



Profitable growth driven by good momentum in the economy

DNB's profit in the third quarter was NOK 6 059 million, an increase of 386 million from the same quarter the year before. Good momentum in the Norwegian economy despite increased global uncertainty is reflected in good results for Norway's largest bank.

"The Norwegian economy is doing well, and we are seeing a willingness to invest in new projects and jobs in most industries. This means a healthy demand for both loans and good advice, and we find that our customers appreciate the breadth of products and expertise we offer in DNB," says Kjerstin Braathen in her first presentation of quarterly results as DNB's CEO.

#girlsinvest more

But companies are not the only ones investing. In the last quarter, women have also started investing to a larger degree. In September, DNB launched a large campaign related to financial gender equality, which has had immediate effects. More than 250 000 people have visited the campaign's website so far.

"For the first time in DNB's history, we have in the last three weeks experienced that more women than men have started saving in mutual funds in DNB. The proportion has previously been 60 per cent men and 40 per cent women. After we launched #huninvesterer (#girlsinvest), this trend has been turned around. We hope that both women and men will be inspired to take even more charge of their own savings and financial future," says Braathen.

Strong results across the board

Net interest income in the third quarter increased by NOK 832 million from the corresponding quarter last year and 404 million from the previous quarter. All customer segments have had profitable volume growth in the quarter. In total, income went up by 16.4 per cent from the third quarter of last year, partly due to increased lending, repricing and increased income from other, capital-light products.

Operating expenses in the third quarter were NOK 258 million lower than in the previous quarter, and even if we disregard one-off effects in the previous quarter, there was still a nominal decrease in the operating expenses of 58 million. Impairment losses ended at NOK 1 247 million, largely due to a single exposure related to one customer, which the bank accounted for on 24 September.

Ahead of schedule on targets

DNB's year-to-date earnings per share are NOK 11.93, up from NOK 10.42 in the first three quarters of 2018. Following the transaction in which DNB sold a larger shareholding in the Luminor Group, the Group's Common Equity Tier 1 (CET1) capital ratio ended at 16.9 per cent, up from 16.5 per cent in the previous quarter. The CET1 capital ratio without transitional rules (Basel III) ended at 18.3 per cent, up from 17.3 per cent in the second quarter.

The cost/income ratio in the quarter was 38.8 per cent, below the target of 40. Return on equity (ROE) in the quarter was 10.9 per cent, while the year-to-date ROE is 12.1. The target is an ROE above 12 per cent.

"I have been CEO of the bank for just over fifty days and have already had the chance to meet several hundred dedicated employees in all parts of the bank, many of whom have given me good advice and input. There is so much inherent energy and expertise in this organisation, and the changes we have made to our management and organisational structure will give further momentum to the great initiatives we have going on for our customers. I look forward to meeting investors and analysts on our Capital Markets Day in November, to tell them more about what we are working on in DNB nowadays," concludes Braathen.

Financial key figures for the third quarter of 2019 (compared with figures for the corresponding quarter in 2018):

- Pre-tax operating profit before impairment amounted to NOK 8.9 billion (7.2)
- Profit for the period was NOK 6.1 billion (5.7)
- Earnings per share were NOK 3.64 (3.41)
- Return on equity was 10.9 per cent (10.9)
- Cost/income ratio ended at 38.8 per cent (42.7)
- CET1 capital ratio (according to transitional rules) was 16.9 per cent (16.5)

Details concerning DNB's results can be found on dnb.no/ir.

This information is subject to the disclosure requirements according to Section 5-12 of the Norwegian Securities Trading Act.

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