

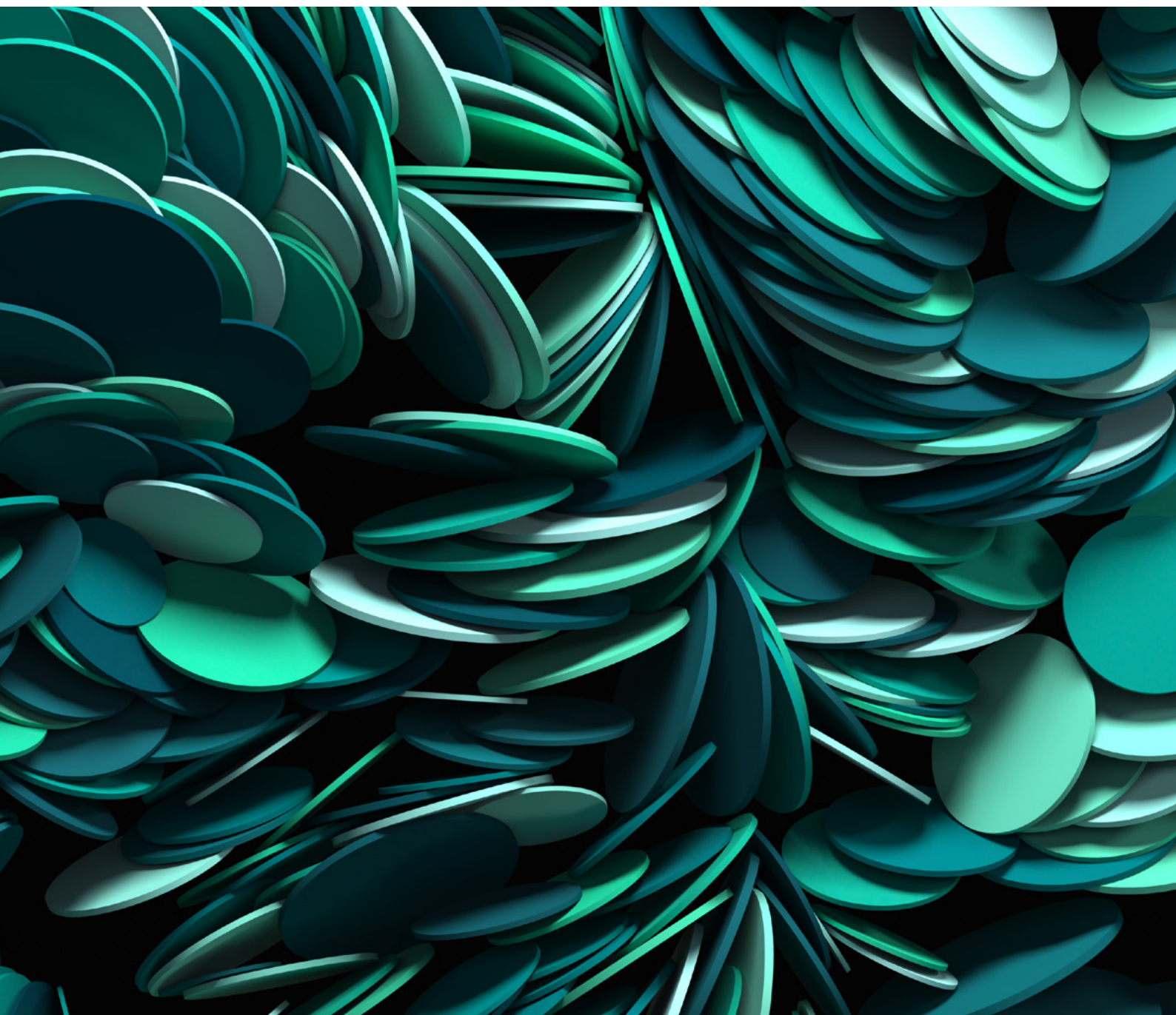
DNB Group

# First quarter report 2021

(Unaudited)

DNB

Q1



# Financial highlights

	DNB Group		
Income statement	1st quarter 2021	1st quarter 2020	Full year 2020
<i>Amounts in NOK million</i>			
Net interest income	9 230	10 395	38 623
Net commissions and fees	2 631	2 237	9 500
Net gains on financial instruments at fair value	799	3 228	5 902
Net financial and risk result, life insurance	212	(246)	659
Other operating income	474	(72)	1 714
Net other operating income	4 116	5 148	17 776
Total income	13 346	15 543	56 399
Operating expenses	(5 705)	(5 297)	(22 759)
Restructuring costs and non-recurring effects	(112)	(184)	(643)
Pre-tax operating profit before impairment	7 528	10 063	32 998
Net gains on fixed and intangible assets	(3)	780	767
Impairment of financial instruments	110	(5 771)	(9 918)
Pre-tax operating profit	7 636	5 071	23 847
Tax expense	(1 680)	(1 014)	(4 229)
Profit from operations held for sale, after taxes	(71)	(56)	221
Profit for the period	5 885	4 000	19 840

Balance sheet	31 March 2021	31 Dec. 2020	31 March 2020
<i>Amounts in NOK million</i>			
Total assets	2 989 220	2 918 943	3 197 365
Loans to customers	1 685 685	1 693 811	1 743 981
Deposits from customers	1 171 527	1 105 574	1 082 143
Total equity	240 020	248 396	238 233
Average total assets	3 244 940	3 230 354	3 075 226
Total combined assets	3 471 415	3 363 166	3 544 568

Key figures and alternative performance measures	1st quarter 2021	1st quarter 2020	Full year 2020
Return on equity, annualised (per cent) <sup>1)</sup>	10.0	6.5	8.4
Earnings per share (NOK)	3.65	2.28	12.04
Combined weighted total average spread for lending and deposits (per cent) <sup>1)</sup>	1.19	1.38	1.27
Average spread for ordinary lending to customers (per cent) <sup>1)</sup>	1.95	1.94	2.04
Average spread for deposits from customers (per cent) <sup>1)</sup>	0.13	0.49	0.12
Cost/income ratio (per cent) <sup>1)</sup>	43.6	35.3	41.5
Ratio of customer deposits to net loans to customers at end of period <sup>1)</sup>	71.1	62.1	67.3
Net loans at amortised cost and financial commitments in stage 2, per cent of net loans at amortised cost <sup>1)</sup>	9.66	12.24	10.51
Net loans at amortised cost and financial commitments in stage 3, per cent of net loans at amortised cost <sup>1)</sup>	1.64	1.61	1.55
Impairment relative to average net loans to customers at amortised cost, annualised (per cent) <sup>1)</sup>	0.03	(1.41)	(0.60)
Common equity Tier 1 capital ratio at end of period (per cent) <sup>2)</sup>	19.2	17.7	18.7
Leverage ratio (per cent) <sup>2)</sup>	6.9	6.5	7.1
Share price at end of period (NOK)	182.00	116.75	168.00
Book value per share	143.02	140.98	148.30
Price/book value <sup>1)</sup>	1.27	0.83	1.13
Dividend per share (NOK) <sup>3)</sup>			9.00
Score from RepTrak's reputation survey in Norway (points)	74.4	74.5	76.7
Customer satisfaction index, CSI, personal customers in Norway (score)	75.3	73.1	73.6
Female representation at management levels 1-4 (%)	37.6	39.5	39.5

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

2) Dividends for 2019 and 2020 have been deducted from the CET1 and LR ratios.

3) Dividends for 2019 were paid on 4 March 2021. The Board of Directors has been given an authorization on the Annual General Meeting on 27 April 2021 to pay a dividend of up to NOK 9.00 per share for 2020, for distribution after September 2021.

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

# First quarter report 2021

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

# Directors' report

The Norwegian economy continued to recover at a rapid pace in the first quarter, backed by a key policy rate of zero per cent that led to a strong boost in liquidity for most households. DNB has proven to be resilient and robust during the pandemic, and the strong earnings and capital ratio is a statement of the Group's solid position. The possible acquisition of Sbanken is expected to strengthen DNB's position within retail banking in the home market.

## First quarter financial performance

The profit in the quarter was NOK 5 885 million, an increase of NOK 1 884 million from the year-earlier period. Compared with the previous quarter, profits increased by NOK 610 million.

Earnings per share were NOK 3.65 in the quarter, an increase from NOK 2.28 in the year-earlier period and NOK 3.28 in the fourth quarter of 2020.

The common equity Tier 1 (CET1) capital ratio was 19.2 per cent, up from 17.7 per cent a year earlier, and from 18.7 per cent in the fourth quarter of 2020.

The leverage ratio for the Group was 6.9 per cent, up from 6.5 per cent in the first quarter of 2020, and down from 7.1 per cent in the fourth quarter of 2020.

Return on equity (ROE) was positively impacted by net reversals of impairment of financial instruments and strong results from net commissions and fees, and ended at 10.0 per cent. The comparable figures were 6.5 per cent in the first quarter of 2020 and 8.9 per cent in the fourth quarter of 2020.

Net interest income was down NOK 1 166 million from the first quarter of 2020, mainly due to negative exchange rate effects, lower interest on equity and reduced margins. Compared with the fourth quarter of 2020, net interest income was down NOK 249 million, mainly due to two less interest days and negative exchange rate effects.

Net other operating income amounted to NOK 4 116 million in the first quarter, down NOK 1 032 million from the corresponding period in 2020, heavily affected by exchange rate effects on additional Tier 1 (AT1) capital and other mark-to-market adjustments due to the weakening of the NOK currency. Net commissions and fees increased by NOK 394 million, or 17.6 per cent, from the year-earlier period. Compared with the fourth quarter of 2020, net other operating income was up NOK 269 million, of which NOK 137 million was due to higher net commissions and fees.

Operating expenses amounted to NOK 5 817 million in the first quarter, up NOK 337 million from the same period a year earlier. This was mainly due to higher salaries and other personnel expenses, driven by pension costs, and non-recurring restructuring expenses relating to DNB's withdrawal from Poland. Compared with the previous quarter, operating expenses were down NOK 692 million.

Impairment of financial instruments showed net reversals of NOK 110 million in the first quarter. This is an improvement compared with both the previous quarter and the first quarter of last year, which saw net impairment provisions of NOK 1 250 million and NOK 5 771 million, respectively. The net reversals of NOK 110 million in the quarter are mainly due to reversals in the corporate customers industry segments, especially within the shipping segment and the oil, gas and offshore segment. The personal customers industry segment had a small impairment in the quarter.

## Important events in the first quarter

In line with the authorisation given to the Board of Directors at the extraordinary general meeting in November 2020, and the recommendations from the Norwegian Ministry of Finance regarding dividends, a dividend of NOK 8.40 per share for 2019 was distributed in March. At the Annual General Meeting (AGM) held on

27 April, the Board was given an authorisation to pay a dividend of up to NOK 9.00 per share for the 2020 accounting year. The authorisation will apply from 1 October until the AGM in 2022.

Furthermore, the AGM authorised the Board to repurchase up to 4.0 per cent of the company's share capital, of which 0.5 per cent is reserved for DNB Markets for hedging purposes.

On 15 April, it was announced that DNB had reached an agreement with Sbanken ASA to offer to acquire 100 per cent of the shares of Sbanken, and the Board of Directors of Sbanken had recommended accepting the offer. DNB's offer to acquire Sbanken's shares will be followed by an acceptance period that will last until 24 May, during which the shareholders of Sbanken can decide whether to sell their shares to DNB. The transaction is subject to the approval of both the Norwegian Competition Authority and the Ministry of Finance, which is expected during the third quarter of 2021. DNB currently owns approximately 9.8 per cent of the shares of Sbanken.

In the first quarter, DNB announced that it intends to withdraw from Poland, by gradually reducing activity. This process is expected to take several years.

The Samherji case against DNB was dropped in the first quarter. The prosecuting authority has concluded its investigation into DNB in the Samherji case, commenting that the investigation has not given grounds for imposing any penalty on individuals or the company.

Following the acquisition of the pension company KLP Bedriftspensjon AS in June 2020, DNB Livsforsikring is now the largest player in defined-contribution pensions.

As of the first quarter, DNB's customers have been given access to their 'own pension account' in the savings app Spare and on DNB.no.

In RepTrak's reputation survey for the first quarter, DNB scored 74.4 points. The goal is a result of over 70 points, which indicates that DNB is 'a well-liked bank'. This is the tenth consecutive quarter in which DNB has scored over 70 points.

Kapital, Norway's leading financial magazine, carried out its annual rating of investment banks in the first quarter, and DNB was ranked first for best analysts regardless of sector, as well as being ranked first for best analysts within the fishing and offshore sectors. Overall, DNB was given the top ranking as the best investment bank.

In the first quarter, DNB was rated among the top five in the area of marketing communication and management. In a new industry analysis from the communication agency Teft, a survey among over a thousand employees and managers in the field of communication showed that DNB is on a par with the best.

In March 2021, DNB was ranked the best company in the world in terms of equality, in a global survey conducted by Equileap, which assesses nearly 4 000 companies.

## First quarter income statement – main items

### Net interest income

Amounts in NOK million	1Q21	4Q20	1Q20
Lending spreads, customer segments	7 572	8 084	7 587
Deposit spreads, customer segments	353	232	1 215
Amortisation effects and fees	941	949	842
Operational leasing	529	529	492
Contributions to the deposit guarantee and resolution funds	(280)	(256)	(334)
Other net interest income	115	(59)	592
Net interest income	9 230	9 479	10 395

Net interest income decreased by NOK 1 166 million, or 11.2 per cent, from the first quarter of 2020. This was mainly due to negative exchange rate effects, lower interest on equity and reduced

margins. However, increased volumes contributed positively. There was an average increase of NOK 3.7 billion, or 0.2 per cent, in the healthy loan portfolio compared with the first quarter of 2020. Adjusted for exchange rate effects, volumes were up NOK 25.7 billion, or 1.6 per cent. During the same period, deposits were up NOK 144.1 billion, or 14.5 per cent. Adjusted for exchange rate effects, there was an increase of NOK 161.8 billion, or 16.3 per cent. Average lending spreads widened by 1 basis point, and deposit spreads narrowed by 37 basis points compared with the first quarter of 2020. Volume-weighted spreads for the customer segments narrowed by 20 basis points compared with the same period in 2020.

Compared with the fourth quarter, net interest income decreased by NOK 249 million, or 2.6 per cent, mainly due to two less interest days and negative exchange rate effects. There was an average decrease of NOK 18.1 billion, or 1.1 per cent, in the healthy loan portfolio, and deposits were up NOK 30.5 billion, or 2.8 per cent. Volume-weighted spreads for the customer segments narrowed by 4 basis points compared with the previous quarter. The spreads were negatively affected by portfolio mix effects; partly by the high growth in deposits compared to loans, and partly by loans to personal customers growing more than loans to corporate customers. The higher growth in deposits than in loans led to an increased deposit-to-loan ratio and a reduction of 2 basis points in volume-weighted spreads. Spreads were also impacted by a 7-basis-points average increase in the NOK money market rates, which was partly offset by higher interest on equity.

### Net other operating income

Amounts in NOK million	1Q21	4Q20	1Q20
Net commissions and fees	2 631	2 494	2 237
Basis swaps	(345)	(152)	1 060
Exchange rate effects on additional Tier 1 capital	29	(1 508)	4 097
Net gains on other financial instruments at fair value	1 115	1 844	(1 928)
Net financial and risk result, life insurance	212	474	(246)
Net profit from associated companies	86	264	(346)
Other operating income	389	431	274
Net other operating income	4 116	3 847	5 148

Net other operating income decreased by NOK 1 032 million from the first quarter of 2020, which was heavily affected by exchange rate effects on AT1 capital and other mark-to-market adjustments due to the weakening of the NOK currency. Net commissions and fees increased by NOK 394 million, or 17.6 per cent, from the year-earlier period, driven by higher income from real estate broking, investment banking, asset management and custodial services, as well as insurance.

Compared with the previous quarter, net other operating income increased by NOK 269 million. Net commissions and fees showed a positive development and increased by NOK 136 million, or 5.5 per cent, from the fourth quarter of 2020, mainly driven by higher income from investment banking services.

### Operating expenses

Amounts in NOK million	1Q21	4Q20	1Q20
Salaries and other personnel expenses	(3 254)	(3 487)	(2 792)
Restructuring expenses	(83)	(52)	(14)
Other expenses	(1 658)	(2 086)	(1 887)
Depreciation of fixed and intangible assets	(822)	(902)	(786)
Impairment of fixed and intangible assets		18	(1)
Total operating expenses	(5 817)	(6 509)	(5 480)

Operating expenses were up NOK 337 million, or 6.1 per cent, compared with the first quarter of 2020. This increase was largely due to extraordinarily low pension costs in the corresponding period last year, due to low return on the defined-benefit pension scheme. Operating expenses increased in 2021 due to non-recurring restructuring expenses relating to DNB's withdrawal from Poland, but were partly offset by the remaining compensation payout

relating to the DNB Norge case of NOK 169 million in the first quarter of 2020.

Compared with the fourth quarter of 2020, operating expenses were down NOK 692 million, or 10.6 per cent. Operating expenses in the quarter were positively impacted by lower activity as a result of the pandemic, as well as the fact that the previous quarter included a provision for a possible administrative fine from Finanstilsynet of NOK 400 million.

The cost/income ratio was 43.6 per cent in the first quarter.

### Impairment of financial instruments by industry segment

Amounts in NOK million	1Q21	4Q20	1Q20
Personal customers	(24)	139	(522)
Commercial real estate	46	(41)	(143)
Shipping	155	(36)	(211)
Oil, gas and offshore	127	(1 340)	(2 605)
Other industry segments	(193)	28	(2 289)
Total impairment of financial instruments	110	(1 250)	(5 771)

There were net reversals on impairment of financial instruments of NOK 110 million in the first quarter. This is a decrease in impairment provisions of NOK 5 882 million and NOK 1 360 million compared with the first and fourth quarter of 2020, respectively. The decrease from the same quarter last year is due to the severe impact of the outbreak of the pandemic. Overall, the macro forecasts have gradually improved since the first quarter of last year.

The personal customers industry segment had impairment provisions of NOK 24 million in the quarter, compared with impairment provisions of NOK 522 million in the same quarter in 2020, and net reversals of NOK 139 million in the fourth quarter of 2020. The low level of impairment is due to a stable macro outlook and sound credit quality.

The commercial real estate industry segment was affected by somewhat better macro forecasts in the quarter, and impairment of financial instruments showed net reversals of NOK 46 million. The first quarter of 2020 saw impairment provisions in the segment of NOK 143 million, and the fourth quarter of 2020 saw impairment provisions of NOK 41 million.

There were net reversals across all three stages in the shipping segment, amounting to a total of NOK 155 million in the first quarter. This is an improvement of NOK 366 million compared with the first quarter of 2020, and of NOK 190 million compared with the fourth quarter of 2020. The reversals can to a large extent be ascribed to customers in stages 1 and 2 in the container segment.

The oil, gas and offshore industry segment showed net reversals of NOK 127 million in the quarter, compared with impairment provisions of NOK 2 605 million and NOK 1 340 million in the first and fourth quarters of 2020, respectively. The reversals were primarily driven by the restructuring of two customers within oil and gas, but were to a certain extent offset by increased impairment provisions for some customers in stage 3 within offshore. The offshore segment had an increase in impairment provisions in stage 3 of NOK 188 million.

Other industry segments experienced increased impairment provisions amounting to NOK 193 million in the quarter. This is a large decrease compared with the first quarter of 2020, but an increase of NOK 220 million compared with the fourth quarter of 2020, which showed net reversals of NOK 28 million. The impairment provisions in the quarter can mainly be attributed to customers in stages 2 and 3.

Net stage 3 loans and financial commitments amounted to NOK 27 billion at end-March 2021, which is at the same level as last year, and up NOK 1 billion from the fourth quarter of 2020. The increase this quarter can primarily be explained by the introduction of a new definition of default and customers in probation after default.

## Taxes

The DNB Group's tax expense for the first quarter has been estimated at NOK 1 680 million, or 22.0 per cent of pre-tax operating profits.

## Financial performance – segments

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

### Personal customers

Income statement in NOK million	1Q21	4Q20	1Q20
Net interest income	2 982	3 116	3 706
Net other operating income	1 243	1 121	1 161
Total income	4 225	4 238	4 866
Operating expenses	(2 243)	(2 254)	(2 247)
Pre-tax operating profit before impairment	1 982	1 984	2 619
Net gains on fixed and intangible assets	0		
Impairment of financial instruments	23	175	(734)
Pre-tax operating profit	2 005	2 159	1 886
Tax expense	(501)	(540)	(471)
Profit for the period	1 504	1 619	1 414
<b>Average balance sheet items in NOK billion</b>			
Loans to customers	819.2	815.0	795.8
Deposits from customers	464.1	462.7	435.4
<b>Key figures in per cent</b>			
Lending spread <sup>1)</sup>	1.50	1.58	1.53
Deposit spread <sup>1)</sup>	0.15	0.10	0.68
Return on allocated capital	12.9	13.3	11.7
Cost/income ratio	53.1	53.2	46.2
Ratio of deposits to loans	56.7	56.8	54.7

1) Calculated relative to the 3-month money market rate. See [ir.dnb.no](http://ir.dnb.no) for additional information about alternative performance measures (APMs).

The personal customers segment had a stable pre-tax operating profit before impairment this quarter, compared with the previous quarter. The negative development from the corresponding period last year can mainly be explained by the increase in NOK money market rates.

Combined spreads on loans and deposits narrowed by 22 basis points from the corresponding quarter of 2020. Compared with the previous quarter, combined spreads narrowed by 3 basis points, mainly due to rising money market rates.

Average net loans grew by 2.9 per cent from the first quarter of 2020. The healthy home mortgage portfolio grew by 3.5 per cent in the same period. Deposits from customers showed a solid average growth of 6.6 per cent from the corresponding quarter in 2020, and the ratio of deposits to loans improved by 2.0 percentage points compared with the year-earlier period.

Net other operating income improved by 7.1 per cent from the first quarter of 2020. Increased income from real estate broking as well as long-term savings products and securities were partly offset by falling revenues from payment services.

Operating expenses were stable in the period. Since the first quarter of 2020, the termination of the agreement with Posten Norge AS (the Norwegian postal service) has had a positive effect.

Net reversals on impairment provisions amounted to NOK 23 million in the first quarter. The reversals were primarily related to the private banking segment.

DNB's market share of credit to households stood at 22.9 per cent at end-February 2021, while the market share of total household savings was 30.5 per cent at the same period. The market share of mutual funds grew from 37.8 per cent at end-March 2020 to 40.5 per cent at end-February 2021. DNB Eiendom had an average market share of 17.5 per cent in the first quarter.

DNB experienced an increase in sales of mutual fund savings agreements in the quarter, and assets under management continued to increase. The launch of the own pension account scheme received considerable attention throughout the quarter, and

DNB raised awareness about this topic through campaigns such as the #huninvesterer i fremtiden (#girlsinvest in the future) pension campaign.

### Corporate customers

Income statement in NOK million	1Q21	4Q20	1Q20
Net interest income	5 778	6 023	6 108
Net other operating income	2 139	2 506	1 728
Total income	7 917	8 529	7 836
Operating expenses	(3 238)	(3 138)	(3 046)
Pre-tax operating profit before impairment	4 679	5 391	4 790
Net gains on fixed and intangible assets	(0)	(1)	(0)
Impairment of financial instruments	94	(1 422)	(5 038)
Profit from repossessed operations	(39)	351	(80)
Pre-tax operating profit	4 734	4 319	(329)
Tax expense	(1 184)	(1 080)	82
Profit for the period	3 551	3 239	(246)

### Average balance sheet items in NOK billion

Loans to customers	773.4	796.4	792.9
Deposits from customers	674.0	647.4	559.5

### Key figures in per cent

Lending spread <sup>1)</sup>	2.44	2.48	2.37
Deposit spread <sup>1)</sup>	0.11	0.07	0.35
Return on allocated capital	14.4	12.5	(1.0)
Cost/income ratio	40.9	36.8	38.9
Ratio of deposits to loans	87.2	81.3	70.6

1) Calculated relative to the 3-month money market rate. See [ir.dnb.no](http://ir.dnb.no) for additional information about alternative performance measures (APMs).

The corporate customers segment saw a strong improvement in the profit for the period and the return on allocated capital in the first quarter, driven by a net reversal of impairment of financial instruments and high income within investment banking services.

Net interest income decreased from the previous quarter and from the first quarter of 2020. Average loan volumes were reduced by 2.9 per cent compared with the fourth quarter of 2020. However, adjusted for exchange rate effects, volumes were down 0.6 per cent. Loans to small and medium-sized enterprises (SMEs) grew by 2.3 per cent currency adjusted from end-December 2020 to end-March 2021.

There was continued growth in deposit volumes in the first quarter, mainly from the Future & Tech Industries segments, but also from the other segments. The strong increase in deposit volumes resulted in a record high deposits to loans ratio of 87.2 per cent. Deposit spreads were positively affected by increasing NOK money market rates.

Net other operating income was up 23.8 per cent compared with the corresponding quarter last year, and down 14.7 per cent from the previous quarter. Income from Markets was strong, driven by high activity within investment banking services. The income from Markets activities was up 16.4 per cent from the first quarter of 2020, and at the same level as the previous quarter.

Net gains on financial instruments at fair value were reduced by NOK 277 million after significantly high effects in the fourth quarter on mark-to-market adjustments.

Operating expenses were up 3.2 per cent compared with the fourth quarter of 2020, mainly due to restructuring expenses and other non-recurring provisions relating to the announcement of DNB's intention to withdraw from Poland.

Impairment of financial instruments decreased from the fourth quarter of 2020 and amounted to a net reversal of NOK 94 million in the first quarter, driven by an improved economic outlook and several successful restructurings made easier by the increase in oil prices. The credit quality of the portfolio remained stable during the quarter.

In the time ahead, DNB will focus on capital optimisation within the large corporates portfolio and on ensuring continued profitable growth within the SME segment. DNB will also improve sustainable and green product offerings and continue to enhance compliance. A

number of customers are still in an uncertain situation due to the pandemic, and DNB will continue to support and advise its customers during this challenging period.

### Other operations

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

<i>Income statement in NOK million</i>	1Q21	4Q20	1Q20
Net interest income	470	340	582
Net other operating income	1 561	1 083	2 837
Total income	2 031	1 423	3 418
Operating expenses	(1 163)	(1 982)	(765)
Pre-tax operating profit before impairment	868	(559)	2 653
Net gains on fixed and intangible assets	(3)	(13)	780
Impairment of financial instruments	(7)	(3)	(0)
Profit from repossessed operations	39	(351)	80
Pre-tax operating profit	896	(926)	3 514
Tax expense	5	1 050	(625)
Profit from operations held for sale, after taxes	(71)	292	(56)
Profit for the period	830	416	2 833

<i>Average balance sheet items in NOK billion</i>	1Q21	4Q20	1Q20
Loans to customers	134.3	129.7	145.0
Deposits from customers	94.3	70.1	55.6

The profit for the other operations segment was NOK 830 million in the first quarter of 2021.

Risk management income was strong compared with the first quarter of 2020, when the pandemic first hit the business activities. Income in the quarter reached NOK 241 million compared with a negative contribution of NOK 846 million in the first quarter of 2020 and ended at a satisfactory level for interest rates as well as bonds. The value adjustments of derivatives (XVA factors) contributed positively this quarter.

For traditional pension products with a guaranteed rate of return, net other operating income was at a strong level of NOK 386 million in the first quarter, up NOK 426 million from the year-earlier period. This reflects an increase in profits in both the corporate and the common portfolio, due to last year's significant fall in the financial markets. The solvency margin with transitional rules, which is the company's regulatory capital requirement, was 189 per cent as at 31 March 2021. This is a reduction from 194 per cent at the end of 2020. The solvency margin without applying the transitional rules was 146 per cent as at 31 March, which is an increase from 125 per cent at the turn of the year. The main reason for the strengthened solvency margins without transitional rules is an increase in interest rates.

DNB's share of the profit in associated companies (most importantly Luminor, Vipps and Fremtind) is included in this segment with a profit of NOK 86 million in the first quarter. There was an increase in profit from these companies of NOK 432 million compared with the first quarter of 2020, and a decrease of NOK 178 million compared to the previous quarter.

### Funding, liquidity and balance sheet

The short-term funding markets were strong throughout the first quarter, with low interest rates. USD is still the currency that appears most attractive in the short-term funding markets, with favourable levels and great flexibility as far as maturity and volumes are concerned. DNB is experiencing good access to liquidity at attractive prices.

The markets for long-term funding have generally been strong in the first quarter. There has been a high level of activity in all markets. The cost of long-term funding has remained at stable levels in most markets, but has varied somewhat more in the markets for senior non-preferred bonds, where credit risk premiums increased during February. In the first quarter, DNB successfully

issued both a green covered bond and a senior non-preferred bond in the euro market. DNB still has ample access to long-term funding in all markets.

The nominal value of long-term debt securities issued by the Group was NOK 584 billion at the end of the quarter, compared with NOK 725 billion a year earlier. Average remaining term to maturity for long-term debt securities issued was 3.7 years at end-March, compared with 3.8 years a year earlier.

The short-term liquidity requirement, the Liquidity Coverage Ratio (LCR), remained stable at above 100 per cent throughout the quarter and stood at 159 per cent at end-March.

Total combined assets in the DNB Group were NOK 3 471 billion at end-March, down from NOK 3 545 billion a year earlier. Total assets in the Group's balance sheet were NOK 2 989 billion at end-March and NOK 3 197 billion a year earlier. Of this, total assets in DNB Livsforsikring amounted to NOK 361 billion and 355 billion, respectively.

Loans to customers were reduced by NOK 58.3 billion, or 3.3 per cent, in the first quarter, compared with the first quarter of 2020. Customer deposits were up NOK 89.4 billion, or 8.3 per cent, during the same period. The ratio of customer deposits to net loans to customers was 71.1 per cent at the end of the quarter, up from 62.1 per cent a year earlier.

### Capital position

DNB's capital position strengthened in the first quarter and reached an all time high at 320 basis points above the supervisory authorities' expectation.

The CET1 capital ratio was 19.2 per cent at the end of the quarter, up from 17.7 per cent a year earlier, and from 18.7 per cent at end-December.

The dividends for 2020 are part of the Group's equity, but have been deducted from the CET1 capital. The Board of Directors has been given an authorisation (from the Annual General Meeting), to pay a dividend of up to NOK 9.00 per share for 2020, for distribution after September 2021 or when the economic outlook suggests that there is a basis for doing so.

The CET1 requirement for DNB is 15.0 per cent as at end-March, while the ratio expectation from the supervisory authorities is at 16.0 per cent including Pillar 2 Guidance.

The risk exposure amount decreased by NOK 13 billion from end-December 2020, to NOK 954 billion at end-March 2021. Exchange rate effects and lower counterparty risk were the main reasons for the decrease in risk exposure amount from year-end 2020.

The non-risk based leverage ratio was 6.9 per cent at end-March 2021, up from 6.5 per cent from the year-earlier period, and down from 7.1 per cent at end-December 2020, reflecting higher deposits with central banks.

#### Development in CET1 capital ratio

<i>Per cent</i>	CET1 capital ratio
<b>4Q20</b>	<b>18.7</b>
Retained profit (50 per cent after tax)	0.3
Counterparty risk	0.1
Other	0.1
<b>1Q21</b>	<b>19.2</b>

### Capital adequacy

The capital adequacy regulations specify a minimum for own funds based on risk exposure amount that include credit risk, market risk and operational risk. In addition to meeting the minimum requirement, DNB must satisfy various buffer requirements (Pillar 1 and Pillar 2 requirements).

## Capital and risk

	1Q21	4Q20	1Q20
CET1 capital ratio, per cent	19.2	18.7	17.7
Tier 1 capital ratio, per cent	20.6	20.1	19.1
Capital ratio, per cent	22.4	22.1	21.4
Risk exposure amount, NOK billion	954	967	1 030
Leverage ratio, per cent	6.9	7.1	6.5

As the DNB Group consists of both a credit institution and an insurance company, DNB has to satisfy a cross-sectoral calculation test to demonstrate that it complies with sectoral requirements: the capital adequacy requirement, in accordance with CRR/CRD IV, and the Solvency II requirement. At end-March 2021, DNB complied with these requirements by a good margin, with excess capital of NOK 43.8 billion.

## New regulatory framework

### Norwegian implementation of the EU Banking Package

On 9 April 2021, the Norwegian Ministry of Finance presented draft legislation on the implementation of the EU Banking Package. The package was adopted in the EU in 2019 and consists of amendments to the Capital Requirements Regulation (CRR II), to the Capital Requirements Directive (CRD V) and to the Bank Recovery and Resolution Directive (BRRD II). As a result of the COVID-19 pandemic, the EU in June 2020 decided to accelerate the implementation of some of the provisions of the CRR II that involve less stringent requirements (the CRR 'quick fix').

The CRR II will enter into force in the EU on 28 June 2021. The Ministry of Finance has announced that the CRR II will not take effect in Norway from the same date. The entry into force will be dependent on the incorporation of the Regulation into the EEA Agreement, and the Ministry of Finance is working to ensure that this is done soon as possible.

Implementing the CRR II will in particular involve making significant amendments to the banking rules and legislation. Among other things, there will be a requirement concerning a net stable funding ratio (NSFR), new calculation methods for counterparty risk, a tightening of the rules on consolidation and large exposures, and new rules on reporting and the disclosure of information. The CRR II also involves an extension of the current reduction of banks' capital requirements for lending to small and medium-sized enterprises (the SME supporting factor). In addition, a new reduction of the capital requirements for lending to certain infrastructure projects will be introduced. Moreover, changes will be made to the banks' minimum leverage ratio requirement. Most of the rules in the Banking Package will be laid down in a set of regulations.

### Minimum Requirement for Own funds and Eligible Liabilities

In line with the Bank Recovery and Resolution Directive (BRRD II), banks are subject to a minimum requirement for own funds and eligible liabilities (MREL). The BRRD II introduces a maximum limit for how much non-preferred senior debt a bank must issue, i.e., how much of the MREL must be covered by own funds or non-preferred senior debt. This provision will have major implications for the costs associated with fulfilling the MREL. However, there are different interpretations of how the provision should be understood. The Ministry of Finance will address this in a set of regulations at a later date.

### Circular about IRB models

Finanstilsynet (the Financial Supervisory Authority of Norway) is working on a circular that is intended to guide banks on the Authority's practice for the approval and supervision of IRB models. Due to the COVID-19 situation, the work on the circular was put on hold during the winter of 2020. On 15 March 2021, Finanstilsynet announced that the work has now been resumed, and that a draft

has been submitted to Finance Norway for comment. If the circular becomes applicable in its current form, it may entail a tightening of the capital requirements for IRB banks that are subject to Norwegian rules and legislation.

### Counter-cyclical capital buffer currently unchanged

On 18 March 2021, the Ministry of Finance decided to keep the counter-cyclical capital buffer requirement unchanged at 1 per cent. The decision was based on the advice of the Norwegian central bank, Norges Bank. Norges Bank's current assessment of economic developments, projected losses and banks' expected lending capacity indicates that advice will be given on stepping up the buffer requirement in the course of 2021. In a somewhat longer perspective, Norges Bank envisages that the buffer requirement will once again be back at the 2.5 per cent level. Decisions to increase the requirement normally take effect 12 months after they have been made.

### New rules on securitisation

On 23 March 2021, the Storting (Norwegian parliament) adopted new statutory provisions on securitisation. These provisions implement the EU's securitisation regulation and are, among other things, intended to give banks more flexibility in their risk management and financing of lending activities. The regulation has been effective in the EU since 1 January 2019, but has not yet been incorporated into the EEA Agreement. The Ministry of Finance will ask the Storting to approve the incorporation of the regulation into the EEA Agreement. This is expected to happen sometime during the spring, after which it will be possible to implement the regulation in Norway.

### New rules on market abuse

The Market Abuse Regulation (MAR) was introduced in the EU in 2016 and contains key rules on market behaviour in the securities market. This includes, among other things, prohibitions on insider dealing and market manipulation as well as rules on the management of inside information. The main purpose of the MAR is to contribute to ensuring well-functioning and safe markets with a higher level of investor protection. The Regulation was incorporated into the EEA Agreement in the autumn of 2019, and entered into force in Norway on 1 March 2021. The implementation in Norway is based on the proposals in Official Norwegian Report 2017:14 from the Securities Law Committee (Verdipapirlovutvalget).

### New Norwegian Financial Contracts Act likely to be in force from 2022

The new Financial Contracts Act was adopted by the Storting in December 2020. The Act is expected to enter into force on 1 January 2022. The new Act is based on the current one, with comprehensive amendments. Due to the scope and complexity of the Act, DNB had already established a fast-working Group project in the summer of 2020, to identify the need for adjustments to systems, products and services.

### EU rules in the area of mutual funds to be introduced in Norway

The EU has in recent years adopted several regulations that contain provisions on specific types of alternative investment funds. This includes the Regulation on European Venture Capital Funds (EuVeca), the Regulation on European Funds for Social Entrepreneurship (EUSEF), the Regulation on European Long-Term Investment Funds (ELTIF) and the Regulation on Money Market Funds.

On 9 April 2021, the Ministry of Finance submitted a Proposition to the Storting (Bill) for implementing these Regulations in Norwegian law. Moreover, the Ministry asked for the Storting's consent to incorporate the Regulations into the EEA Agreement. In the Proposition, the Ministry also proposes new rules on the instruments used by Finanstilsynet in the event of breaches of the

Norwegian Securities Funds Act and the Act on the Management of Alternative Investment Funds. The purpose of this is to strengthen the level of compliance with rules and legislation, and by extension to increase the general level of trust in the mutual funds market.

### Macroeconomic developments

Continued stringent infection control measures has led to lower activity levels in many industries, a downturn in the economy and higher rates of unemployment. In mid-April, the number of registered fully unemployed corresponded to 4.2 per cent of the workforce, which is on a level with the average so far this year.

In addition to strict infection control measures, a marked decline in oil prices also contributed to the weakening of the Norwegian economy last year, and, to a large extent, of the Norwegian krone last spring. This weakening was in turn an important reason for a marked rise in core inflation, which peaked at 3.7 per cent in August last year. Since then, oil prices have risen, the Norwegian krone has strengthened and inflation has fallen. In March, core inflation was 2.7 per cent.

The housing market is an area of the economy where activity has been high. Average monthly housing price growth was 1.2 per cent in the first quarter, and housing prices were 12.5 per cent higher in March this year than a year earlier. There has also been a record turnover of existing homes, and the number of unsold homes has fallen to a very low level. The upturn in the housing market has resulted in a moderate increase in household credit growth.

Going forward, developments in activity in the Norwegian economy will largely depend on changes in the infection control measures. In April, the Government presented a plan for a gradual reopening of society based on developments in infection rates and vaccination rates. In its March Monetary Policy Report, Norges Bank assumed that the strict infection control measures would be largely continued in April. Further, it was assumed that some industries would be without restrictions from August, whereas others would still be subject to restrictions, albeit at a low level, as the end of the year approaches. Such a scenario could provide the basis for a new economic recovery during the summer and a clear decline in unemployment. In March, Norges Bank signalled that the key policy rate may be raised during the second half of this year.

### Future prospects

The Group's financial target of a return on equity (ROE) above 12 per cent remains unchanged for the period 2021 to 2023. Due to the COVID-19 pandemic and the subsequent developments in the macroeconomic environment, the ROE target is, however, unlikely to be achieved in 2021. This said, the following factors will help DNB to reach the ROE target in the course of the target period: increased net interest income as a result of increasing NOK interest rates and growth in loans and deposits; growth in commissions and fees from capital-light products; and reduced impairment provisions combined with cost control measures and greater capital efficiency, taking into account the payment of the 2019 and 2020 dividends and the effect of DNB's potential acquisition of Sbanken.

In the period 2021 to 2023, the annual increase in lending volumes is expected to be between 3 and 4 per cent while maintaining a sound deposit-to-loan ratio. According to Norges Bank's own forecasts, the key policy rate is expected to increase from 0.0 per cent in the second half of this year to 0.75 per cent next year, and to above 1.0 per cent in 2023.

During the same period, DNB has an ambition to increase net commissions and fees by 4 to 5 per cent annually and to achieve a cost/income ratio below 40 per cent.

The tax rate going forward is expected to be 22 per cent.

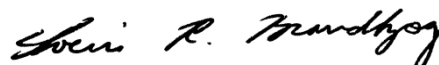
The supervisory expectation for the common equity Tier 1 (CET1) capital ratio for DNB is 16.0 per cent, including Pillar 2 Guidance at 1.0 per cent, while the actual value achieved was 19.2 per cent. In its capital planning, DNB takes into account the full counter-cyclical buffer requirement of 2.5 per cent in Norway, which is expected to take full effect in 2023 at the earliest, and which will increase the expected CET1 level to 17.1 per cent. This supervisory expectation plus some headroom will be the targeted capital level. The headroom will reflect expected future capital needs including anticipated future regulatory capital changes and market-driven CET1 fluctuations. The potential acquisition of Sbanken will have an effect on the CET1 ratio of approximately minus 1 percentage point from the expected closing later this year. The EU Banking Package, CRR II/CRD V, will have only minor effects on the CET1 ratio.

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

Oslo, 28 April 2021  
The Board of Directors of DNB ASA



Olaug Svarva  
(Chair of the Board)



Svein Richard Brandtzæg  
(Vice Chair of the Board)



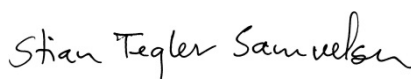
Gro Bakstad



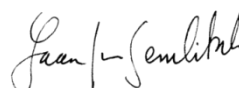
Lillian Hattrem



Jens Petter Olsen



Stian Tegler Samuelsen



Jaan Ivar Semlišk



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

# Income statement

	DNB Group		
	1st quarter 2021	1st quarter 2020	Full year 2020
<i>Amounts in NOK million</i>			
Interest income, amortised cost	10 647	15 974	50 660
Other interest income	880	1 406	4 636
Interest expenses, amortised cost	(1 267)	(5 701)	(11 511)
Other interest expenses	(1 031)	(1 284)	(5 161)
<b>Net interest income</b>	<b>9 230</b>	<b>10 395</b>	<b>38 623</b>
Commission and fee income	3 665	3 148	13 289
Commission and fee expenses	(1 034)	(910)	(3 789)
Net gains on financial instruments at fair value	799	3 228	5 902
Net financial result, life insurance	104	(355)	418
Net risk result, life insurance	108	109	241
Profit from investments accounted for by the equity method	86	(346)	402
Net gains on investment properties	31	(26)	(61)
Other income	358	300	1 373
<b>Net other operating income</b>	<b>4 116</b>	<b>5 148</b>	<b>17 776</b>
<b>Total income</b>	<b>13 346</b>	<b>15 543</b>	<b>56 399</b>
Salaries and other personnel expenses	(3 337)	(2 807)	(12 873)
Other expenses	(1 658)	(1 887)	(7 208)
Depreciation and impairment of fixed and intangible assets	(822)	(787)	(3 320)
<b>Total operating expenses</b>	<b>(5 817)</b>	<b>(5 480)</b>	<b>(23 401)</b>
<b>Pre-tax operating profit before impairment</b>	<b>7 528</b>	<b>10 063</b>	<b>32 998</b>
Net gains on fixed and intangible assets	(3)	780	767
Impairment of financial instruments	110	(5 771)	(9 918)
<b>Pre-tax operating profit</b>	<b>7 636</b>	<b>5 071</b>	<b>23 847</b>
Tax expense	(1 680)	(1 014)	(4 229)
Profit from operations held for sale, after taxes	(71)	(56)	221
<b>Profit for the period</b>	<b>5 885</b>	<b>4 000</b>	<b>19 840</b>
Portion attributable to shareholders	5 665	3 570	18 712
Portion attributable to non-controlling interests	(20)	(2)	(15)
Portion attributable to additional Tier 1 capital holders	240	433	1 143
<b>Profit for the period</b>	<b>5 885</b>	<b>4 000</b>	<b>19 840</b>
Earnings/diluted earnings per share (NOK)	3.65	2.28	12.04
Earnings per share excluding operations held for sale (NOK)	3.70	2.32	11.89

# Comprehensive income statement

	DNB Group		
	1st quarter 2021	1st quarter 2020	Full year 2020
<i>Amounts in NOK million</i>			
<b>Profit for the period</b>	<b>5 885</b>	<b>4 000</b>	<b>19 840</b>
Actuarial gains and losses	(144)	(288)	(324)
Property revaluation	82	42	578
Items allocated to customers (life insurance)	(82)	(42)	(578)
Financial liabilities designated at FVTPL, changes in credit risk	(31)	615	33
Tax	44	(82)	72
Items that will not be reclassified to the income statement	(131)	245	(218)
Currency translation of foreign operations	(1 815)	13 345	3 519
Currency translation reserve reclassified to the income statement	(6)		
Hedging of net investment	1 392	(11 745)	(3 246)
Financial assets at fair value through OCI	100	(354)	103
Tax	(373)	3 025	786
Items that may subsequently be reclassified to the income statement	(702)	4 271	1 161
<b>Other comprehensive income for the period</b>	<b>(834)</b>	<b>4 516</b>	<b>943</b>
<b>Comprehensive income for the period</b>	<b>5 051</b>	<b>8 516</b>	<b>20 783</b>

# Balance sheet

		DNB Group		
Amounts in NOK million	Note	31 March 2021	31 Dec. 2020	31 March 2020
<b>Assets</b>				
Cash and deposits with central banks		423 444	283 526	415 565
Due from credit institutions		56 424	78 466	170 649
Loans to customers	4, 5, 6, 7	1 685 685	1 693 811	1 743 981
Commercial paper and bonds	7	425 078	439 231	421 579
Shareholdings	7	35 508	29 360	23 465
Financial assets, customers bearing the risk	7	122 659	116 729	84 791
Financial derivatives	7	135 587	186 740	237 176
Investment properties		17 969	18 087	18 136
Investments accounted for by the equity method		18 445	18 389	18 799
Intangible assets		5 341	5 498	5 450
Deferred tax assets		4 305	4 377	1 212
Fixed assets		20 661	20 474	20 129
Assets held for sale		2 399	2 402	1 239
Other assets		35 714	21 852	35 196
<b>Total assets</b>		<b>2 989 220</b>	<b>2 918 943</b>	<b>3 197 365</b>
<b>Liabilities and equity</b>				
Due to credit institutions		212 390	207 457	364 570
Deposits from customers	7	1 171 527	1 105 574	1 082 143
Financial derivatives	7	127 603	174 979	201 831
Debt securities issued	7, 8	800 460	777 829	923 028
Insurance liabilities, customers bearing the risk		122 659	116 729	84 791
Liabilities to life insurance policyholders		200 373	200 422	197 747
Payable taxes		7 399	7 556	8 001
Deferred taxes		42	48	51
Other liabilities		49 729	31 522	53 595
Liabilities held for sale		859	1 016	223
Provisions		2 136	2 096	3 396
Pension commitments		4 731	4 476	4 009
Senior non-preferred bonds	8	18 284	8 523	
Subordinated loan capital	7, 8	31 009	32 319	35 749
<b>Total liabilities</b>		<b>2 749 199</b>	<b>2 670 547</b>	<b>2 959 133</b>
Additional Tier 1 capital		18 139	18 362	18 174
Non-controlling interests		155	119	50
Share capital		15 504	15 503	15 605
Share premium		22 609	22 609	22 609
Other equity		183 614	191 804	181 795
<b>Total equity</b>		<b>240 020</b>	<b>248 396</b>	<b>238 233</b>
<b>Total liabilities and equity</b>		<b>2 989 220</b>	<b>2 918 943</b>	<b>3 197 365</b>

# Statement of changes in equity

DNB Group

<i>Amounts in NOK million</i>	Non-controlling interests	Share capital <sup>1)</sup>	Share premium	Additional Tier 1 capital	Net currency translation reserve	Liability credit reserve	Other equity <sup>1)</sup>	Total equity <sup>1)</sup>
<b>Balance sheet as at 31 Dec. 2019</b>	<b>45</b>	<b>15 706</b>	<b>22 609</b>	<b>26 729</b>	<b>4 872</b>	<b>(2)</b>	<b>172 297</b>	<b>242 255</b>
Profit for the period	(2)			433			3 570	4 000
Actuarial gains and losses							(288)	(288)
Financial assets at fair value through OCI							(354)	(354)
Financial liabilities designated at FVTPL, changes in credit risk						615		615
Currency translation of foreign operations	7				13 338			13 345
Hedging of net investment					(11 745)			(11 745)
Tax on other comprehensive income					2 936	(154)	161	2 943
Comprehensive income for the period	5			433	4 529	461	3 088	8 516
Interest payments additional Tier 1 capital				(1 055)				(1 055)
Additional Tier 1 capital redeemed				(10 024)				(10 024)
Currency movements interest payment and redemption additional Tier 1 capital				2 091			(1 971)	120
Repurchased under share buy-back programme		(100)					(1 481)	(1 581)
<b>Balance sheet as at 31 March 2020</b>	<b>50</b>	<b>15 605</b>	<b>22 609</b>	<b>18 174</b>	<b>9 401</b>	<b>459</b>	<b>171 936</b>	<b>238 233</b>
<b>Balance sheet as at 31 Dec. 2020</b>	<b>119</b>	<b>15 503</b>	<b>22 609</b>	<b>18 362</b>	<b>5 952</b>	<b>23</b>	<b>185 829</b>	<b>248 396</b>
Profit for the period	(20)			240			5 665	5 885
Actuarial gains and losses							(144)	(144)
Financial assets at fair value through OCI							100	100
Financial liabilities designated at FVTPL, changes in credit risk						(31)		(31)
Currency translation of foreign operations	(2)				(1 819)			(1 821)
Hedging of net investment					1 392			1 392
Tax on other comprehensive income					(348)	8	11	(329)
Comprehensive income for the period	(22)			240	(775)	(23)	5 631	5 051
Interest payments additional Tier 1 capital				(467)				(467)
Currency movements interest payments additional Tier 1 capital				4			(11)	(8)
Non-controlling interests Skandinaviske Handelsparker AS	3						(3)	
Non-controlling interests Yellow Holding AS	55							55
Net sale of treasury shares		1					16	17
Dividends paid for 2019 (NOK 8.40 per share)							(13 023)	(13 023)
<b>Balance sheet as at 31 March 2021</b>	<b>155</b>	<b>15 504</b>	<b>22 609</b>	<b>18 139</b>	<b>5 177</b>	<b>(1)</b>	<b>178 437</b>	<b>240 020</b>
<sup>1)</sup> <i>Of which treasury shares held by DNB Markets for trading purposes:</i>								
Balance sheet as at 31 December 2020		(1)					(16)	(17)
Net sale of treasury shares		1					16	17
Balance sheet as at 31 March 2021		0					0	0

# Cash flow statement

DNB Group

Amounts in NOK million	2021	January-March 2020	Full year 2020
<b>Operating activities</b>			
Net receipts/(payments) on loans to customers	17 929	(14 619)	(26 092)
Interest received from customers	10 295	14 381	48 628
Net receipts on deposits from customers	62 912	71 778	133 573
Interest paid to customers	(514)	(1 654)	(6 597)
Net receipts on loans to credit institutions	698	127 211	32 784
Interest received from credit institutions	(269)	692	227
Interest paid to credit institutions	(40)	(999)	(1 381)
Net payments on the sale of financial assets for investment or trading	(1 792)	26 705	(70 650)
Interest received on bonds and commercial paper	121	288	3 280
Net receipts on commissions and fees	3 135	3 268	9 523
Payments to operations	(5 744)	(6 295)	(20 291)
Taxes paid	(2 148)	(668)	(9 211)
Receipts on premiums	4 936	3 607	14 313
Net receipts/(payments) on premium reserve transfers	1 344	(4 368)	(4 204)
Payments of insurance settlements	(3 556)	(3 660)	(13 704)
Other net payments	3 661	(6 970)	(5 626)
<b>Net cash flow from operating activities</b>	<b>90 966</b>	<b>208 696</b>	<b>84 573</b>
<b>Investing activities</b>			
Net payments on the acquisition or disposal of fixed assets	(877)	(933)	(3 835)
Net receipts on investment properties	56	26	54
Net investment in long-term shares	(17)	(937)	(1 370)
Dividends received on long-term investments in shares		49	428
<b>Net cash flow from investing activities</b>	<b>(839)</b>	<b>(1 795)</b>	<b>(4 723)</b>
<b>Financing activities</b>			
Receipts on issued bonds and commercial paper	312 229	334 710	1 152 054
Payments on redeemed bonds and commercial paper	(237 253)	(400 960)	(1 225 085)
Interest payments on issued bonds and commercial paper	(4 156)	(4 653)	(13 193)
Receipts on the raising of subordinated loan capital			4 056
Redemptions of subordinated loan capital			(4 207)
Interest payments on subordinated loan capital	(256)	(241)	(504)
Net receipts/(payments) on issue or redemption of additional Tier 1 capital		(10 024)	(10 024)
Interest payments on additional Tier 1 capital	(467)	(1 055)	(1 578)
Lease payments	(68)	(75)	(502)
Net sale/(purchase) of own shares	17	(1 581)	(3 247)
Dividend payments	(13 023)		
<b>Net cash flow from financing activities</b>	<b>57 023</b>	<b>(83 879)</b>	<b>(102 232)</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>(9 577)</b>	<b>(3 076)</b>	<b>3 723</b>
<b>Net cash flow</b>	<b>137 573</b>	<b>119 946</b>	<b>(18 659)</b>
Cash as at 1 January	289 092	307 751	307 751
Net receipts/(payments) of cash	137 573	119 946	(18 659)
Cash at end of period <sup>1)</sup>	426 665	427 697	289 092
 *) Of which: Cash and deposits with central banks	 423 444	 415 565	 283 526
Deposits with credit institutions with no agreed period of notice <sup>1)</sup>	3 221	12 132	5 566

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

## Note 1 Basis for preparation

The quarterly financial statements for the Group have been prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board and as adopted by the European Union. When preparing the consolidated financial statements, the management makes estimates, judgments 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 Group, can be found in note 1 Accounting principles in the annual report for 2020.

## Note 2 Segments

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

### Income statement, first quarter

	Personal customers		Corporate customers		Other operations		Eliminations		DNB Group	
	1st quarter		1st quarter		1st quarter		1st quarter		1st quarter	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<i>Amounts in NOK million</i>										
Net interest income	2 982	3 706	5 778	6 108	470	582			9 230	10 395
Net other operating income	1 243	1 161	2 139	1 728	1 561	2 837	(827)	(577)	4 116	5 148
Total income	4 225	4 866	7 917	7 836	2 031	3 418	(827)	(577)	13 345	15 543
Operating expenses	(2 243)	(2 247)	(3 238)	(3 046)	(1 163)	(765)	827	577	(5 817)	(5 481)
Pre-tax operating profit before impairment	1 982	2 619	4 679	4 790	868	2 653			7 528	10 063
Net gains on fixed and intangible assets	0		(0)	(0)	(3)	780			(3)	780
Impairment of financial instruments	23	(734)	94	(5 038)	(7)	(0)			110	(5 771)
Profit from repossessed operations			(39)	(80)	39	80				
Pre-tax operating profit	2 005	1 886	4 734	(329)	896	3 514			7 636	5 071
Tax expense	(501)	(471)	(1 184)	82	5	(625)			(1 680)	(1 014)
Profit from operations held for sale, after taxes					(71)	(56)			(71)	(56)
Profit for the period	1 504	1 414	3 551	(246)	830	2 833			5 885	4 000

For further details about the reportable segments, quarterly results and explanatory comments, see the directors' report.

## Note 3 Capital adequacy

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

Own funds	DNB Bank ASA		DNB Bank Group		DNB Group	
	31 March 2021	31 Dec. 2020	31 March 2021	31 Dec. 2020	31 March 2021	31 Dec. 2020
<i>Amounts in NOK million</i>						
Total equity	213 342	208 905	227 804	236 161	240 020	248 396
Adjustment to retained earnings for foreseeable dividends	(2 389)		(2 607)		(2 641)	
Effect from regulatory consolidation			(211)	(250)	(6 420)	(6 014)
Additional Tier 1 capital instruments included in total equity	(17 995)	(17 995)	(17 995)	(17 995)	(17 995)	(17 995)
Net accrued interest on additional Tier 1 capital instruments	(108)	(276)	(108)	(276)	(108)	(276)
Common equity Tier 1 capital instruments	192 850	190 635	206 883	217 641	212 857	224 112
Regulatory adjustments						
Goodwill	(2 393)	(2 427)	(2 956)	(2 992)	(4 661)	(4 697)
Deferred tax assets that rely on future profitability, excluding temporary differences	(453)	(453)	(976)	(970)	(976)	(970)
Other intangible assets	(902)	(1 014)	(1 457)	(1 583)	(1 457)	(1 583)
Proposed dividends and group contributions <sup>1)</sup>	(13 953)	(13 953)	(14 498)	(26 949)	(13 953)	(26 976)
Deduction for investments in insurance companies					(6 059)	(6 018)
IRB provisions shortfall (-)	(899)	(788)	(1 837)	(1 781)	(1 837)	(1 781)
Additional value adjustments (AVA)	(709)	(683)	(853)	(855)	(853)	(855)
(Gains) or losses on liabilities at fair value resulting from own credit risk	29	29	1	(23)	1	(23)
(Gains) or losses on derivative liabilities resulting from own credit risk (DVA)	(386)	(527)	(102)	(94)	(102)	(94)
Common equity Tier 1 capital	173 184	170 819	184 205	182 393	182 960	181 115
Additional Tier 1 capital instruments	17 995	17 995	17 995	17 995	17 995	17 995
Deduction of holdings of Tier 1 instruments in insurance companies <sup>3)</sup>					(1 500)	(1 500)
Non-eligible Tier 1 capital, DNB Group <sup>4)</sup>					(3 374)	(2 920)
Additional Tier 1 capital instruments	17 995	17 995	17 995	17 995	13 121	13 575
Tier 1 capital	191 178	188 814	202 200	200 388	196 081	194 689
Perpetual subordinated loan capital	5 595	5 640	5 595	5 640	5 595	5 640
Term subordinated loan capital	25 237	26 320	25 237	26 320	25 237	26 320
Deduction of holdings of Tier 2 instruments in insurance companies <sup>3)</sup>					(5 750)	(5 750)
Non-eligible Tier 2 capital, DNB Group <sup>4)</sup>					(7 060)	(6 711)
Additional Tier 2 capital instruments	30 831	31 960	30 831	31 960	18 021	19 499
Own funds	222 010	220 774	233 031	232 348	214 102	214 188
Total risk exposure amount	790 969	801 447	917 407	930 384	954 083	967 146
Minimum capital requirement	63 278	64 116	73 393	74 431	76 327	77 372
Capital ratios:						
Common equity Tier 1 capital ratio	21.9	21.3	20.1	19.6	19.2	18.7
Tier 1 capital ratio	24.2	23.6	22.0	21.5	20.6	20.1
Total capital ratio	28.1	27.5	25.4	25.0	22.4	22.1

### Own funds and capital ratios excluding interim profit

Common equity Tier 1 capital	175 572	186 812	185 601
Tier 1 capital	193 567	204 807	198 722
Own funds	224 398	235 638	216 743
Common equity Tier 1 capital ratio	22.2	20.4	19.5
Tier 1 capital ratio	24.5	22.3	20.8
Total capital ratio	28.4	25.7	22.7

- <sup>1)</sup> The Board of Directors in DNB ASA and DNB Bank ASA have been given an authorization from the Annual General Meeting on 27 April 2021 to pay a dividend of up to NOK 9.00 per share for 2020, for distribution after September 2021.
- <sup>2)</sup> Deductions are made for significant investments in financial sector entities when the total value of the investments exceeds 10 per cent of common equity Tier 1 capital. The amounts that are not deducted are given a risk weight of 250 per cent.
- <sup>3)</sup> Investments in Tier 1 and Tier 2 instruments issued by the Group's insurance companies are deducted from the Group's Tier 1 and Tier 2 capital.
- <sup>4)</sup> Tier 1 and Tier 2 capital in DNB Bank ASA not included in consolidated own funds in accordance with Articles 85-88 of the CRR.

## Note 3 Capital adequacy (continued)

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

### Specification of exposures

	DNB Group					
	Original exposure 31 March 2021	Exposure at default EAD <sup>1)</sup> 31 March 2021	Average risk weights in per cent 31 March 2021	Risk exposure amount REA 31 March 2021	Capital requirement 31 March 2021	Capital requirement 31 Dec. 2020
<i>Amounts in NOK million</i>						
IRB approach						
Corporate exposures	975 030	788 827	45.6	359 472	28 758	30 405
<i>of which specialised lending (SL)</i>	13 493	12 792	44.4	5 681	454	516
<i>of which small and medium-sized entities (SME)</i>	209 979	185 143	46.2	85 618	6 849	6 931
<i>of which other corporates</i>	751 558	590 892	45.4	268 173	21 454	22 958
Retail exposures	959 167	943 059	22.2	209 264	16 741	16 371
<i>of which other retail</i>	80 584	64 476	28.4	18 334	1 467	1 440
<i>of which secured by mortgages on immovable property</i>	878 583	878 583	21.7	190 930	15 274	14 931
Total credit risk, IRB approach	1 934 197	1 731 886	32.8	568 736	45 499	46 776
Standardised approach						
Central government and central banks	435 673	435 029	0.1	263	21	19
Regional government or local authorities	47 963	42 445	2.5	1 065	85	88
Public sector entities	1 269	719	47.0	338	27	31
Multilateral development banks	29 643	29 640				
International organisations	5 126	5 126				
Institutions	128 490	100 786	18.1	18 262	1 461	1 469
Corporate	180 077	157 069	67.1	105 385	8 431	8 402
Retail	190 327	67 884	74.4	50 496	4 040	3 580
Secured by mortgages on immovable property	27 973	26 703	60.1	16 036	1 283	1 366
Exposures in default	4 563	3 523	130.7	4 603	368	233
Items associated with particular high risk	5 975	4 529	150.0	6 793	543	641
Covered bonds	41 800	41 800	10.0	4 180	334	348
Collective investment undertakings	1 340	1 340	46.4	622	50	41
Equity positions	22 006	22 005	227.0	49 961	3 997	3 908
Other assets	19 790	19 789	92.2	18 246	1 460	1 579
Total credit risk, standardised approach	1 142 013	958 388	28.8	276 250	22 100	21 706
Total credit risk	3 076 210	2 690 274	31.4	844 986	67 599	68 483
Market risk						
Position and general risk, debt instruments				8 512	681	748
Position and general risk, equity instruments				728	58	52
Currency risk				49	4	4
Commodity risk				0	0	0
Total market risk				9 289	743	803
Credit value adjustment risk (CVA)				4 477	358	459
Operational risk				95 331	7 627	7 627
Total risk exposure amount				954 083	76 327	77 372

1) EAD, exposure at default.

## Note 4 Development in gross carrying amount and maximum exposure

The following tables reconcile the opening and closing balances for gross carrying amount and the maximum exposure for loans to customers at amortised cost and financial commitments. Maximum exposure is the gross carrying amount of loans to customers plus off-balance exposure, which mainly includes guarantees, unutilised credit lines and loan offers. Reconciling items include the following:

- Transfers between stages due to significant changes in credit risk.
- Changes due to the derecognition of loans and financial commitments during the period.
- Changes due to the origination of new financial instruments during the period.
- Exchange rate effect from consolidation and other changes affecting the gross carrying amount and maximum exposure.

### Loans to customers at amortised cost (quarterly figures)

DNB Group

Amounts in NOK million	1st quarter 2021				1st quarter 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount as at 31 Dec.</b>	<b>1 482 987</b>	<b>137 450</b>	<b>32 020</b>	<b>1 652 457</b>	<b>1 503 609</b>	<b>88 347</b>	<b>24 308</b>	<b>1 616 264</b>
Transfer to stage 1	40 473	(40 420)	(52)		11 490	(10 902)	(587)	
Transfer to stage 2	(36 279)	36 486	(207)		(80 265)	80 791	(526)	
Transfer to stage 3	(1 525)	(2 189)	3 714		(2 920)	(7 122)	10 043	
Originated and purchased	88 747	2 138	1 183	92 068	127 687	9 933		137 620
Derecognition	(79 286)	(8 638)	(3 378)	(91 303)	(78 640)	(5 784)	(358)	(84 781)
Exchange rate movements	(6 291)	(584)	(55)	(6 929)	25 980	2 985	690	29 656
Other								
<b>Gross carrying amount as at 31 March <sup>1)</sup></b>	<b>1 488 826</b>	<b>124 241</b>	<b>33 225</b>	<b>1 646 292</b>	<b>1 506 942</b>	<b>158 248</b>	<b>33 570</b>	<b>1 698 760</b>

### Financial commitments (quarterly figures)

DNB Group

Amounts in NOK million	1st quarter 2021				1st quarter 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Maximum exposure as at 31 Dec.</b>	<b>657 434</b>	<b>36 478</b>	<b>6 024</b>	<b>699 937</b>	<b>621 594</b>	<b>23 794</b>	<b>3 343</b>	<b>648 730</b>
Transfer to stage 1	8 512	(8 506)	(6)		3 533	(3 408)	(124)	
Transfer to stage 2	(7 842)	7 849	(7)		(38 393)	38 442	(49)	
Transfer to stage 3	(69)	(235)	304		(785)	(1 720)	2 505	
Originated and purchased	106 929	1 774	98	108 801	89 888	0	(0)	89 889
Derecognition	(99 904)	(2 025)	(270)	(102 199)	(77 558)	(6 905)	(246)	(84 709)
Exchange rate movements	(4 008)	(125)	(1)	(4 135)	20 824	1 711	88	22 623
<b>Maximum exposure as at 31 March <sup>2)</sup></b>	<b>661 053</b>	<b>35 210</b>	<b>6 142</b>	<b>702 405</b>	<b>619 103</b>	<b>51 914</b>	<b>5 516</b>	<b>676 533</b>

1) As of 1 January 2021, DNB introduced a new definition of default. According to the new definition, the gross carrying amount for stage 3 customers in probation after default was NOK 3 070 million as at 31 March 2021.

2) As of 1 January 2021, DNB introduced a new definition of default. According to the new definition, the maximum exposure relating to stage 3 customers in probation after default was NOK 1 304 million as at 31 March 2021.

## Note 5 Development in accumulated impairment of financial instruments

The following tables reconcile the opening and closing balances for accumulated impairment of loans to customers at amortised cost and financial commitments. Reconciling items include the following:

- Transfers between stages due to significant changes in credit risk. The transfers are presumed to occur before the subsequent remeasurement of the allowance.
- Changes due to transfers between 12-month expected credit loss in stage 1 and lifetime expected credit loss in stages 2 and 3.
- Increases and decreases in expected credit loss resulting from changes in input parameters and assumptions, including macro forecasts, as well as the effect of partial repayments on existing facilities and the unwinding of the time value of discounts due to the passage of time.
- Changes in allowance due to the origination of new financial instruments during the period.
- Changes in allowance due to the derecognition of financial instruments during the period.
- Write-offs, exchange rate effect from consolidation and other changes affecting the expected credit loss.

### Loans to customers at amortised cost (quarterly figures)

DNB Group

Amounts in NOK million	1st quarter 2021				1st quarter 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Accumulated impairment as at 31 Dec.</b>	<b>(765)</b>	<b>(1 214)</b>	<b>(12 039)</b>	<b>(14 018)</b>	<b>(306)</b>	<b>(1 042)</b>	<b>(8 905)</b>	<b>(10 252)</b>
Transfer to stage 1	(122)	121	1		(77)	62	15	
Transfer to stage 2	103	(113)	11		38	(59)	21	
Transfer to stage 3	1	17	(18)		0	58	(58)	
Originated and purchased	(82)	(84)		(166)	(97)	(124)		(221)
Increased expected credit loss	(133)	(521)	(1 218)	(1 871)	(564)	(1 363)	(3 573)	(5 500)
Decreased (reversed) expected credit loss	382	391	1 180	1 953	91	165	867	1 122
Write-offs			109	109			1 033	1 033
Derecognition	23	118	17	158	17	86	10	114
Exchange rate movements	6	5	10	21	(34)	(90)	(188)	(312)
Other								
<b>Accumulated impairment as at 31 March <sup>1)</sup></b>	<b>(587)</b>	<b>(1 280)</b>	<b>(11 948)</b>	<b>(13 815)</b>	<b>(933)</b>	<b>(2 306)</b>	<b>(10 777)</b>	<b>(14 016)</b>

### Financial commitments (quarterly figures)

DNB Group

Amounts in NOK million	1st quarter 2021				1st quarter 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Accumulated impairment as at 31 Dec.</b>	<b>(284)</b>	<b>(566)</b>	<b>(601)</b>	<b>(1 451)</b>	<b>(146)</b>	<b>(667)</b>	<b>(543)</b>	<b>(1 357)</b>
Transfer to stage 1	(45)	45			(32)	29	3	
Transfer to stage 2	29	(29)			29	(30)	1	(0)
Transfer to stage 3		6	(6)		0	64	(64)	
Originated and purchased	(33)	(12)		(45)	(54)	(7)		(61)
Increased expected credit loss	(27)	(109)	(213)	(349)	(218)	(926)	(785)	(1 928)
Decreased (reversed) expected credit loss	133	77	130	340	47	34	279	359
Derecognition	3	67		69	0	27		28
Exchange rate movements	2	1		3	(11)	(107)	(1)	(119)
Other								
<b>Accumulated impairment as at 31 March <sup>1)</sup></b>	<b>(222)</b>	<b>(520)</b>	<b>(690)</b>	<b>(1 432)</b>	<b>(386)</b>	<b>(1 583)</b>	<b>(1 110)</b>	<b>(3 079)</b>

1) On 1 January 2021, DNB introduced a new definition of default. According to the new definition for customers in probation after default, the effect on expected credit loss was not significant as at 31 March 2021.

## Note 6 Loans and financial commitments to customers by industry segment

### Loans to customers as at 31 March 2021

Amounts in NOK million	Gross carrying amount	Accumulated impairment			DNB Group	
		Stage 1	Stage 2	Stage 3	Loans at fair value	Total
Bank, insurance and portfolio management	68 569	(18)	(27)	(266)		68 258
Commercial real estate	201 341	(87)	(62)	(372)	90	200 910
Shipping	41 037	(41)	(143)	(289)		40 565
Oil, gas and offshore	53 875	(70)	(334)	(7 225)		46 246
Power and renewables	33 407	(26)	(5)	(237)		33 138
Healthcare	14 610	(4)	(0)			14 605
Public sector	10 215	(15)	(0)	(0)		10 199
Fishing, fish farming and farming	52 270	(44)	(54)	(159)	109	52 122
Retail industries	36 858	(32)	(51)	(428)	8	36 355
Manufacturing	34 946	(31)	(61)	(82)		34 772
Technology, media and telecom	21 048	(16)	(11)	(20)	0	21 001
Services	81 173	(54)	(99)	(1 070)	20	79 970
Residential property	101 859	(30)	(24)	(163)	252	101 893
Personal customers	830 002	(80)	(175)	(440)	52 718	882 025
Other corporate customers	65 084	(39)	(234)	(1 197)	11	63 625
<b>Total <sup>1)</sup></b>	<b>1 646 292</b>	<b>(587)</b>	<b>(1 280)</b>	<b>(11 948)</b>	<b>53 208</b>	<b>1 685 685</b>

1) Of which NOK 53 930 million in repo trading volumes.

### Loans to customers as at 31 March 2020

Amounts in NOK million	Gross carrying amount	Accumulated impairment			DNB Group	
		Stage 1	Stage 2	Stage 3	Loans at fair value	Total
Bank, insurance and portfolio management	96 209	(29)	(15)	(382)		95 783
Commercial real estate	187 292	(127)	(91)	(368)	143	186 850
Shipping	56 399	(78)	(172)	(288)		55 862
Oil, gas and offshore	75 623	(76)	(913)	(6 421)		68 212
Power and renewables	33 865	(27)	(6)	(44)		33 787
Healthcare	28 885	(50)	(8)			28 828
Public sector	14 818	(7)	(0)	(0)		14 811
Fishing, fish farming and farming	50 402	(26)	(39)	(148)	158	50 347
Retail industries	44 043	(30)	(82)	(562)	55	43 425
Manufacturing	45 035	(46)	(73)	(278)	19	44 658
Technology, media and telecom	29 200	(68)	(19)	(31)	24	29 106
Services	77 150	(71)	(138)	(707)	180	76 415
Residential property	91 762	(41)	(45)	(99)	374	91 951
Personal customers	794 338	(200)	(502)	(689)	58 209	851 157
Other corporate customers	73 738	(56)	(203)	(761)	72	72 790
<b>Total <sup>1)</sup></b>	<b>1 698 760</b>	<b>(933)</b>	<b>(2 306)</b>	<b>(10 777)</b>	<b>59 236</b>	<b>1 743 981</b>

1) Of which NOK 60 227 million in repo trading volumes.

## Note 6      Loans and financial commitments to customers by industry segment (continued)

### Financial commitments as at 31 March 2021

<i>Amounts in NOK million</i>	Maximum exposure	Accumulated impairment			DNB Group Total
		Stage 1	Stage 2	Stage 3	
Bank, insurance and portfolio management	38 551	(10)	(3)	(0)	38 538
Commercial real estate	29 718	(12)	(2)	(3)	29 702
Shipping	7 339	(8)	(5)		7 327
Oil, gas and offshore	45 886	(48)	(282)	(226)	45 330
Power and renewables	34 233	(23)	(5)		34 205
Healthcare	25 453	(5)	(0)		25 447
Public sector	9 385	(0)	(0)		9 385
Fishing, fish farming and farming	14 350	(10)	(8)	(2)	14 330
Retail industries	33 072	(16)	(15)	(14)	33 028
Manufacturing	49 548	(18)	(40)	(2)	49 489
Technology, media and telecom	19 819	(9)	(7)	(0)	19 804
Services	28 295	(19)	(16)	(14)	28 246
Residential property	37 524	(16)	(2)	(7)	37 499
Personal customers	293 934	(13)	(37)	(75)	293 809
Other corporate customers	35 299	(15)	(100)	(349)	34 835
<b>Total</b>	<b>702 405</b>	<b>(222)</b>	<b>(520)</b>	<b>(690)</b>	<b>700 973</b>

### Financial commitments as at 31 March 2020

<i>Amounts in NOK million</i>	Maximum exposure	Accumulated impairment			DNB Group Total
		Stage 1	Stage 2	Stage 3	
Bank, insurance and portfolio management	37 182	(21)	(4)	(0)	37 157
Commercial real estate	22 397	(15)	(6)	(3)	22 372
Shipping	8 809	(10)	(50)	(2)	8 747
Oil, gas and offshore	60 464	(69)	(1 093)	(478)	58 825
Power and renewables	32 221	(9)	(22)		32 190
Healthcare	25 204	(25)	(0)		25 178
Public sector	10 727	(0)	(0)		10 726
Fishing, fish farming and farming	16 780	(8)	(2)	(7)	16 764
Retail industries	28 260	(15)	(47)	(35)	28 164
Manufacturing	53 791	(30)	(87)	(7)	53 668
Technology, media and telecom	20 320	(32)	(8)		20 279
Services	26 863	(28)	(48)	(65)	26 722
Residential property	38 130	(15)	(10)	(2)	38 102
Personal customers	255 972	(83)	(89)	1	255 801
Other corporate customers	39 414	(25)	(117)	(512)	38 760
<b>Total</b>	<b>676 533</b>	<b>(386)</b>	<b>(1 583)</b>	<b>(1 110)</b>	<b>673 455</b>

## Note 7 Financial instruments at fair value

	DNB 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
<i>Amounts in NOK million</i>				
<b>Assets as at 31 March 2021</b>				
Loans to customers			53 208	53 208
Commercial paper and bonds	49 345	284 100	333	333 778
Shareholdings	4 699	19 901	10 908	35 508
Financial assets, customers bearing the risk		122 659		122 659
Financial derivatives	744	133 263	1 580	135 587
<b>Liabilities as at 31 March 2021</b>				
Deposits from customers		11 905		11 905
Debt securities issued		21 167		21 167
Subordinated loan capital		174		174
Financial derivatives	894	125 424	1 285	127 603
Other financial liabilities <sup>1)</sup>	4 104		0	4 104

	DNB 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
<i>Amounts in NOK million</i>				
<b>Assets as at 31 March 2020</b>				
Loans to customers			59 236	59 236
Commercial paper and bonds	29 964	300 654	284	330 901
Shareholdings	4 040	11 272	8 153	23 465
Financial assets, customers bearing the risk		84 791		84 791
Financial derivatives	1 326	232 637	3 214	237 176
<b>Liabilities as at 31 March 2020</b>				
Deposits from customers		22 903		22 903
Debt securities issued		20 036		20 036
Subordinated loan capital		169		169
Financial derivatives	947	198 373	2 510	201 831
Other financial liabilities <sup>1)</sup>	8 316			8 316

1) Short positions, trading activities.

For a further description of the instruments and valuation techniques, see the annual report for 2020.

## Note 7 Financial instruments at fair value (continued)

### Financial instruments at fair value, level 3

	Financial assets				DNB Group
					Financial liabilities
	Loans to customers	Commercial paper and bonds	Share-holdings	Financial derivatives	Financial derivatives
<i>Amounts in NOK million</i>					
<b>Carrying amount as at 31 December 2019</b>	<b>61 178</b>	<b>356</b>	<b>7 018</b>	<b>1 868</b>	<b>1 536</b>
Net gains recognised in the income statement	729	(67)	390	1 166	809
Additions/purchases	3 618	309	853	197	192
Sales		(214)	(106)		
Settled	(6 398)			(45)	(47)
Transferred from level 1 or level 2		68			
Transferred to level 1 or level 2		(238)	(2)		
Other	109	70	0	28	22
<b>Carrying amount as at 31 March 2020</b>	<b>59 236</b>	<b>284</b>	<b>8 153</b>	<b>3 214</b>	<b>2 510</b>
<b>Carrying amount as at 31 December 2020</b>	<b>55 372</b>	<b>283</b>	<b>10 787</b>	<b>1 877</b>	<b>1 513</b>
Net gains recognised in the income statement	(616)		(152)	(298)	(223)
Additions/purchases	2 604	253	724	132	120
Sales		(161)	(447)		
Settled	(4 082)			(131)	(125)
Transferred from level 1 or level 2		53			
Transferred to level 1 or level 2		(113)	(3)		
Other	(71)	19	(0)		
<b>Carrying amount as at 31 March 2021</b>	<b>53 208</b>	<b>333</b>	<b>10 908</b>	<b>1 580</b>	<b>1 285</b>

### Sensitivity analysis, level 3

An increase in the discount rate on fixed-rate loans by 10 basis points will decrease the fair value by NOK 159 million. The effects on other Level 3 financial instruments are insignificant.

## Note 8 Debt securities issued, senior non-preferred bonds and subordinated loan capital

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

### Debt securities issued 2021

	Balance sheet 31 March 2021	Issued 2021	Matured/ redeemed 2021	Exchange rate movements 2021	Other changes 2021	DNB Group Balance sheet 31 Dec. 2020
<i>Amounts in NOK million</i>						
Commercial papers issued, nominal amount	212 890	285 844	(195 135)	(15 750)		137 931
Bond debt, nominal amount <sup>1)</sup>	147 556	393	(22 567)	(3 960)		173 690
Covered bonds, nominal amount <sup>1)</sup>	417 776	15 973	(19 551)	(14 124)		435 479
Value adjustments	22 237				(8 492)	30 729
<b>Debt securities issued</b>	<b>800 460</b>	<b>302 210</b>	<b>(237 253)</b>	<b>(33 834)</b>	<b>(8 492)</b>	<b>777 829</b>

1) Minus own bonds. The total nominal amount of outstanding covered bonds in DNB Boligkreditt was NOK 347.3 billion as at 31 March 2021. The market value of the cover pool represented NOK 685.5 billion.

### Debt securities issued 2020

	Balance sheet 31 March 2020	Issued 2020	Matured/ redeemed 2020	Exchange rate movements 2020	Other changes 2020	DNB Group Balance sheet 31 Dec. 2019
<i>Amounts in NOK million</i>						
Commercial papers issued, nominal amount	162 137	334 166	(376 579)	16 429		188 120
Bond debt, nominal amount <sup>1)</sup>	238 261	2 275	(18 523)	33 384		221 125
Covered bonds, nominal amount <sup>1)</sup>	487 139	(1 731)	(5 859)	61 823		432 905
Value adjustments	35 492				7 473	28 019
<b>Debt securities issued</b>	<b>923 028</b>	<b>334 710</b>	<b>(400 960)</b>	<b>111 636</b>	<b>7 473</b>	<b>870 170</b>

1) Minus own bonds.

### Senior non-preferred bonds 2021

	Balance sheet 31 March 2021	Issued 2021	Matured/ redeemed 2021	Exchange rate movements 2021	Other changes 2021	DNB Group Balance sheet 31 Dec. 2020
<i>Amounts in NOK million</i>						
Senior non-preferred bonds, nominal amount	18 556	10 019		18		8 519
Value adjustments	(273)				(277)	4
<b>Senior non-preferred bonds</b>	<b>18 284</b>	<b>10 019</b>		<b>18</b>	<b>(277)</b>	<b>8 523</b>

### Subordinated loan capital and perpetual subordinated loan capital securities 2021

	Balance sheet 31 March 2021	Issued 2021	Matured/ redeemed 2021	Exchange rate movements 2021	Other changes 2021	DNB Group Balance sheet 31 Dec. 2020
<i>Amounts in NOK million</i>						
Term subordinated loan capital, nominal amount	25 237			(1 083)		26 320
Perpetual subordinated loan capital, nominal amount	5 595			(45)		5 640
Value adjustments	177				(182)	359
<b>Total subordinated loan capital and perpetual subordinated loan capital securities</b>	<b>31 009</b>			<b>(1 129)</b>	<b>(182)</b>	<b>32 319</b>

### Subordinated loan capital and perpetual subordinated loan capital securities 2020

	Balance sheet 31 March 2020	Issued 2020	Matured/ redeemed 2020	Exchange rate movements 2020	Other changes 2020	DNB Group Balance sheet 31 Dec. 2019
<i>Amounts in NOK million</i>						
Term subordinated loan capital, nominal amount	28 539			3 596		24 943
Perpetual subordinated loan capital, nominal amount	6 933			1 158		5 774
Value adjustments	277				(101)	378
<b>Total subordinated loan capital and perpetual subordinated loan capital securities</b>	<b>35 749</b>			<b>4 754</b>	<b>(101)</b>	<b>31 095</b>

## Note 9      Contingencies

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

In December 2020, DNB received a preliminary report from Finanstilsynet following an ordinary AML inspection in February 2020. According to the report, DNB had not been complicit in money laundering, but Finanstilsynet criticised the bank for inadequate compliance with the Norwegian Anti-Money Laundering Act. On the basis of this criticism, Finanstilsynet wrote in a preliminary report that it is considering imposing an administrative fine of NOK 400 million on the bank. This constitutes about 7 per cent of the maximum amount Finanstilsynet is at liberty to impose, and 0.7 per cent of DNB's annual turnover. The maximum administrative fine it is possible to impose corresponds to 10 per cent of a company's annual turnover. A provision of NOK 400 million was booked in the fourth quarter of 2020.

# DNB ASA

## Income statement

	DNB ASA		
	1st quarter 2021	1st quarter 2020	Full year 2020
<i>Amounts in NOK million</i>			
Interest income, amortised cost	3	14	19
Interest expenses, amortised cost	(93)	(170)	(471)
<b>Net interest income</b>	<b>(91)</b>	<b>(157)</b>	<b>(452)</b>
Commissions and fees payable	(2)	(1)	(5)
Other income		1 216	(10 855)
<b>Net other operating income</b>	<b>(2)</b>	<b>1 215</b>	<b>(10 860)</b>
<b>Total income</b>	<b>(92)</b>	<b>1 059</b>	<b>(11 312)</b>
Other expenses	(72)	(66)	(271)
<b>Total operating expenses</b>	<b>(72)</b>	<b>(66)</b>	<b>(271)</b>
<b>Pre-tax operating profit</b>	<b>(164)</b>	<b>992</b>	<b>(11 583)</b>
Tax expense	41	64	(0)
<b>Profit for the period</b>	<b>(123)</b>	<b>1 057</b>	<b>(11 584)</b>
Earnings/diluted earnings per share (NOK)	(0.08)	0.67	(7.28)
Earnings per share excluding operations held for sale (NOK)	(0.08)	0.67	(7.28)

## Balance sheet

	DNB ASA		
	31 March 2021	31 Dec. 2020	31 March 2020
<i>Amounts in NOK million</i>			
<b>Assets</b>			
Due from DNB Bank ASA	1 141	1 779	1 829
Investments in associated companies	6 714	6 714	6 714
Investments in subsidiaries	74 163	74 163	74 257
Receivables due from group companies	1 342	13 820	26 981
Other assets	43	1	64
<b>Total assets</b>	<b>83 403</b>	<b>96 477</b>	<b>109 846</b>
<b>Liabilities and equity</b>			
Short-term amounts due to DNB Bank ASA	11	9	16
Other liabilities and provisions		13 023	14 035
Long-term amounts due to DNB Bank ASA	23 658	23 587	22 652
<b>Total liabilities</b>	<b>23 668</b>	<b>36 619</b>	<b>36 703</b>
Share capital	15 504	15 504	15 605
Share premium	22 556	22 556	22 556
Other equity	21 675	21 798	34 981
<b>Total equity</b>	<b>59 735</b>	<b>59 858</b>	<b>73 143</b>
<b>Total liabilities and equity</b>	<b>83 403</b>	<b>96 477</b>	<b>109 846</b>

## Statement of changes in equity

	DNB ASA			
	Share capital	Share premium	Other equity	Total equity
<i>Amounts in NOK million</i>				
<b>Balance sheet as at 31 December 2019</b>	<b>15 706</b>	<b>22 556</b>	<b>35 406</b>	<b>73 668</b>
Profit for the period			1 057	1 057
Repurchased under share buy-back programme	(100)		(1 481)	(1 581)
<b>Balance sheet as at 31 March 2020</b>	<b>15 605</b>	<b>22 556</b>	<b>34 981</b>	<b>73 143</b>
<b>Balance sheet as at 31 December 2020</b>	<b>15 504</b>	<b>22 556</b>	<b>21 798</b>	<b>59 858</b>
Profit for the period			(123)	(123)
<b>Balance sheet as at 31 March 2021</b>	<b>15 504</b>	<b>22 556</b>	<b>21 675</b>	<b>59 735</b>

## Basis for preparation

DNB ASA has prepared the financial statements according to the Norwegian Ministry of Finance's regulations on annual accounts. A description of the accounting principles applied by the company when preparing the financial statements appear in note 1 Accounting principles in the annual report for 2020.

# Information about the DNB Group

## Head office DNB ASA

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Organisation number	Register of Business Enterprises NO 981 276 957 MVA

## Board of Directors in DNB ASA

Olaug Svarva, Chair of the Board  
Svein Richard Brandtzæg, Vice Chair of the Board  
Gro Bakstad  
Lillian Hattrem  
Jens Petter Olsen  
Stian Tegler Samuelsen  
Jaan Ivar Semlitsch

## Group Management

Kjerstin R. Braathen	Group Chief Executive Officer (CEO)
Ottar Ertzeid	Group Chief Financial Officer (CFO)
Ingjerd Blekeli Spiten	Group Executive Vice President of Personal Banking
Harald Serck-Hanssen	Group Executive Vice President of Corporate Banking
Håkon Hansen	Group Executive Vice President of Wealth Management
Alexander Opstad	Group Executive Vice President of Markets
Rasmus Figenschou	Group Executive Vice President of Payments & Innovation
Mirella E. Grant	Group Chief Compliance Officer (CCO)
Ida Lerner	Group Chief Risk Officer (CRO)
Maria Ervik Løvold	Group Executive Vice President of Technology & Services
Øystein Torbal	Acting Group Executive Vice President of People
Thomas Midteide	Group Executive Vice President of Communications & Sustainability

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## Financial calendar 2021

13 July	Q2 2021
21 October	Q3 2021

## Financial calendar 2022

10 February	Q4 2021
10 March	Annual report 2021
26 April	Annual General Meeting
27 February	Ex-dividend date
As of 5 May	Distribution of dividends
28 April	Q1 2022
12 July	Q2 2022
20 October	Q3 2022

## Other sources of information

### Annual and quarterly reports

Separate annual and quarterly reports are prepared for the DNB Bank Group, DNB Boligkreditt and DNB Livsforsikring. The reports and the Factbook are available on [ir.dnb.no](http://ir.dnb.no). Annual and quarterly reports can be ordered by sending an e-mail to Investor Relations.

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**We are here.  
So you can stay ahead.**

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