisation	2 177	2 177	37.3	812	65	60
Other assets	14 703	14 703	73.5	10 805	864	763
Total credit risk, standardised approach	609 655	444 254	51.1	226 806	18 144	18 078
Total credit risk	2 498 114	2 122 955	40.1	852 089	68 167	67 373
Market risk						
Position risk, debt instruments				14 260	1 141	1 141
Position risk, equity instruments				293	23	36
Currency risk						
Commodity risk				0	0	3
Credit value adjustment risk (CVA)				4 312	345	514
Total market risk				18 866	1 509	1 695
Operational risk				84 281	6 742	6 742
Total risk-weighted volume and capital requirements before transitional rules				955 235	76 419	75 810
Additional capital requirements according to transitional rules ²⁾				104 246	8 340	8 729
Total risk-weighted volume and capital requirements				1 059 481	84 758	84 539

1) EAD, exposure at default.

2) Due to transitional rules, the minimum capital adequacy requirements cannot be reduced below 80 per cent of the corresponding figure calculated according to the Basel I regulations.

Note 4 Liquidity risk

Liquidity risk is the risk that the DNB Bank Group will be unable to meet its payment obligations. Overall liquidity management in the Group implies that DNB Bank ASA is responsible for funding domestic and international group entities. Liquidity risk is managed and measured by means of various measurement techniques.

The Board of Directors has approved internal limits which restrict the short-term maturity of liabilities within different time frames. The various maturities are subject to stress testing based on a bank-specific crisis, a systemic crisis and a combination thereof, and a contingency plan has been established to handle market events. In addition, limits have been set for structural liquidity risk, which implies that lending to customers should largely be financed through customer deposits, subordinated capital and long-term funding. Ordinary senior bond debt and covered bonds are the major sources of long-term funding. The banking group's ratio of deposits to net loans was 62.9 per cent at end of the second quarter 2016, down from 65.3 per cent a year earlier. The ratio of deposits to net loans in DNB Bank ASA was 131.4 per cent at end-June 2016.

The short-term funding markets were generally sound for banks with high credit ratings in the second quarter of 2016. Longer maturities are still not as attractive, as US money market funds adapts to upcoming regulations. DNB had ample access to short-term funding throughout the quarter.

There was high, but declining activity in the long-term funding markets during the second quarter. It is assumed banks with access to the targeted longer-term refinancing operations (TLTRO II) from the European Central bank will utilise this funding source. This will reduce the supply side in the European market going forward. There is uncertainty linked to how the long-term funding markets will function after UK's decision to leave the EU. DNB expects volatile markets and limited new issuance in the coming period. DNB is well prepared to handle the uncertain market situation described above.

The short-term liquidity requirement, Liquidity Coverage Ratio (LCR), remained stable at above 100 per cent throughout the quarter. At end-June, the total LCR was 122 per cent, with an LCR of 255 per cent for EUR, 205 per cent for USD and 49 per cent for NOK.

The average remaining term to maturity for the portfolio of senior bond debt and covered bonds was 4.0 years at end-June 2016, down from 4.1 years a year earlier. The banking group aims to maintain a sound and stable maturity structure for funding over the next five years.

Note 5 Net interest income

<i>Amounts in NOK million</i>	DNB Bank ASA				
	2nd quarter 2016	2nd quarter 2015	2016	January-June 2015	Full year 2015
Interest on amounts due from credit institutions	734	934	1 762	1 945	3 838
Interest on loans to customers	5 786	6 644	11 654	13 411	25 975
Interest on impaired loans and guarantees	149	108	252	217	459
Interest on commercial paper and bonds	1 118	1 295	2 256	2 648	5 115
Front-end fees etc.	66	69	132	135	293
Other interest income	649	665	1 265	1 307	2 606
Total interest income	8 503	9 715	17 321	19 664	38 287
Interest on amounts due to credit institutions	(414)	(375)	(809)	(750)	(1 559)
Interest on deposits from customers	(1 559)	(2 507)	(3 181)	(5 261)	(9 292)
Interest on debt securities issued	(965)	(754)	(1 863)	(1 497)	(3 075)
Interest on subordinated loan capital	(131)	(145)	(268)	(290)	(568)
Guarantee fund levy ¹⁾	(159)	(169)	(318)	(337)	(675)
Other interest expenses ²⁾	570	273	936	377	1 096
Total interest expenses	(2 658)	(3 676)	(5 503)	(7 758)	(14 072)
Net interest income	5 845	6 039	11 818	11 906	24 215

<i>Amounts in NOK million</i>	DNB Bank Group				
	2nd quarter 2016	2nd quarter 2015	2016	January-June 2015	Full year 2015
Interest on amounts due from credit institutions	159	297	606	757	1 608
Interest on loans to customers	11 110	12 372	22 386	24 939	49 037
Interest on impaired loans and guarantees	204	137	349	267	619
Interest on commercial paper and bonds	1 107	1 150	2 221	2 356	4 605
Front-end fees etc.	71	81	144	161	337
Other interest income	322	436	664	867	1 587
Total interest income	12 973	14 473	26 370	29 347	57 793
Interest on amounts due to credit institutions	(303)	(331)	(617)	(682)	(1 365)
Interest on deposits from customers	(1 645)	(2 554)	(3 335)	(5 356)	(9 483)
Interest on debt securities issued	(3 147)	(3 102)	(6 397)	(6 303)	(12 809)
Interest on subordinated loan capital	(132)	(146)	(269)	(290)	(569)
Guarantee fund levy ¹⁾	(187)	(207)	(380)	(412)	(845)
Other interest expenses ²⁾	1 064	622	2 053	1 064	2 814
Total interest expenses	(4 351)	(5 718)	(8 945)	(11 980)	(22 258)
Net interest income	8 623	8 755	17 426	17 366	35 535

1) The amount recorded in the quarter represents a proportional share of the estimated annual levy.

2) Other interest expenses include interest rate adjustments resulting from interest swaps entered into.

Note 6 Net commission and fee income

<i>Amounts in NOK million</i>	DNB Bank ASA				
	2nd quarter	2nd quarter		January-June	Full year
	2016	2015	2016	2015	2015
Money transfers	858	810	1 731	1 621	3 378
Asset management services	80	78	162	147	294
Custodial services	93	100	166	184	348
Securities broking	138	100	260	205	425
Corporate finance	131	72	219	145	289
Interbank fees	6	8	12	14	29
Credit broking	149	281	273	412	625
Sale of insurance products	94	93	185	186	366
Other commissions and fees	130	61	269	192	466
Total commission and fee income	1 680	1 601	3 278	3 107	6 220
Money transfers	(441)	(397)	(857)	(748)	(1 636)
Custodial services	(27)	(47)	(63)	(88)	(172)
Securities broking	(66)	(27)	(118)	(54)	(115)
Corporate finance	(24)	(12)	(41)	(32)	(55)
Interbank fees	(16)	(16)	(28)	(31)	(61)
Credit broking	(21)	(17)	(45)	(41)	(83)
Sale of insurance products	(28)	(22)	(56)	(48)	(95)
Other commissions and fees	(117)	(119)	(236)	(228)	(459)
Total commission and fee expenses	(740)	(657)	(1 445)	(1 268)	(2 676)
Net commission and fee income	940	944	1 833	1 838	3 544

<i>Amounts in NOK million</i>	DNB Bank Group				
	2nd quarter	2nd quarter		January-June	Full year
	2016	2015	2016	2015	2015
Money transfers	927	858	1 867	1 717	3 596
Asset management services	93	89	188	170	351
Custodial services	98	103	176	190	363
Securities broking	143	112	279	234	482
Corporate finance	195	210	305	396	609
Interbank fees	6	8	12	14	29
Credit broking	149	379	275	527	781
Sales of insurance products	101	100	198	197	392
Real estate broking	343	370	589	649	1 220
Other commissions and fees	168	196	337	421	870
Total commission and fee income	2 224	2 425	4 225	4 515	8 694
Money transfers	(450)	(406)	(876)	(764)	(1 670)
Custodial services	(28)	(47)	(63)	(88)	(174)
Securities broking	(66)	(31)	(119)	(59)	(119)
Corporate finance	(24)	(12)	(41)	(32)	(55)
Interbank fees	(16)	(16)	(28)	(31)	(61)
Credit broking	(6)	(3)	(15)	(9)	(27)
Sale of insurance products	(28)	(22)	(56)	(48)	(95)
Other commissions and fees	(138)	(136)	(276)	(259)	(537)
Total commission and fee expenses	(756)	(674)	(1 476)	(1 289)	(2 737)
Net commission and fee income	1 468	1 751	2 749	3 226	5 956

Note 7 Net gains on financial instruments at fair value

<i>Amounts in NOK million</i>	DNB Bank ASA				
	2nd quarter 2016	2nd quarter 2015	2016	January-June 2015	Full year 2015
Dividends	80	73	89	94	147
Net gains on commercial paper and bonds	249	(1 344)	1 149	(1 571)	(2 847)
Net gains on shareholdings and equity-related derivatives	909	(152)	806	(376)	(190)
Net unrealised gains on basis swaps	46	(387)	(0)	(58)	(319)
Net gains on other financial instruments	1 184	2 695	1 820	4 130	7 173
Net gains on financial instruments at fair value	2 468	885	3 863	2 218	3 964

<i>Amounts in NOK million</i>	DNB Bank Group				
	2nd quarter 2016	2nd quarter 2015	2016	January-June 2015	Full year 2015
Dividends	80	76	89	98	156
Net gains on commercial paper and bonds	202	(1 282)	1 041	(1 350)	(2 573)
Net gains on shareholdings and equity-related derivatives	84	(152)	(35)	(412)	(38)
Net unrealised gains on basis swaps	(388)	(54)	615	1 757	2 685
Net gains on other financial instruments	1 051	2 578	1 683	4 495	8 474
Net gains on financial instruments at fair value	1 029	1 167	3 392	4 588	8 704

Note 8 Operating expenses

DNB Bank ASA					
<i>Amounts in NOK million</i>	2nd quarter 2016	2nd quarter 2015	2016	January-June 2015	Full year 2015
Salaries	(1 502)	(1 530)	(3 063)	(3 050)	(6 175)
Employer's national insurance contributions	(224)	(226)	(459)	(452)	(901)
Pension expenses	(261)	(230)	(533)	(466)	823
Restructuring expenses	(68)	(133)	(456)	(180)	(345)
Other personnel expenses	(153)	(168)	(302)	(329)	(647)
Total salaries and other personnel expenses	(2 208)	(2 287)	(4 813)	(4 476)	(7 245)
Fees ¹⁾	(369)	(456)	(642)	(768)	(1 370)
IT expenses ¹⁾	(517)	(567)	(1 006)	(1 189)	(2 184)
Postage and telecommunications	(45)	(50)	(91)	(110)	(223)
Office supplies	(7)	(8)	(13)	(17)	(36)
Marketing and public relations	(172)	(147)	(289)	(297)	(589)
Travel expenses	(42)	(60)	(76)	(98)	(210)
Reimbursement to Norway Post for transactions executed	(51)	(44)	(102)	(89)	(174)
Training expenses	(8)	(14)	(23)	(30)	(60)
Operating expenses on properties and premises	(284)	(303)	(571)	(611)	(1 165)
Operating expenses on machinery, vehicles and office equipment	(20)	(14)	(36)	(28)	(67)
Other operating expenses	(121)	(123)	(235)	(246)	(513)
Total other expenses	(1 636)	(1 787)	(3 083)	(3 483)	(6 591)
Depreciation and impairment of fixed and intangible assets ²⁾	(453)	(496)	(1 023)	(977)	(2 035)
Total depreciation and impairment of fixed and intangible assets	(453)	(496)	(1 023)	(977)	(2 035)
Total operating expenses	(4 297)	(4 570)	(8 919)	(8 937)	(15 871)

DNB Bank Group					
<i>Amounts in NOK million</i>	2nd quarter 2016	2nd quarter 2015	2016	January-June 2015	Full year 2015
Salaries	(1 897)	(1 913)	(3 823)	(3 791)	(7 660)
Employer's national insurance contributions	(276)	(278)	(573)	(561)	(1 124)
Pension expenses	(287)	(250)	(584)	(503)	770
Restructuring expenses	(94)	(133)	(481)	(181)	(352)
Other personnel expenses	(181)	(194)	(362)	(381)	(775)
Total salaries and other personnel expenses	(2 736)	(2 767)	(5 823)	(5 416)	(9 140)
Fees ¹⁾	(398)	(479)	(697)	(821)	(1 497)
IT expenses ¹⁾	(567)	(610)	(1 112)	(1 285)	(2 397)
Postage and telecommunications	(56)	(64)	(115)	(136)	(268)
Office supplies	(19)	(21)	(37)	(43)	(87)
Marketing and public relations	(245)	(232)	(421)	(451)	(845)
Travel expenses	(55)	(74)	(101)	(127)	(271)
Reimbursement to Norway Post for transactions executed	(51)	(44)	(102)	(89)	(174)
Training expenses	(11)	(17)	(29)	(35)	(72)
Operating expenses on properties and premises	(325)	(346)	(655)	(716)	(1 365)
Operating expenses on machinery, vehicles and office equipment	(30)	(24)	(52)	(44)	(100)
Other operating expenses	(194)	(179)	(372)	(385)	(817)
Total other expenses	(1 950)	(2 089)	(3 694)	(4 130)	(7 892)
Depreciation and impairment of fixed and intangible assets ²⁾	(494)	(489)	(1 149)	(1 042)	(2 159)
Total depreciation and impairment of fixed and intangible assets	(494)	(489)	(1 149)	(1 042)	(2 159)
Total operating expenses	(5 180)	(5 346)	(10 665)	(10 589)	(19 191)

1) Fees also include system development fees and must be viewed relative to IT expenses.

2) In consequence of the restructuring process in DNB, provisions of NOK 160 million for onerous contracts related to premises were made in the first quarter of 2016.

Note 9 Impairment of loans and guarantees

<i>Amounts in NOK million</i>	DNB Bank ASA				
	2nd quarter 2016	2nd quarter 2015	2016	January-June 2015	Full year 2015
Write-offs	(330)	(261)	(446)	(374)	(1 407)
New/increased individual impairment	(1 224)	(656)	(2 049)	(1 602)	(2 326)
Total new/increased individual impairment	(1 554)	(918)	(2 495)	(1 976)	(3 733)
Reassessed individual impairment previous years	242	82	496	476	672
Recoveries on loans and guarantees previously written off	56	157	695	345	1 715
Net individual impairment	(1 256)	(679)	(1 305)	(1 156)	(1 346)
Change in collective impairment of loans	(445)	69	(814)	7	(292)
Impairment of loans and guarantees ¹⁾	(1 700)	(609)	(2 118)	(1 149)	(1 638)
Write-offs covered by individual impairment made in previous years	592	785	819	1 114	2 463
1) <i>Of which individual impairment of guarantees</i>	(91)	(12)	(94)	(42)	(40)

<i>Amounts in NOK million</i>	DNB Bank Group				
	2nd quarter 2016	2nd quarter 2015	2016	January-June 2015	Full year 2015
Write-offs	(638)	(272)	(801)	(391)	(1 446)
New/increased individual impairment	(1 335)	(785)	(2 728)	(1 858)	(3 288)
Total new/increased individual impairment	(1 973)	(1 057)	(3 528)	(2 249)	(4 735)
Reassessed individual impairment previous years	319	128	700	595	978
Recoveries on loans and guarantees previously written off	62	162	708	356	1 742
Net individual impairment	(1 592)	(767)	(2 120)	(1 298)	(2 015)
Change in collective impairment of loans	(729)	101	(1 375)	57	(255)
Impairment of loans and guarantees ¹⁾	(2 321)	(667)	(3 495)	(1 241)	(2 270)
Write-offs covered by individual impairment made in previous years	855	832	1 489	2 052	3 749
1) <i>Of which individual impairment of guarantees</i>	(90)	(10)	(92)	(36)	(36)

Note 10 Loans to customers

DNB Bank ASA				DNB Bank Group		
30 June 2015	31 Dec. 2015	30 June 2016		30 June 2016	31 Dec. 2015	30 June 2015
			<i>Amounts in NOK million</i>			
Loans at amortised cost						
675 804	648 296	646 528	Loans to customers, nominal amount	1 441 207	1 417 866	1 384 997
(5 713)	(4 639)	(5 202)	- Individual impairment	(8 599)	(8 484)	(9 670)
670 091	643 657	641 325	Loans to customers, after individual impairment	1 432 608	1 409 382	1 375 327
1 465	1 520	1 257	+ Accrued interest and amortisation	2 070	2 313	2 311
(459)	(430)	(445)	- Individual impairment of accrued interest and amortisation	(680)	(656)	(674)
(1 466)	(1 709)	(2 502)	- Collective impairment	(3 813)	(2 524)	(2 099)
669 630	643 036	639 636	Loans to customers, at amortised cost	1 430 186	1 408 515	1 374 864
Loans at fair value						
39 966	62 470	46 155	Loans to customers, nominal amount	104 499	122 098	122 549
97	78	49	+ Accrued interest	146	187	243
(94)	(52)	102	+ Adjustment to fair value	1 457	1 132	1 564
39 968	62 495	46 306	Loans to customers, at fair value	106 102	123 417	124 356
709 598	705 532	685 942	Loans to customers ¹⁾	1 536 288	1 531 932	1 499 221
5 184	32 384	20 119	1) Of which repo trading volumes	20 119	32 384	5 184

Note 11 Net impaired loans and guarantees for principal customer groups ¹⁾

DNB Bank ASA				DNB Bank Group		
30 June 2015	31 Dec. 2015	30 June 2016		30 June 2016	31 Dec. 2015	30 June 2015
			<i>Amounts in NOK million</i>			
1 190	1 121	1 183	Private individuals	2 545	2 661	2 947
1 128	1 379	1 354	Transportation by sea and pipelines and vessel construction	2 075	2 045	1 641
1 990	1 137	1 079	Real estate	1 900	2 289	2 543
621	609	2 094	Manufacturing	3 713	1 530	808
424	323	730	Services	771	359	494
466	385	401	Trade	477	476	552
		3 617	Oil and gas	3 617		
329	488	1 524	Transportation and communication	1 638	1 099	433
652	333	549	Building and construction	618	470	1 001
20	314	14	Power and water supply	14	317	22
10	5	12	Seafood	12	5	10
34	36	25	Hotels and restaurants	85	118	102
87	67	40	Agriculture and forestry	66	110	123
0	7	5	Central and local government	5	7	0
8	19	8	Other sectors	24	34	27
6 959	6 223	12 635	Total customers	17 560	11 519	10 704
			Credit institutions			
6 959	6 223	12 635	Total net impaired loans and guarantees	17 560	11 519	10 704
1 083	1 582	1 095	Non-performing loans and guarantees not subject to impairment	3 122	2 461	2 401
8 042	7 804	13 730	Total net non-performing and doubtful loans and guarantees	20 682	13 980	13 105

1) Includes loans and guarantees subject to individual impairment and total non-performing loans and guarantees not subject to impairment. The breakdown into principal customer groups corresponds to the EU's standard industrial classification, NACE Rev.2.

Note 12 Fair value of financial instruments at amortised cost

<i>Amounts in NOK million</i>	30 June 2016		DNB Bank ASA 30 June 2015	
	Carrying amount	Fair value	Carrying amount	Fair value
	Cash and deposits with central banks	2 522	2 522	1 935
Due from credit institutions	172 946	172 946	177 364	177 364
Loans to customers	639 636	641 310	669 630	671 693
Commercial paper and bonds, held to maturity	15 479	14 800	24 841	24 760
Total financial assets	830 583	831 578	873 771	875 752
Due to credit institutions	38 625	38 625	32 624	32 624
Deposits from customers	861 173	861 173	866 506	866 506
Securities issued ¹⁾	173 236	175 672	152 617	156 053
Subordinated loan capital ¹⁾	28 264	28 274	27 314	27 489
Total financial liabilities	1 101 298	1 103 744	1 079 062	1 082 672

<i>Amounts in NOK million</i>	30 June 2016		DNB Bank Group 30 June 2015	
	Carrying amount	Fair value	Carrying amount	Fair value
	Cash and deposits with central banks	5 634	5 634	4 282
Due from credit institutions	21 490	21 490	20 451	20 451
Loans to customers	1 430 186	1 431 755	1 374 864	1 376 662
Commercial paper and bonds, held to maturity	15 479	14 800	24 841	24 760
Total financial assets	1 472 789	1 473 679	1 424 438	1 426 155
Due to credit institutions	40 380	40 380	35 430	35 430
Deposits from customers	926 184	926 184	922 617	922 617
Securities issued ¹⁾	549 764	554 447	521 459	529 371
Subordinated loan capital ¹⁾	28 264	28 274	27 314	27 489
Total financial liabilities	1 544 592	1 549 284	1 506 822	1 514 908

1) Includes hedged liabilities.

Note 13 Financial instruments at fair value

DNB Bank ASA				
<i>Amounts in NOK million</i>	Valuation based on quoted prices in an active market Level 1	Valuation based on observable market data Level 2	Valuation based on other than observable market data Level 3	Total
Assets as at 30 June 2016				
Deposits with central banks		148 804		148 804
Due from credit institutions		390 758		390 758
Loans to customers		28 155	18 151	46 306
Commercial paper and bonds at fair value	49 786	167 643	446	217 875
Shareholdings	3 341	358	638	4 337
Financial derivatives	0	208 217	1 456	209 673
Liabilities as at 30 June 2016				
Due to credit institutions		262 731		262 731
Deposits from customers		40 110		40 110
Debt securities issued		186 204		186 204
Subordinated loan capital		1 234		1 234
Financial derivatives	0	223 702	1 131	224 833
Other financial liabilities ¹⁾	829			829

DNB Bank ASA				
<i>Amounts in NOK million</i>	Valuation based on quoted prices in an active market Level 1	Valuation based on observable market data Level 2	Valuation based on other than observable market data Level 3	Total
Assets as at 30 June 2015				
Deposits with central banks		154 530		154 530
Due from credit institutions		368 129		368 129
Loans to customers		10 811	29 157	39 968
Commercial paper and bonds at fair value	34 637	190 503	173	225 312
Shareholdings	6 789	8	810	7 606
Financial derivatives	0	191 322	1 649	192 972
Liabilities as at 30 June 2015				
Due to credit institutions		275 044		275 044
Deposits from customers		56 149		56 149
Debt securities issued		184 156		184 156
Subordinated loan capital		1 263		1 263
Financial derivatives	0	219 049	1 273	220 322
Other financial liabilities ¹⁾	6 004			6 004

1) Short positions, trading activities.

Note 13 Financial instruments at fair value (continued)

<i>Amounts in NOK million</i>	DNB Bank Group			
	Valuation based on quoted prices in an active market Level 1	Valuation based on observable market data Level 2	Valuation based on other than observable market data Level 3	Total
Assets as at 30 June 2016				
Deposits with central banks		148 804		148 804
Due from credit institutions		190 836		190 836
Loans to customers		28 155	77 947	106 102
Commercial paper and bonds at fair value	53 850	164 864	505	219 220
Shareholdings	4 190	378	809	5 377
Financial derivatives	0	197 473	1 456	198 929
Liabilities as at 30 June 2016				
Due to credit institutions		159 516		159 516
Deposits from customers		40 110		40 110
Debt securities issued		263 607		263 607
Subordinated loan capital		1 234		1 234
Financial derivatives	0	155 395	1 131	156 526
Other financial liabilities ¹⁾	829			829

<i>Amounts in NOK million</i>	DNB Bank Group			
	Valuation based on quoted prices in an active market Level 1	Valuation based on observable market data Level 2	Valuation based on other than observable market data Level 3	Total
Assets as at 30 June 2015				
Deposits with central banks		154 530		154 530
Due from credit institutions		225 326		225 326
Loans to customers		10 811	113 546	124 356
Commercial paper and bonds at fair value	37 862	158 050	177	196 090
Shareholdings	7 054	8	1 030	8 093
Financial derivatives	0	180 261	1 649	181 910
Liabilities as at 30 June 2015				
Due to credit institutions		193 373		193 373
Deposits from customers		56 149		56 149
Debt securities issued		255 597		255 597
Subordinated loan capital		1 263		1 263
Financial derivatives	0	140 278	1 273	141 552
Other financial liabilities ¹⁾	6 004			6 004

1) Short positions, trading activities.

For a further description of the instruments and valuation techniques, see the annual report for 2015

Note 13 Financial instruments at fair value (continued)

Financial instruments at fair value, level 3

DNB Bank ASA

	Financial assets				Financial liabilities
	Loans to customers	Commercial paper and bonds	Share-holdings	Financial derivatives	Financial derivatives
<i>Amounts in NOK million</i>					
Carrying amount as at 31 December 2015	24 855	566	828	1 504	1 144
Net gains recognised in the income statement	125	(13)	(191)	(132)	(94)
Additions/purchases	2 370	215	11	494	500
Sales	(1 643)	(436)	(10)		
Settled	(7 556)			(395)	(412)
Transferred from level 1 or level 2		376			
Transferred to level 1 or level 2		(251)			
Other		(12)		(15)	(8)
Carrying amount as at 30 June 2016	18 151	446	638	1 456	1 131

Financial instruments at fair value, level 3

DNB Bank Group

	Financial assets				Financial liabilities
	Loans to customers	Commercial paper and bonds	Share-holdings	Financial derivatives	Financial derivatives
<i>Amounts in NOK million</i>					
Carrying amount as at 31 December 2015	85 777	734	1 229	1 504	1 144
Net gains recognised in the income statement	283	(59)	(188)	(132)	(94)
Additions/purchases	5 241	215	30	494	500
Sales		(497)	(232)		
Settled	(13 353)	0	(22)	(395)	(412)
Transferred from level 1 or level 2		376			
Transferred to level 1 or level 2		(251)			
Other		(13)	(7)	(15)	(8)
Carrying amount as at 30 June 2016	77 947	505	809	1 456	1 131

Note 13 Financial instruments at fair value (continued)

DNB Bank ASA			Breakdown of fair value, level 3		DNB Bank Group		
30 June 2016					30 June 2016		
Share- holdings	Commercial paper and bonds	Loans to customers	<i>Amounts in NOK million</i>		Loans to customers	Commercial paper and bonds	Share- holdings
568	500	18 000	Principal amount/purchase price		76 344	627	699
70	(54)	102	Fair value adjustment ¹⁾		1 456	(122)	110
		50	Accrued interest		147		
638	446	18 151	Carrying amount		77 947	505	809

1) Changes in the fair value of customer loans mainly result from changes in swap rates. A corresponding negative adjustment is made in the fair value of financial instruments used for financial hedging.

DNB Bank ASA				Breakdown of shareholdings, level 3			DNB Bank Group	
Total	Other	Private Equity (PE) funds	Unquoted equities	<i>Amounts in NOK million</i>			Other	Total
638	28	273	337	Carrying amount as at 30 June 2016			28	809
				Unquoted equities	Private Equity (PE) funds			
				508	273			

DNB Bank ASA			Sensitivity analysis, level 3		DNB Bank Group	
Effect of reasonably possible alternative assumptions	Carrying amount 30 June 2016		<i>Amounts in NOK million</i>		Carrying amount 30 June 2016	Effect of reasonably possible alternative assumptions
(25)	18 151	Loans to customers		77 947		(157)
(2)	446	Commercial paper and bonds		505		(2)
	638	Shareholdings		809		
	325	Financial derivatives, net		325		

In order to show the sensitivity of the loan portfolio, the discount rate on fixed-rate loans and the margin requirement on margin-based loans have been increased by 10 basis points.

Level 3 bonds mainly represent investments in Norwegian municipalities, savings banks and power companies. A 10 basis point increase in the discount rate has had insignificant effects.

Note 14 Commercial paper and bonds, held to maturity

DNB Bank ASA				DNB Bank Group		
30 June 2015	31 Dec. 2015	30 June 2016		30 June 2016	31 Dec. 2015	30 June 2015
24 841	19 162	15 479	<i>Amounts in NOK million</i>			
			International bond portfolio	15 479	19 162	24 841
24 841	19 162	15 479	Commercial paper and bonds, held to maturity	15 479	19 162	24 841

As part of ongoing liquidity management, DNB Bank has invested in a portfolio of securities. The portfolio can be used to regulate the liquidity requirement and as a basis for furnishing collateral for operations in various countries. Among other things, the securities serve as collateral for short and long-term borrowing in a number of central banks and as a basis for liquidity buffers to meet regulatory requirements. With effect from 1 July 2008, the international bond portfolio was reclassified from the category "fair value through profit or loss" to "held-to-maturity investments". Portfolios in this category are recorded at amortised cost and written down if there is objective evidence of a decrease in value.

Effects of the reclassifications of the international bond portfolio

By measuring the portfolio at amortised cost, the value of the portfolio as at 30 June 2016 was NOK 0.7 billion higher than if the previous valuation principle had been retained. On the reclassification date, the carrying amount of the portfolio was NOK 88.0 billion, compared with NOK 12.6 billion at end-June 2016. The average term to maturity of the portfolio was 5.6 years, and the change in value resulting from a credit spread adjustment of one basis point was NOK 7.3 million at end-June 2016.

Effects on profits of the reclassification

	DNB Bank Group				
<i>Amounts in NOK million</i>	2nd quarter 2016	2nd quarter 2015	January-June 2016	January-June 2015	Full year 2015
Recorded amortisation effect	18	22	34	55	95
Net gain, if valued at fair value	55	177	64	203	(170)
Effects of reclassification on profits	(36)	(155)	(30)	(148)	265

Effects on the balance sheet of the reclassification

	30 June 2016	31 Dec. 2015	30 June 2015
<i>Amounts in NOK million</i>			
Recorded unrealised losses	368	402	443
Unrealised losses, if valued at fair value	1 049	1 113	742
Effects of reclassification on the balance sheet	681	711	298

Development in the portfolio after the reclassification

	30 June 2016	31 Dec. 2015	30 June 2015
<i>Amounts in NOK million</i>			
Reclassified portfolio, carrying amount	12 625	14 686	15 519
Reclassified portfolio, if valued at fair value	11 943	13 975	15 221
Effects of reclassification on the balance sheet	681	711	298

Note 15 Debt securities issued and subordinated loan capital

As an element in liquidity management, the DNB Group issues and redeems own securities.

Debt securities issued	DNB Bank ASA					
	Balance sheet		Matured/	Exchange	Other	Balance sheet
	30 June	Issued	redeemed	rate	adjustments	31 Dec.
<i>Amounts in NOK million</i>	2016	2016	2016	2016	2016	2015
Commercial paper issued, nominal amount	167 722	7 897 015	(7 881 375)	(7 906)		159 988
Bond debt, nominal amount	179 808	26 165	(10 852)	(3 483)		167 978
Adjustments	11 910				(223)	12 133
Total debt securities issued	359 440	7 923 180	(7 892 227)	(11 389)	(223)	340 099

Debt securities issued	DNB Bank ASA					
	Balance sheet		Matured/	Exchange	Other	Balance sheet
	30 June	Issued	redeemed	rate	adjustments	31 Dec.
<i>Amounts in NOK million</i>	2015	2015	2015	2015	2015	2014
Commercial paper issued, nominal amount	171 567	1 241 971	(1 277 542)	424		206 715
Bond debt, nominal amount	154 961	10 808	(3 141)	987		146 308
Adjustments	10 244				(2 938)	13 182
Total debt securities issued	336 773	1 252 778	(1 280 683)	1 411	(2 938)	366 205

Debt securities issued	DNB Bank Group					
	Balance sheet		Matured/	Exchange	Other	Balance sheet
	30 June	Issued	redeemed	rate	adjustments	31 Dec.
<i>Amounts in NOK million</i>	2016	2016	2016	2016	2016	2015
Commercial paper issued, nominal amount	167 722	7 897 015	(7 881 375)	(7 906)		159 988
Bond debt, nominal amount ¹⁾	604 608	65 746	(53 791)	(15 351)		608 004
Adjustments	41 041				2 223	38 819
Total debt securities issued	813 371	7 962 761	(7 935 165)	(23 257)	2 223	806 810

Debt securities issued	DNB Bank Group					
	Balance sheet		Matured/	Exchange	Other	Balance sheet
	30 June	Issued	redeemed	rate	adjustments	31 Dec.
<i>Amounts in NOK million</i>	2015	2015	2015	2015	2015	2014
Commercial paper issued, nominal amount	171 567	1 241 971	(1 277 542)	424		206 715
Bond debt, nominal amount ¹⁾	571 385	42 611	(30 607)	(3 102)		562 483
Adjustments	34 104				(10 606)	44 711
Total debt securities issued	777 057	1 284 582	(1 308 149)	(2 678)	(10 606)	813 909

Note 15 Debt securities issued and subordinated loan capital (continued)

	DNB Bank ASA					
	Balance sheet		Matured/	Exchange	Other	Balance sheet
	30 June	Issued	redeemed	rate	adjustments	31 Dec.
<i>Amounts in NOK million</i>	2016	2016	2016	2016	2016	2015
Term subordinated loan capital, nominal amount	19 159		(3)	(676)		19 838
Perpetual subordinated loan capital, nominal amount	5 546			(155)		5 702
Perpetual subordinated loan capital securities, nominal amount	3 938			(623)		4 561
Adjustments	854				2	853
Total subordinated loan capital and perpetual subordinated loan capital securities	29 498		(3)	(1 454)	2	30 953

	DNB Bank ASA					
	Balance sheet		Matured/	Exchange	Other	Balance sheet
	30 June	Issued	redeemed	rate	adjustments	31 Dec.
<i>Amounts in NOK million</i>	2015	2015	2015	2015	2015	2014
Term subordinated loan capital, nominal amount	18 233	3 805	(4 604)	(291)		19 322
Perpetual subordinated loan capital, nominal amount	5 073			280		4 792
Perpetual subordinated loan capital securities, nominal amount	4 324			296		4 028
Adjustments	948				(228)	1 176
Total subordinated loan capital and perpetual subordinated loan capital securities	28 578	3 805	(4 604)	285	(228)	29 319

	DNB Bank Group					
	Balance sheet		Matured/	Exchange	Other	Balance sheet
	30 June	Issued	redeemed	rate	adjustments	31 Dec.
<i>Amounts in NOK million</i>	2016	2016	2016	2016	2016	2015
Term subordinated loan capital, nominal amount	19 159		(3)	(676)		19 838
Perpetual subordinated loan capital, nominal amount	5 546			(155)		5 702
Perpetual subordinated loan capital securities, nominal amount	3 938			(623)		4 561
Adjustments	854				2	853
Total subordinated loan capital and perpetual subordinated loan capital securities	29 498		(3)	(1 454)	2	30 953

	DNB Bank Group					
	Balance sheet		Matured/	Exchange	Other	Balance sheet
	30 June	Issued	redeemed	rate	adjustments	31 Dec.
<i>Amounts in NOK million</i>	2015	2015	2015	2015	2015	2014
Term subordinated loan capital, nominal amount	18 233	3 805	(4 604)	(291)		19 322
Perpetual subordinated loan capital, nominal amount	5 073			280		4 792
Perpetual subordinated loan capital securities, nominal amount	4 324			296		4 028
Adjustments	948				(228)	1 176
Total subordinated loan capital and perpetual subordinated loan capital securities	28 578	3 805	(4 604)	286	(228)	29 319

1) Minus own bonds. Nominal amount of outstanding covered bonds in DNB Boligkreditt totalled NOK 426.4 billion as at 30 June 2016. The cover pool market value represented NOK 584.9 billion.

Note 16 Information on related parties

DNB Boligkreditt AS

At end-June 2016, portfolios representing NOK 13.2 billion were transferred in accordance with the "Agreement relating to transfer of loan portfolio between DNB Bank ASA and DNB Boligkreditt AS".

At end-June 2016 the bank had invested NOK 3.6 billion in covered bonds issued by Boligkreditt.

The management fee paid to the bank for purchased services amounted to NOK 1.427 million at end-June 2016 (NOK 1.899 million at end-June 2015).

In the fourth quarter of 2013, DNB Boligkreditt entered into a "Revolving Credit Facility Agreement (RCF)" with DNB Bank ASA. Subject to the terms of this RCF, DNB Bank makes available to DNB Boligkreditt a revolving credit facility at all times equal to DNB Boligkreditt's payment obligations in NOK for the next 12 months in respect of issued Covered Bonds and related derivative hedge agreements. DNB Boligkreditt shall apply all amounts borrowed by it under the RCF towards payments under Covered Bonds and related derivative contracts entered into for hedging purposes for those Covered Bonds. DNB Boligkreditt may not make use of the RCF for the fulfillment of payment obligations related to the ordinary (re-) purchase of Covered Bonds (if any), or to derivative agreements related to such Covered Bonds. The obligations of DNB Bank towards DNB Boligkreditt under the RCF do not constitute a guarantee in respect of amounts due and payable under the Covered Bonds. The agreement was cancelled on DNB Boligkreditt's initiative in the second quarter of 2016.

In the second quarter of 2016 DNB Boligkreditt entered into reverse repurchasing agreements (reverse repos) with the bank as counterparty. The value of the repos amounted to NOK 2.6 billion at end-June 2016.

DNB Næringskreditt AS

At end-June 2016, loans with a total value of NOK 3.8 billion had been transferred from the bank to Næringskreditt.

At end-June the bank had invested NOK 0.1 billion in covered bonds issued by DNB Næringskreditt.

The management fee paid to the bank for purchased services amounted to NOK 41 million for the first half of 2016 (NOK 53 million for the first half of 2015).

In the second quarter of 2016 DNB Næringskreditt entered into reverse repurchase agreements (reverse repos) with the bank as counterparty. The value of the repos amounted to NOK 112 million at end-June 2016.

DNB Livsforsikring AS

DNB Livsforsikring's holding of Boligkreditt bonds was valued at NOK 1.8 billion at end-June 2016.

DNB Sweden Branch and DNB Sweden AB

On 21 September 2015, an agreement was entered into between DNB Sweden Branch and DNB Sweden AB, which implies that DNB Sweden AB will take over the right to extend loans to the branch's new and existing customers. Existing loans will be transferred to DNB Sweden AB to the extent deemed feasible and rational. At end-June 2016 loans with a total value of SEK 35 billion has been transferred to DNB Sweden AB. Remaining loans in DNB Sweden Branch totalled SEK 7.1 billion.

Note 17 Off-balance sheet transactions

DNB Bank ASA			Off-balance sheet transactions and additional information	DNB Bank Group		
30 June 2015	31 Dec. 2015	30 June 2016	Amounts in NOK million	30 June 2016	31 Dec. 2015	30 June 2015
46 511	32 568	31 203	Performance guarantees	32 215	33 712	47 679
22 563	36 375	31 226	Payment guarantees	32 413	37 544	23 675
14 801	16 715	17 223	Loan guarantees	17 139	16 629	14 722
7 143	7 253	6 687	Guarantees for taxes etc.	6 708	7 271	7 157
1 879	2 780	2 356	Other guarantee commitments	2 830	3 258	2 559
92 896	95 692	88 695	Total guarantee commitments	91 305	98 414	95 791
			Support agreements	11 294	11 827	12 452
92 896	95 692	88 695	Total guarantee commitments etc. *)	102 599	110 241	108 243
997 275	963 486	477 865	Unutilised credit lines and loan offers ¹⁾	597 069	600 523	629 462
4 526	4 576	4 315	Documentary credit commitments	4 395	4 790	4 803
			Other commitments	55	51	59
1 001 801	968 062	482 180	Total commitments	601 519	605 364	634 323
1 094 697	1 063 754	570 875	Total guarantee and off-balance commitments	704 118	715 605	742 567
19 005	17 828	36 338	Pledged securities			
			*) Of which counter-guaranteed by financial institutions	258	311	348

1) Reduction in unutilised credit lines and loan offers for DNB Bank ASA, is mainly due to a cancelation of a unutilised credit facility towards DNB Boligkreditt in the second quarter of 2016. See note 16 related parties for further descriptions.

Statement

pursuant to Section 5-6 of the Securities Trading Act

We hereby confirm that the half-yearly financial statements for the banking group and the company for the period 1 January through 30 June 2016 to the best of our knowledge have been prepared in accordance with IAS 34 Interim Financial Reporting, as endorsed by the EU, and give a true and fair view of the assets, liabilities, financial position and profit or loss of the banking 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 banking group over the next accounting period
- description of major transactions with related parties.

Oslo, 11 July 2016
The Board of Directors of DNB Bank ASA



Anne Carine Tanum
(chairman)



Jarle Berge
(vice-chairman)



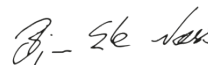
Lillian Hattrem



Kim Wahl



Rune Bjerke
(group chief executive)



Bjørn Erik Næss
(chief financial officer)

Key figures

	DNB Bank Group				
	2nd quarter 2016	2nd quarter 2015	2016	January-June 2015	Full year 2015
Interest rate analysis					
1 Combined weighted total average spread for lending and deposits (%) ¹⁾	1.33	1.32	1.34	1.25	1.33
2 Average spread for ordinary lending to customers (%) ¹⁾	2.08	2.17	2.08	2.21	2.17
3 Average spread for deposits from customers (%) ¹⁾	0.18	(0.02)	0.21	(0.06)	0.01
Rate of return/profitability					
4 Net other operating income, per cent of total income	32.8	28.3	32.7	34.2	32.2
5 Cost/income ratio (%)	40.4	43.8	41.2	40.1	36.6
6 Return on equity, annualised (%)	10.0	12.4	10.8	14.7	15.1
Financial strength at end of period					
7 Common equity Tier 1 capital ratio, transitional rules (%) ²⁾	14.5	12.8	14.5	12.8	14.3
8 Tier 1 capital ratio, transitional rules (%) ²⁾	15.6	13.8	15.6	13.8	15.3
9 Capital ratio, transitional rules (%) ²⁾	18.1	16.2	18.1	16.2	17.9
10 Common equity Tier 1 capital (NOK million) ²⁾	153 853	136 168	153 853	136 168	150 889
11 Risk-weighted volume, transitional rules (NOK million)	1 059 481	1 060 254	1 059 481	1 060 254	1 056 731
Loan portfolio and impairment					
12 Individual impairment relative to average net loans to customers, annualised (%)	(0.42)	(0.21)	(0.28)	(0.18)	(0.13)
13 Impairment relative to average net loans to customers, annualised (%)	(0.61)	(0.18)	(0.46)	(0.17)	(0.15)
14 Net non-performing and net doubtful loans and guarantees, per cent of net loans	1.19	0.77	1.19	0.77	0.76
15 Net non-performing and net doubtful loans and guarantees at end of period (NOK million)	20 682	13 105	20 682	13 105	13 980
Liquidity					
16 Ratio of customer deposits to net loans to customers at end of period (%)	62.9	65.3	62.9	65.3	62.5
Staff					
17 Number of full-time positions at end of period	10 341	10 634	10 341	10 634	10 608

- 1) As from the first quarter of 2016, interest rate spreads are based on customer segments. Figures for previous periods have been restated accordingly.
 2) Including 50 per cent of profit for the period, except for the full year figures.

Definitions

- 1, 2, 3 Based on customer segments and nominal values and excluding impaired loans. Measured against the 3-month money market rate.
 5 Total operating expenses relative to total income. Total expenses exclude impairment losses for goodwill and other intangible assets.
 6 Return on equity represents the shareholders' share of profit for the period relative to average equity.

Profit and balance sheet trends

Income statement

<i>Amounts in NOK million</i>	DNB Bank ASA				
	2nd quarter 2016	1st quarter 2016	4th quarter 2015	3rd quarter 2015	2nd quarter 2015
Total interest income	8 503	8 817	9 140	9 482	9 715
Total interest expenses	(2 658)	(2 845)	(2 935)	(3 379)	(3 676)
Net interest income	5 846	5 972	6 205	6 104	6 039
Commission and fee income	1 680	1 598	1 554	1 560	1 601
Commission and expenses	(740)	(705)	(709)	(699)	(657)
Net gains on financial instruments at fair value	2 468	1 395	1 428	318	885
Other income	1 245	1 222	5 651	1 200	1 407
Net other operating income	4 653	3 510	7 924	2 379	3 235
Total income	10 498	9 482	14 129	8 483	9 274
Salaries and other personnel expenses	(2 208)	(2 605)	(513)	(2 256)	(2 287)
Other expenses	(1 636)	(1 447)	(1 557)	(1 551)	(1 787)
Depreciation and impairment of fixed and intangible assets	(453)	(571)	(574)	(484)	(496)
Total operating expenses	(4 297)	(4 622)	(2 644)	(4 291)	(4 570)
Pre-tax operating profit before impairment	6 201	4 860	11 485	4 192	4 704
Net gains on fixed and intangible assets	(5)	6	44	1	42
Impairment of loans and guarantees	(1 700)	(418)	(1 206)	717	(609)
Pre-tax operating profit	4 496	4 448	10 323	4 909	4 136
Tax expense	(960)	(1 061)	144	(1 316)	(1 038)
Profit for the period	3 536	3 386	10 467	3 593	3 099
Portion attributable to shareholders of DNB Bank ASA	3 422	3 271	10 341	3 468	2 989
Portion attributable to additional Tier 1 capital holders	115	115	126	125	110
Profit for the period	3 536	3 386	10 467	3 593	3 099

Comprehensive income statement

<i>Amounts in NOK million</i>	DNB Bank ASA				
	2nd quarter 2016	1st quarter 2016	4th quarter 2015	3rd quarter 2015	2nd quarter 2015
Profit for the period	3 536	3 386	10 467	3 593	3 099
Actuarial gains and losses		(39)	21	(198)	792
Items that will not be reclassified to the income statement		(39)	21	(198)	792
Currency translation of foreign operations	(35)	(71)	27	67	(49)
Items that may subsequently be reclassified to the income statement	(35)	(71)	27	67	(49)
Other comprehensive income for the period (net of tax)	(35)	(110)	48	(130)	742
Comprehensive income for the period	3 501	3 276	10 515	3 463	3 841

Profit and balance sheet trends (continued)

Balance sheet

	DNB Bank ASA				
<i>Amounts in NOK million</i>	30 June 2016	31 March 2016	31 Dec. 2015	30 Sept. 2015	30 June 2015
Assets					
Cash and deposits with central banks	151 327	163 451	16 004	184 126	156 466
Due from credit institutions	563 704	521 971	630 700	535 296	545 493
Loans to customers	685 942	695 502	705 532	714 615	709 598
Commercial paper and bonds at fair value	217 875	205 151	210 062	239 774	225 312
Shareholdings	4 337	6 227	7 504	6 224	7 606
Financial derivatives	209 673	225 520	213 797	230 504	192 972
Commercial paper and bonds, held to maturity	15 479	16 728	19 162	23 070	24 841
Investments in associated companies	975	975	975	975	974
Investments in subsidiaries	119 141	116 665	120 473	104 202	99 482
Intangible assets	3 600	3 629	3 675	3 698	3 702
Deferred tax assets	6 305	6 322	6 320	2 746	2 766
Fixed assets	7 262	7 386	7 480	7 349	7 256
Other assets	11 415	27 264	23 735	14 219	19 774
Total assets	1 997 034	1 996 790	1 965 419	2 066 799	1 996 242
Liabilities and equity					
Due to credit institutions	301 356	263 686	262 330	323 538	307 668
Deposits from customers	901 283	873 144	896 488	921 220	922 655
Financial derivatives	224 833	245 824	240 518	253 533	220 322
Debt securities issued	359 440	385 311	340 099	366 153	336 773
Payable taxes	1 982	1 402	703	3 926	2 439
Deferred taxes	14	12	12	12	11
Other liabilities	15 408	39 393	39 438	16 155	29 211
Provisions	1 560	1 415	1 101	1 055	1 052
Pension commitments	2 455	2 371	2 246	4 547	4 256
Subordinated loan capital	29 498	29 826	30 953	30 617	28 578
Total liabilities	1 837 828	1 842 383	1 813 886	1 920 755	1 852 965
Share capital	18 314	18 314	18 314	18 314	18 314
Share premium	19 895	19 895	19 895	19 895	19 895
Additional Tier 1 capital	9 559	8 067	8 353	8 251	8 153
Other equity	111 437	108 130	104 970	99 583	96 915
Total equity	159 205	154 407	151 533	146 044	143 278
Total liabilities and equity	1 997 034	1 996 790	1 965 419	2 066 799	1 996 242

Profit and balance sheet trends (continued)

Income statement

	DNB Bank Group				
<i>Amounts in NOK million</i>	2nd quarter 2016	1st quarter 2016	4th quarter 2015	3rd quarter 2015	2nd quarter 2015
Total interest income	12 973	13 397	14 038	14 408	14 473
Total interest expenses	(4 351)	(4 594)	(4 888)	(5 390)	(5 718)
Net interest income	8 623	8 803	9 150	9 018	8 755
Commission and fee income	2 224	2 001	2 092	2 086	2 425
Commission and fee expenses	(756)	(720)	(729)	(719)	(674)
Net gains on financial instruments at fair value	1 029	2 363	2 161	1 956	1 167
Profit from investments accounted for by the equity method	1 148	86	(28)	(1)	(74)
Net gains on investment property	(18)	(5)	122	143	2
Other income	583	545	371	428	615
Net other operating income	4 210	4 270	3 989	3 892	3 462
Total income	12 833	13 073	13 139	12 910	12 217
Salaries and other personnel expenses	(2 736)	(3 087)	(1 005)	(2 719)	(2 767)
Other expenses	(1 950)	(1 743)	(1 893)	(1 868)	(2 089)
Depreciation and impairment of fixed and intangible assets	(494)	(655)	(567)	(550)	(489)
Total operating expenses	(5 180)	(5 485)	(3 464)	(5 137)	(5 346)
Pre-tax operating profit before impairment	7 653	7 588	9 675	7 773	6 871
Net gains on fixed and intangible assets	(20)	(6)	(9)	(3)	45
Impairment of loans and guarantees	(2 321)	(1 174)	(1 420)	392	(667)
Pre-tax operating profit	5 311	6 408	8 245	8 162	6 249
Tax expense	(1 081)	(1 498)	(1 851)	(2 164)	(1 573)
Profit from operations held for sale, after taxes	(10)	(13)	28	(14)	(17)
Profit for the period	4 221	4 897	6 422	5 984	4 660
Portion attributable to shareholders of DNB Bank ASA	4 106	4 782	6 297	5 859	4 550
Portion attributable to additional Tier 1 capital holders	115	115	126	125	110
Profit for the period	4 221	4 897	6 422	5 984	4 660

Comprehensive income statement

	DNB Bank Group				
<i>Amounts in NOK million</i>	2nd quarter 2016	1st quarter 2016	4th quarter 2015	3rd quarter 2015	2nd quarter 2015
Profit for the period	4 221	4 897	6 422	5 984	4 660
Actuarial gains and losses		(39)	15	(198)	775
Items that will not be reclassified to the income statement		(39)	15	(198)	775
Currency translation of foreign operations	(1 341)	(4 377)	2 371	5 328	(695)
Currency translation reserve reclassified to the income statement	(43)				
Hedging of net investment	843	2 968	(1 578)	(3 411)	402
Investments according to the equity method ¹⁾		(33)	889		
Investments according to the equity method, reclassified to profit and loss ¹⁾	(855)				
Items that may subsequently be reclassified to the income statement	(1 396)	(1 442)	1 682	1 917	(293)
Other comprehensive income for the period (net of tax)	(1 396)	(1 481)	1 697	1 719	482
Comprehensive income for the period	2 825	3 417	8 120	7 703	5 142

1) DNB had indirect ownership interests in Visa Europe through its membership in Visa Norge. In connection with the valuation of the holdings in Visa Europe as at 31 March 2016 an accumulated gain of NOK 855 million was recognised in other comprehensive income. Upon the completion of the acquisition of Visa Europe by Visa Inc in the second quarter of 2016, this amount was reclassified to profit and a total gain of NOK 1 128 million was recognised as "Profit from investments accounted for by the equity method" in the income statement.

Profit and balance sheet trends (continued)

Balance sheet

	DNB Bank Group				
	30 June	31 March	31 Dec.	30 Sept.	30 June
<i>Amounts in NOK million</i>	2016	2016	2015	2015	2015
Assets					
Cash and deposits with central banks	154 438	166 587	19 317	186 874	158 812
Due from credit institutions	212 327	177 526	297 457	236 743	245 777
Loans to customers	1 536 288	1 523 768	1 531 932	1 544 508	1 499 221
Commercial paper and bonds at fair value	219 220	203 515	207 063	210 519	196 090
Shareholdings	5 377	7 435	8 794	6 719	8 093
Financial derivatives	198 929	215 673	203 273	218 084	181 910
Commercial paper and bonds, held to maturity	15 479	16 728	19 162	23 070	24 841
Investment property	2 016	2 122	2 333	5 166	4 863
Investments accounted for by the equity method	3 590	4 222	4 091	3 231	3 241
Intangible assets	4 052	4 100	4 176	4 205	4 191
Deferred tax assets	1 061	1 087	1 138	1 302	1 214
Fixed assets	7 766	7 916	8 059	7 936	7 845
Assets held for sale	180	204	200	193	574
Other assets	12 769	12 295	8 608	15 513	20 872
Total assets	2 373 492	2 343 177	2 315 603	2 464 063	2 357 544
Liabilities and equity					
Due to credit institutions	199 896	160 134	161 267	253 334	228 803
Deposits from customers	966 294	937 464	957 322	980 075	978 767
Financial derivatives	156 526	173 545	154 878	169 760	141 552
Debt securities issued	813 371	831 902	806 810	832 184	777 057
Payable taxes	3 680	4 630	2 493	4 236	3 853
Deferred taxes	6 488	6 468	6 461	4 750	4 816
Other liabilities	17 858	18 764	18 409	17 969	30 958
Liabilities held for sale	59	56	71	55	76
Provisions	1 674	1 514	1 225	1 154	1 141
Pension commitments	2 508	2 435	2 301	4 640	4 343
Subordinated loan capital	29 498	29 826	30 953	30 617	28 578
Total liabilities	2 197 852	2 166 737	2 142 191	2 298 774	2 199 943
Share capital	18 314	18 314	18 314	18 314	18 314
Share premium	20 611	20 611	20 611	20 611	20 611
Additional Tier 1 capital	9 559	8 067	8 353	8 251	8 153
Other equity	127 155	129 447	126 133	118 111	110 523
Total equity	175 640	176 440	173 412	165 289	157 602
Total liabilities and equity	2 373 492	2 343 177	2 315 603	2 464 063	2 357 544

Information about the DNB Bank Group

Head office DNB ASA

Mailing address P.O.Box 1600 Sentrum, NO-0021 Oslo
Visiting address Dronning Eufemias gate 30, Oslo
Telephone +47 915 04800
Internet dnb.no
Organisation number Register of Business Enterprises NO 981 276 957 MVA

DNB Bank ASA

Organisation number Register of Business Enterprises NO 984 851 006 MVA

Board of Directors in DNB Bank ASA

Anne Carine Tanum, chairman
Jarle Berge, vice-chairman
Lilliam Hattrem
Kim Wahl

Investor Relations

Bjørn Erik Næss, chief financial officer	tel. +47 4150 5201	bjorn.erik.naess@dnb.no
Rune Helland, head of Investor Relations	tel. +47 2326 8400	rune.helland@dnb.no
Amra Koluder, SVP Investor Relations	tel. +47 2326 8404	amra.koluder@dnb.no
Thor Tellefsen, Long Term Funding	tel. +47 2326 8404	thor.tellefsen@dnb.no

Financial calendar

Q3 2016	27 October 2016
Q4 2016	2 February 2017
Capital markets day 2016	16 November 2016
Q1 2017	28 April 2017
Q2 2017	12 July 2017
Q3 2017	26 October 2017
Capital markets day 2017	21 November 2017

Other sources of information

Annual and quarterly reports

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

Here for you. Every day.
When it matters the most.

DNB

Mailing address:
P.O.Box 1600 Sentrum
N-0021 Oslo

Visiting address:
Dronning Eufemias gate 30
Bjørvika, Oslo

dnb.no