



Results DNB Group

First quarter 2022

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

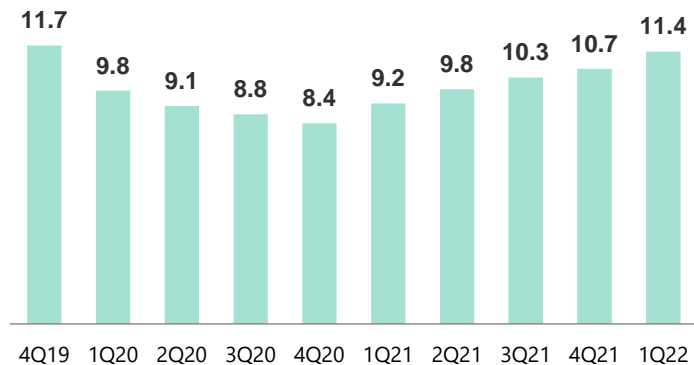
Q1

Sbanken included in balance sheet figures as of 31 March 2022, but not in average balance sheet or profit figures for the quarter.

Continued strong results and solid asset quality

Return on equity

Per cent, trailing 12-month figures



Profit for the period
NOK billion

7.6

CET1 capital ratio
Per cent

18.1

Return on equity (ROE) of 12.9 per cent in the quarter

Strong performance in the customer segments and net reversals of impairment provisions

Net interest income (NII) up 13.2 per cent from 1Q21 and 1.6 from 4Q21

Driven by repricing and volume growth

Net commissions and fees up 8.1 per cent from 1Q21

Strong performance across product areas

Net reversals of impairment provisions

Reflecting successful restructuring of customer-specific cases in stage 3 and an overall robust portfolio

Earnings per share (EPS) up 29 per cent from 1Q21

EPS of NOK 4.71 for the quarter

Sbanken and DNB – above all a good fit



The acquisition of Sbanken approved 16 March 2022

Sbanken to remain separate entity until further details are in place

Sbanken showed strong growth in the quarter

Loans to customers increased by 5.6 per cent

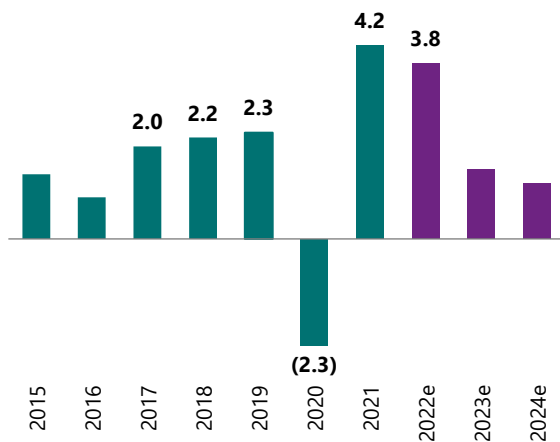
Determined to create the best digital customer experiences

Combining two institutions with leading tech and innovation capabilities

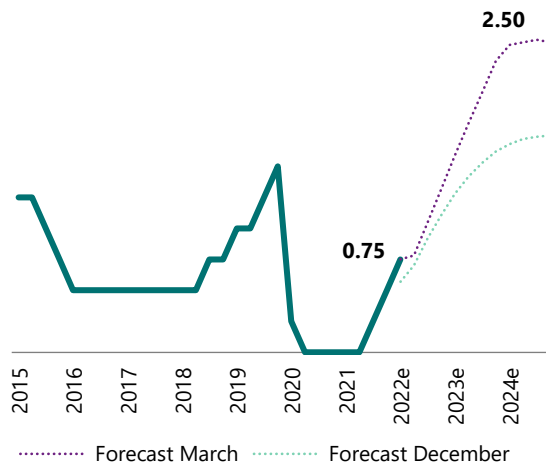
High activity in the Norwegian economy

- High activity level in Norwegian economy, society fully reopened since February 2022
- Unemployment back at pre-pandemic level, demonstrating high activity level in the economy
- Three rate hikes already implemented – Norges Bank forecasts seven additional rate hikes before the end of 2023

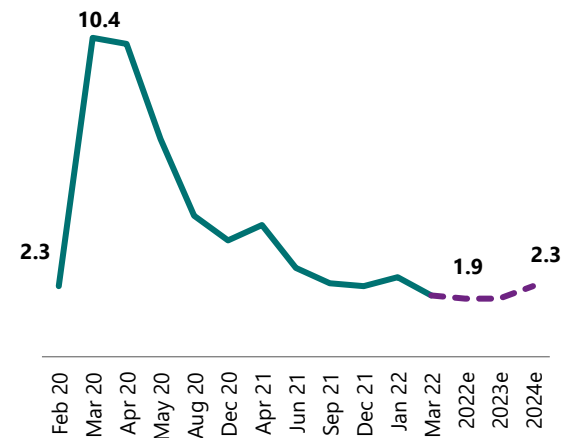
Mainland GDP growth
YoY, per cent



Key policy rate
Per cent



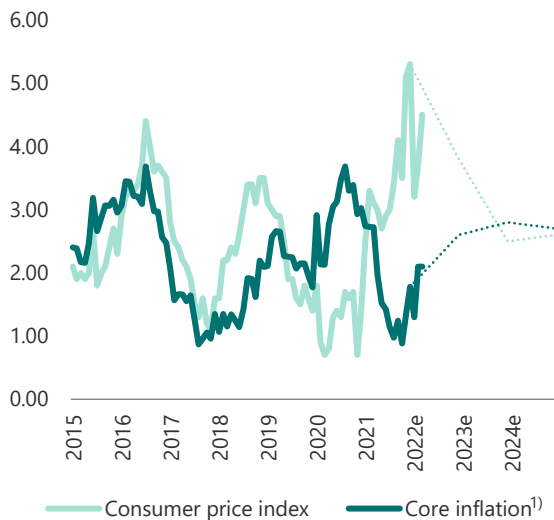
Registered unemployment
Full-time unemployment, per cent



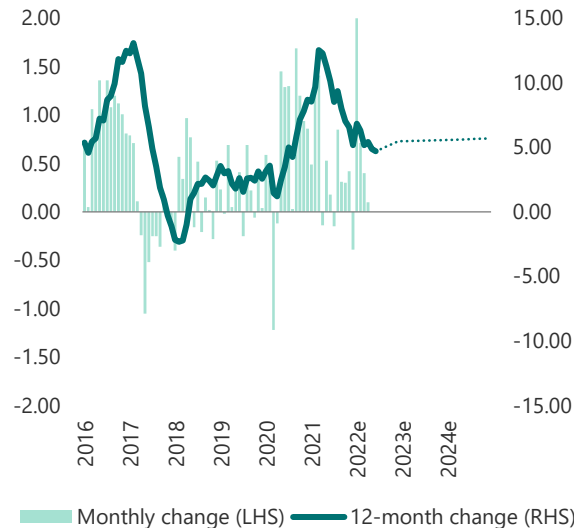
Resilient and robust Norwegian economy

- Global inflation expected to rise due to higher energy and utility prices – Norwegian core inflation still at healthy level
- Norwegian housing prices expected to grow moderately going forward
- Investment activity expected to increase

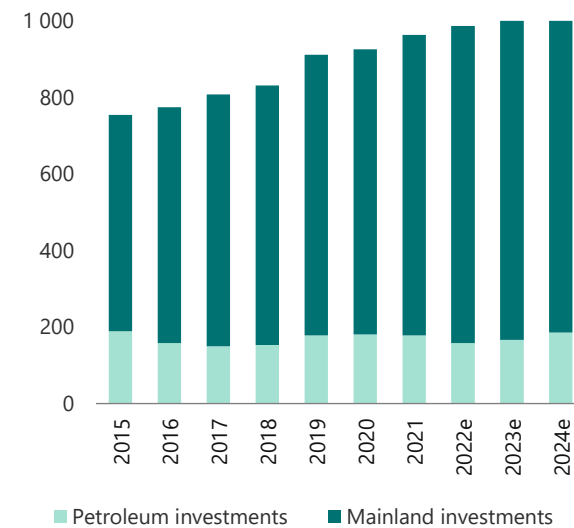
Core inflation at a healthy level
Consumer price index and core inflation, per cent



Housing prices
Seasonally adjusted, per cent



Investments in Norway
NOK billion (constant 2021 prices)

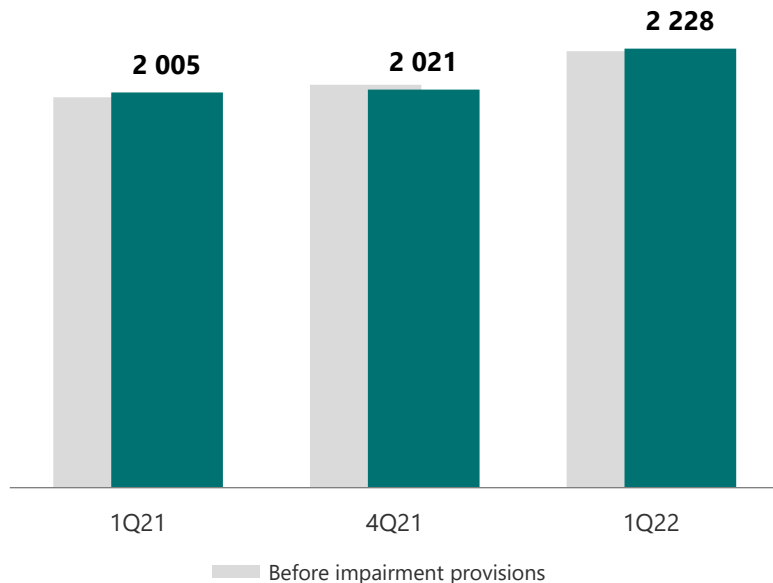


1) Core inflation, excluding energy and utility prices.
Sources: DNB Markets, Norges Bank, Norwegian Ministry of Finance.

Personal customers – strong net interest income and further growth in deposits

Pre-tax operating profit

NOK million

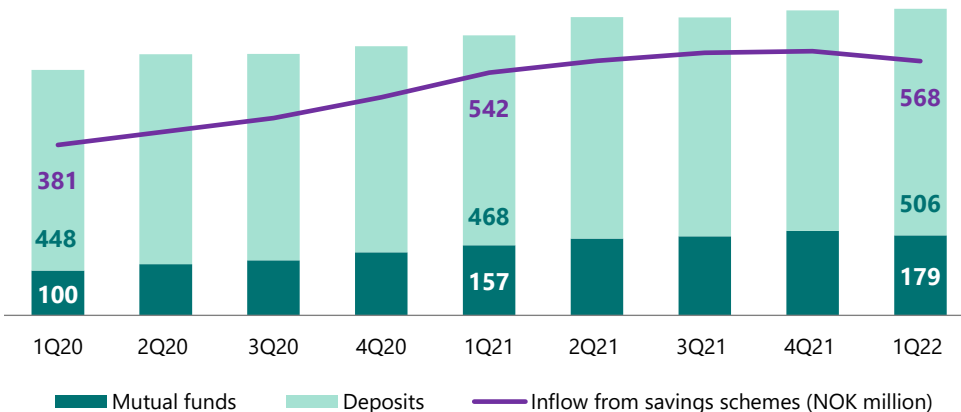


Highlights in the quarter

- Pre-tax operating profit up 10.3 per cent from 4Q21
- Net interest income up 5.3 per cent, primarily driven by repricing of customer loans and deposits
- Stable development in inflow from savings schemes – demonstrates their resilience

Solid development in savings

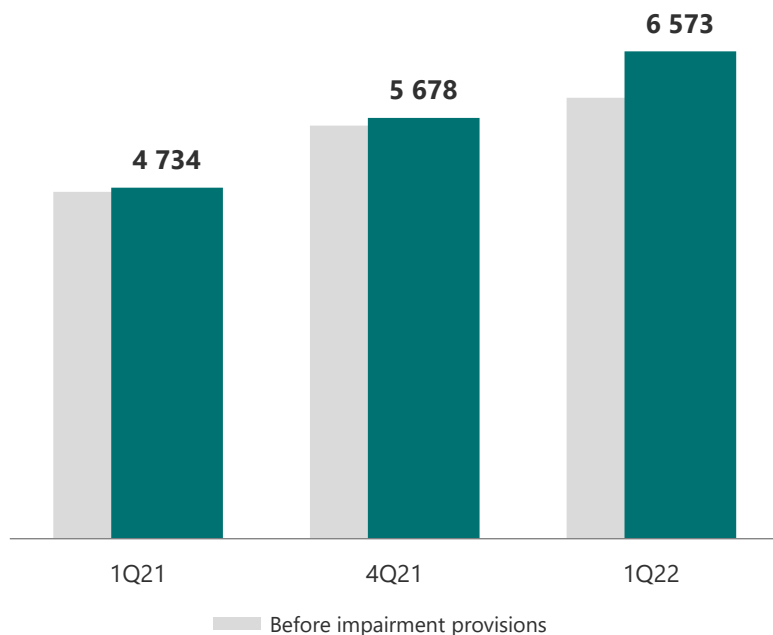
Savings volumes at end of period, NOK billion



Corporate customers – high customer activity and successful restructurings

Pre-tax operating profit

NOK million

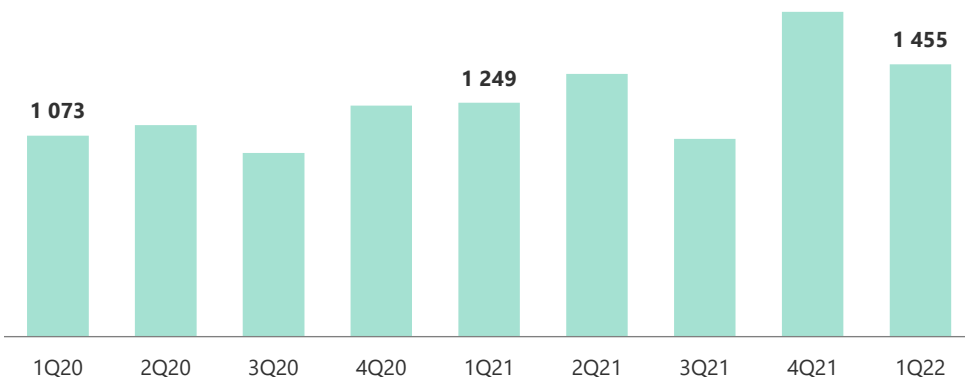


Highlights in the quarter

- Pre-tax operating profit up 15.8 per cent from 4Q21 – strong performance across all industry segments
- Strong and diversified income from Markets, up 16.5 per cent from 1Q21
- Reversals of impairment provisions as a result of successful restructurings

Income from Markets products

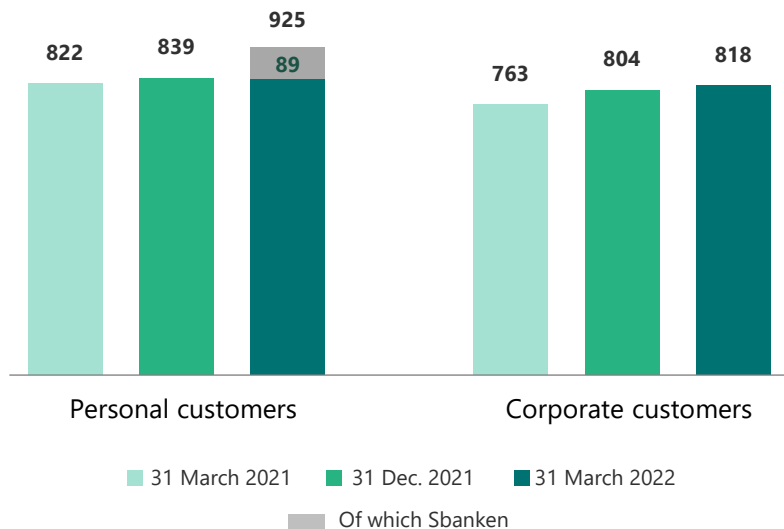
NOK million



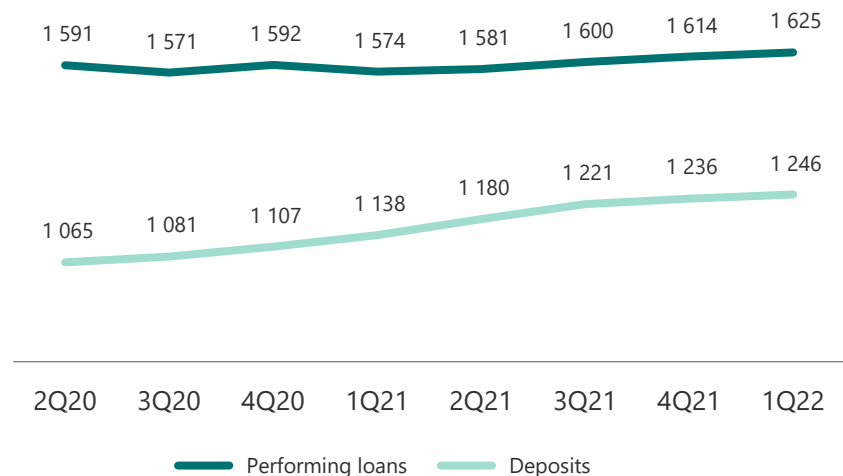
Solid growth in loans and deposits in the customer segments

- Loan growth of 1.1 per cent¹⁾ in the quarter – healthy growth in Corporate customers and stable in Personal customers
- Growth in deposits of 0.5 per cent¹⁾ – solid growth in Personal customers, partly offset by a seasonal decrease in Corporate customers
- Ambition of annual organic loan growth of 3-4 per cent stands firm

Loans per customer segment
NOK billion



Average loans and deposits in the customer segments
NOK billion

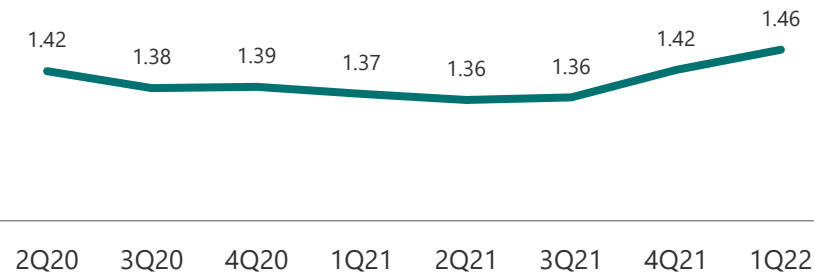


1) Currency-adjusted, excluding Sbanken.

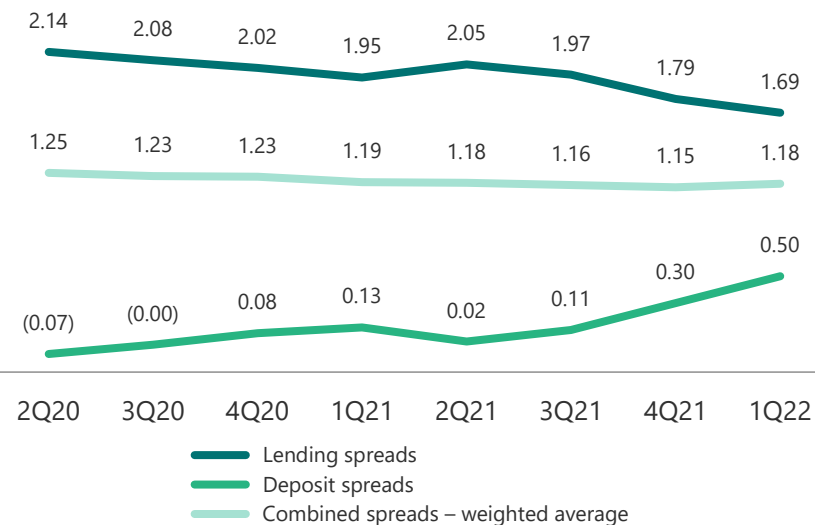
Net interest margin up 4 basis points

- Spreads on lending and deposits affected by increase in average NOK money market rates and repricing
- Combined spreads relatively stable

Net interest margin¹⁾
Per cent



Spreads in customer segments
Per cent

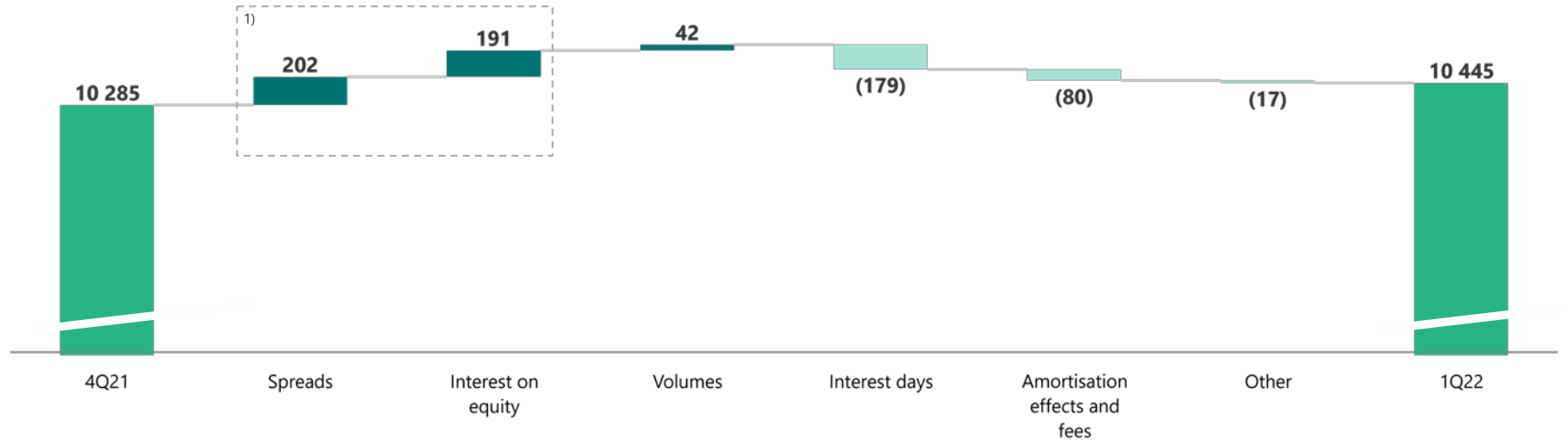


1) Total net interest income relative to average loans and deposits in the customer segments.

Net interest income up 1.6 per cent

- Full effect of the customer repricing implemented mid-November 2021 and partial effect of the repricing from end-January 2022
- Norges Bank increased key policy rate from 0.50 to 0.75 per cent in March
- DNB announced repricing of loans and deposits with effect from mid-May 2022

Net interest income from 4Q21 to 1Q22 NOK million

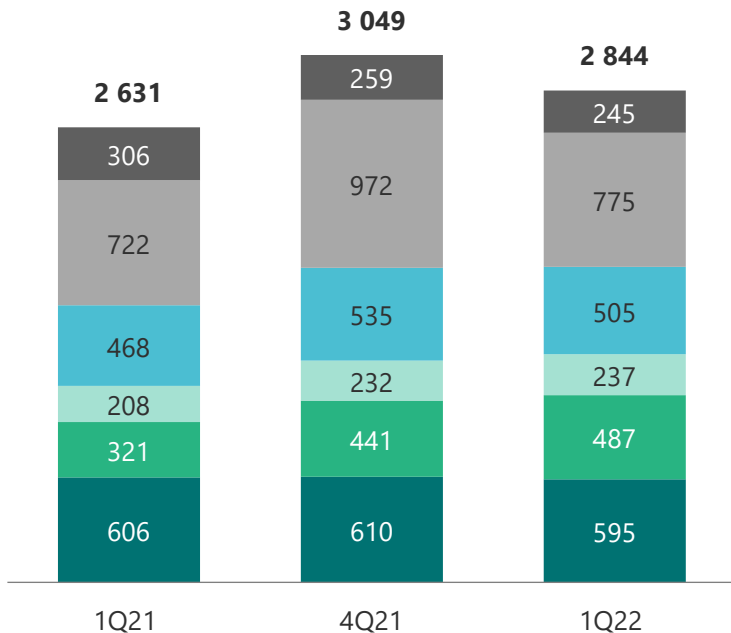


1) Effect of customer repricing and increased NOK money market rates.

Commissions and fees up 8.1 per cent from 1Q21 – all-time high first quarter

Commissions and fees

NOK million / Change in per cent from 1Q21



- 19.9** **Real estate broking**
 Results primarily affected by fewer objects for sale in the quarter
- +7.3** **Investment banking services**
 Continued strong performance from Markets – high activity in mergers and acquisitions
- +8.0** **Asset management and custodial services**
 Positive development and underlying growth, assets under management up 6.3 per cent from 1Q21
- +13.7** **Guarantee commissions**
 Increased demand for trade finance products
- +51.7** **Money transfer and banking services**
 Positive effect from increased activity
- 1.8** **Sale of insurance products**
 Positive contribution from non-life insurance (Fremtind) offset by reduced income from guaranteed pension products in run-off

Low expenses in the quarter

- Variable salaries, fees and other personnel expenses affected by somewhat lower activity compared with 4Q21
- Pension expenses approximately NOK 120 million below expected long-term average

Operating expenses from 4Q21 to 1Q22 NOK million



1) The scheme is partly hedged and a corresponding loss is recognised in net gains on financial instruments with a reduction from 4Q21 of NOK 103 million.

Net reversals driven by successful restructurings and robust portfolio

- 98.9 per cent of the portfolio in stages 1 and 2 – reflecting a robust and well-diversified portfolio
- Reversals in stage 3 driven by successful restructurings of customer-specific cases in stage 3

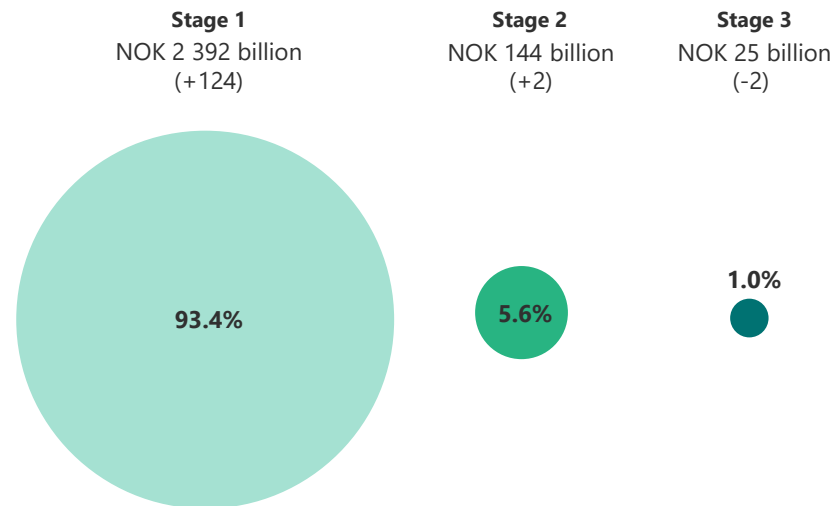
Impairment of financial instruments by industry segment

NOK million (excluding Sbanken)

	1Q22	4Q21	1Q21
Personal customers			
- Stages 1 and 2	3	(2)	20
- Stage 3	(39)	(62)	(44)
Corporate customers			
- Stages 1 and 2	78	177	209
- Stage 3	547	(388)	(74)
Total	589	(275)	110

Maximum exposure (on- and off-balance sheet items), net of accumulated impairment provisions

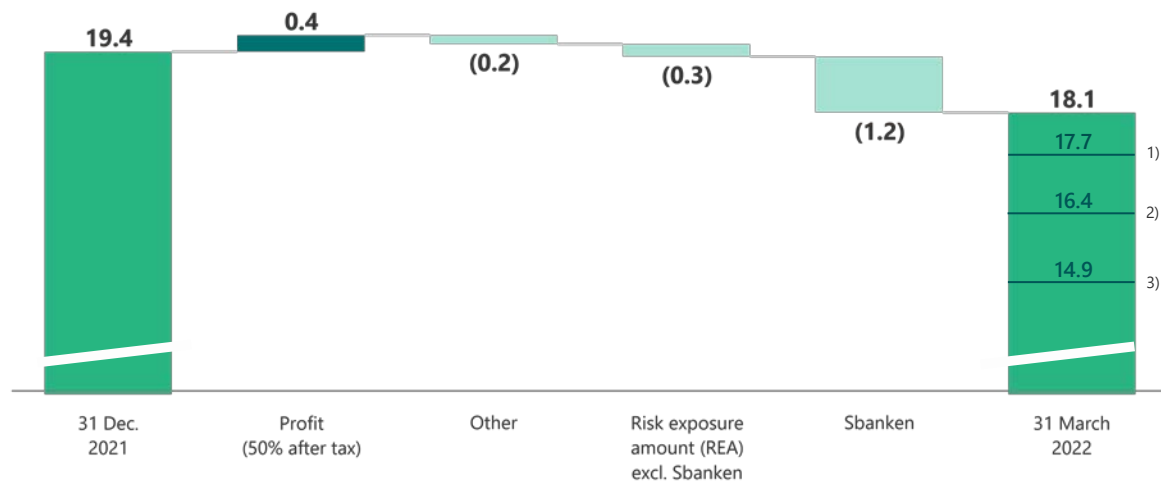
(including Sbanken)



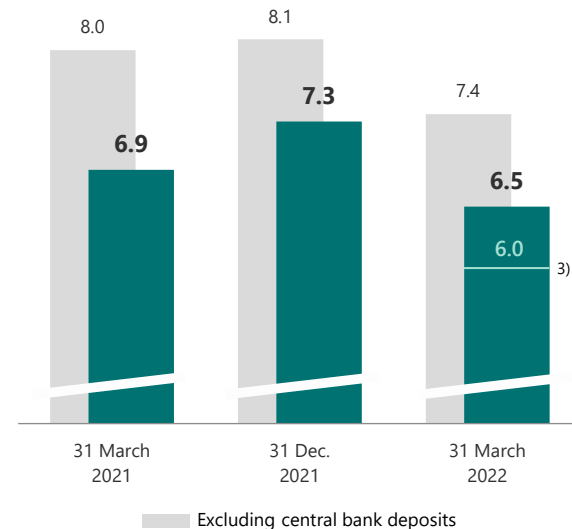
Continued strong capital position

- CET1 capital ratio reduced by close to 125 basis points as result of acquisition of Sbanken
- Financial Supervisory Authority of Norway's (FSA's) expectation increased to 17.7 per cent – portfolio mix following inclusion of Sbanken impacting counter-cyclical and systemic risk buffer requirements

CET1 capital ratio Per cent



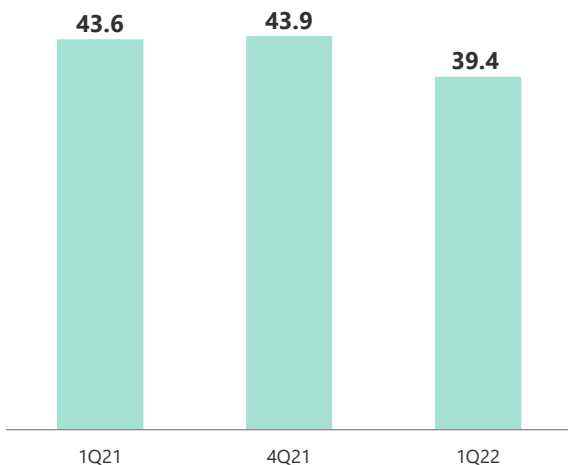
Leverage ratio Per cent



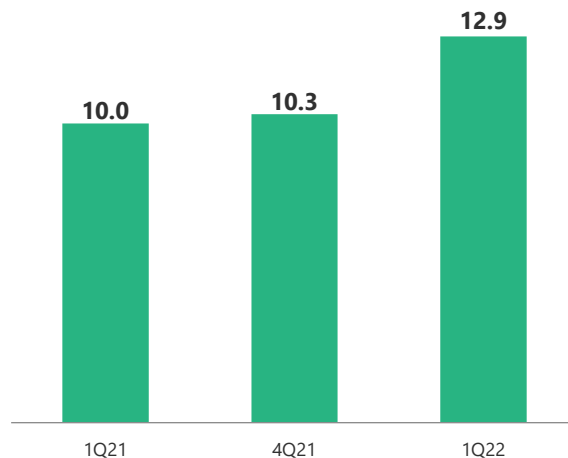
- 1) FSA's expectation including pre-pandemic counter-cyclical buffer requirements.
- 2) FSA's current expectation.
- 3) FSA's current requirement.

Strong key figures

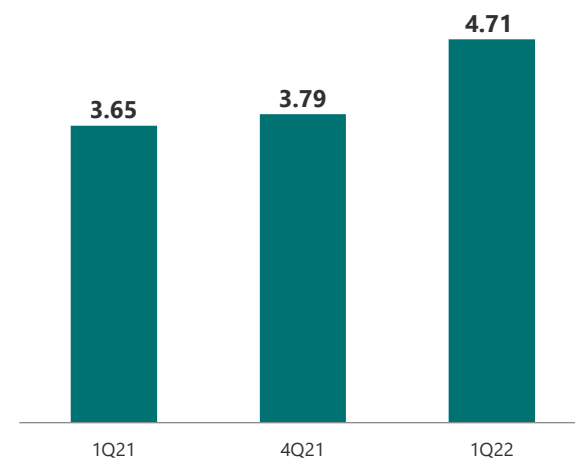
Cost income ratio
Per cent



Return on equity
Per cent



Earnings per share
NOK



Appendix

Income statement

NOK million	1Q22	4Q21	1Q21	Change from 4Q21	Change from 1Q21
Net interest income	10 445	10 285	9 230	160	1 216
Other operating income	4 695	4 348	4 116	347	579
Total income	15 141	14 633	13 346	507	1 795
Operating expenses	(5 966)	(6 427)	(5 817)	461	(149)
Pre-tax operating profit before impairment	9 175	8 206	7 528	969	1 646
Impairment of loans and guarantees and gains on assets	590	(251)	107	841	483
Pre-tax operating profit	9 765	7 955	7 636	1 810	2 130
Tax expense	(2 246)	(2 025)	(1 680)	(221)	(566)
Profit from operations held for sale, after taxes	36	225	(71)	(190)	107
Profit for the period	7 555	6 155	5 885	1 400	1 670
Portion attributable to shareholders	7 299	5 875	5 665	1 424	1 634

Other operating income

NOK million	1Q22	4Q21	1Q21	Change from 4Q21	Change from 1Q21
Net commissions and fees	2 844	3 049	2 631	(205)	213
Customer revenues in DNB Markets	626	653	502	(27)	123
Trading revenues in DNB Markets	386	2	69	383	317
Hedging of defined-benefit pension scheme	(28)	76	66	(103)	(94)
Credit spreads on bonds	(144)	(75)	153	(70)	(298)
Credit spreads on fixed-rate loans	(285)	(67)	81	(218)	(366)
CVA/DVA/FVA	48	1	241	47	(193)
Other mark-to-market adjustments	469	(110)	2	579	467
Basis swaps	629	100	(345)	529	974
Exchange rate effects on additional Tier 1 capital	(138)	125	29	(263)	(167)
Net gains on financial instruments at fair value	1 562	704	799	858	763
Net financial and risk result, life insurance	32	203	212	(171)	(180)
Profit from investments accounted for by the equity method	(15)	(6)	86	(8)	(100)
Other	272	397	389	(125)	(116)
Net other operating income, total	4 695	4 348	4 116	347	579

DISCLAIMER

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

The statements contained in this presentation may include forward-looking statements, such as statements of future expectations. These statements are based on the management's current views and assumptions and involve both known and unknown risks and uncertainties.

Although DNB believes that the expectations implied in any such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be correct.

Actual results, performance or events may differ materially from those set out or implied in the forward-looking statements. Important factors that may cause such a difference include, but are not limited to: (i) general economic conditions, (ii) performance of financial markets, including market volatility and liquidity, (iii) the extent of credit defaults, (iv) interest rate levels, (v) currency exchange rates, (vi) changes in the competitive climate, (vii) changes in laws and regulations, (viii) changes in the policies of central banks and/or foreign governments, or supranational entities.

DNB assumes no obligation to update any forward-looking statement.

This presentation contains alternative performance measures, or non-IFRS financial measures. Definitions and calculations are presented on ir.dnb.no.



Results DNB Group

First quarter 2022

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