

A large, abstract graphic in shades of teal and dark teal occupies the middle section of the page. It features smooth, flowing curves and overlapping shapes, creating a sense of depth and movement.

# Third quarter report 2022

Unaudited

# Financial highlights

## Income statement

Amounts in NOK million

	3rd quarter 2022	3rd quarter 2021	Jan.-Sept. 2022	Jan.-Sept. 2021	Full year 2021
Net interest income	12 253	9 766	34 223	28 405	38 690
Net commissions and fees	2 742	2 448	8 415	7 962	11 011
Net gains on financial instruments at fair value	706	1 585	3 892	2 916	3 621
Net financial and risk result, life insurance	83	147	14	587	790
Other operating income	344	396	1 044	1 412	1 803
Net other operating income	3 875	4 577	13 365	12 877	17 225
Total income	16 128	14 343	47 588	41 281	55 915
Operating expenses	(6 458)	(5 738)	(18 812)	(17 423)	(23 834)
Restructuring costs and non-recurring effects	(15)	(14)	(150)	(184)	(200)
Pre-tax operating profit before impairment	9 655	8 591	28 625	23 674	31 881
Net gains on fixed and intangible assets	1	0	2	(106)	(82)
Impairment of financial instruments	148	200	946	1 143	868
Pre-tax operating profit	9 803	8 791	29 573	24 712	32 667
Tax expense	(2 255)	(1 934)	(6 802)	(5 437)	(7 462)
Profit from operations held for sale, after taxes	26	26	143	(75)	150
Profit for the period	7 575	6 883	22 914	19 200	25 355

## Balance sheet

Amounts in NOK million

	30 Sept. 2022	31 Dec. 2021	30 Sept. 2021
Total assets	3 485 388	2 919 244	3 146 308
Loans to customers	1 959 268	1 744 922	1 723 214
Deposits from customers	1 470 882	1 247 719	1 233 576
Total equity	251 011	243 912	252 497
Average total assets	3 486 536	3 404 104	3 367 262
Total combined assets	3 963 986	3 463 482	3 667 016

## Key figures and alternative performance measures

	3rd quarter 2022	3rd quarter 2021	Jan.-Sept. 2022	Jan.-Sept. 2021	Full year 2021
Return on equity, annualised (per cent) <sup>1)</sup>	12.7	11.4	13.0	10.8	10.7
Earnings per share (NOK)	4.77	4.29	14.39	11.95	15.74
Combined weighted total average spreads for lending and deposits (per cent) <sup>1)</sup>	1.16	1.16	1.18	1.18	1.17
Average spreads for ordinary lending to customers (per cent) <sup>1)</sup>	1.25	1.97	1.53	1.99	1.94
Average spreads for deposits from customers (per cent) <sup>1)</sup>	1.05	0.11	0.72	0.08	0.14
Cost/income ratio (per cent) <sup>1)</sup>	40.1	40.1	39.8	42.7	43.0
Ratio of customer deposits to net loans to customers at end of period, adjusted (per cent) <sup>1)</sup>	76.7	73.9	76.7	73.9	74.2
Net loans at amortised cost and financial commitments in stage 2, per cent of net loans at amortised cost <sup>1)</sup>	8.58	9.28	8.58	9.28	8.30
Net loans at amortised cost and financial commitments in stage 3, per cent of net loans at amortised cost <sup>1)</sup>	1.32	1.63	1.32	1.63	1.55
Impairment relative to average net loans to customers at amortised cost, annualised (per cent) <sup>1)</sup>	0.03	0.05	0.07	0.09	0.05
Common equity Tier 1 capital ratio at end of period (per cent)	18.1	19.2	18.1	19.2	19.4
Leverage ratio (per cent)	6.4	6.8	6.4	6.8	7.3
Share price at end of period (NOK)	172.85	199.95	172.85	199.95	202.00
Book value per share	152.06	151.55	152.06	151.55	146.21
Price/book value <sup>1)</sup>	1.14	1.32	1.14	1.32	1.38
Dividend per share (NOK)					9.75
<b>Sustainability:</b>					
Finance and facilitate sustainable activities (NOK billion, accumulated)	345.2	159.2	345.2	159.2	220.8
Total assets invested in mutual funds with a sustainability profile (NOK billion)	25.2	26.0	25.2	26.0	28.4
Score from Traction's reputation survey in Norway (points)	60	61	60	61	63
Customer satisfaction index, CSI, personal customers in Norway (score)	72.9	72.7	73.4	73.5	73.3
Female representation at management levels 1-4 (%)	38.1	39.0	38.1	39.0	39.8

<sup>1)</sup> Defined as alternative performance measure (APM). APMs are described on [ir.dnb.no](https://ir.dnb.no).

For additional key figures and definitions, please see the Factbook on [ir.dnb.no](https://ir.dnb.no).

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

# Directors' report

The high activity levels in the Norwegian economy continued into the third quarter. The labour market remained tight during the quarter, while inflation rose rapidly. The interest rate hikes introduced by the Norwegian central bank, Norges Bank, which amounted to 1.0 percentage point in the quarter, and a restrictive monetary policy had a contractionary effect, and there were clear signs that the economy is now cooling down. At the same time, the forecasts are uncertain.

DNB's results in the period were strong, driven by profitable volume growth and repricing effects. The capital situation remained solid and the portfolio is well-diversified and robust with net reversals of impairments in the quarter. The Group is well positioned to deliver on its ambitions and goals going forward.

## Third quarter financial performance

The Group delivered strong profits in the quarter of NOK 7 575 million, an increase of NOK 692 million from the third quarter of 2021. Compared with the second quarter of 2022, profits decreased by NOK 210 million.

Earnings per share were NOK 4.77 in the quarter, compared with NOK 4.29 in the year-earlier period and NOK 4.91 in the second quarter of 2022.

The common equity Tier 1 (CET1) capital ratio was 18.1 per cent, down from 19.2 per cent a year earlier, but up from 18.0 per cent in the second quarter of 2022.

The leverage ratio was 6.4 per cent, down from 6.8 per cent in the year-earlier period, and from 6.5 per cent in the previous quarter.

Strong performance in the customer segments resulted in a return on equity (ROE) of 12.7 per cent, positively impacted by increased net interest income and net commissions and fees. The corresponding figures were 11.4 per cent in the third quarter of 2021, and 13.3 per cent in the second quarter of 2022.

Profitable volume growth and positive effects from repricing led to an increase in net interest income of NOK 2 487 million, or 25.5 per cent, from the third quarter of 2021, and NOK 728 million, or 6.3 per cent, from the previous quarter this year.

Net other operating income amounted to NOK 3 875 million in the third quarter, down NOK 702 million from the corresponding period in 2021. Net commissions and fees showed strong performance with an all-time high third quarter result, and were up NOK 294 million from the corresponding quarter last year. Compared with the second quarter of 2022, net other operating income was down NOK 919 million, mainly due to negative mark-to-market effects on equity investments.

Operating expenses amounted to NOK 6 473 million in the third quarter, up NOK 721 million from the corresponding period a year earlier. This was mainly due to a greater number of full-time employees as a result of the acquisition of Sbanken. Compared with the previous quarter, the operating expenses were at the same level.

Impairment of financial instruments showed net reversals of NOK 148 million in the third quarter. This was a decrease in net reversals of NOK 53 million and NOK 61 million compared with the third quarter of 2021 and the second quarter of 2022, respectively. The net reversals in the quarter were mainly driven by reversals in stage 3 in the corporate customers segment within the oil, gas and offshore industry segment.

## Sustainability

In the third quarter, DNB Markets reached an important milestone, as 2022 to date has proven to be a new record year for DNB's activities in the sustainable bond market. So far this year, every fifth

Norwegian krone DNB has helped to raise in the bond market has had a sustainable label.

Furthermore, in this quarter, it was announced that customers using DNB Regnskap will gain access to an integrated, fully automated carbon accounting service through third-party provider Energi.AI. The service will provide customers with an efficient tool for converting financial data into a climate footprint. In the same vein, DNB Ventures announced that DNB is becoming the main investor in the latest capital raising of NOK 20 million by the startup company Celsia, which develops software that simplifies sustainability reporting, focusing on the EU taxonomy. Celsia has previously been part of the DNB NXT accelerator programme.

DNB's own sustainability reporting was given the top score (A) for the second year running in the annual analysis of the ESG reporting of the 100 largest companies on Oslo Børs (the Oslo Stock Exchange) performed by sustainability consultancy Position Green. To further strengthen the Group's climate reporting, DNB joined the Partnership for Carbon Accounting Financials (PCAF) in the third quarter. PCAF is a global cooperation between financial institutions to harmonise the measurement of and reporting on financed emissions. The membership will give DNB access to tools and methods to enhance the Group's efforts to mitigate transition risk, improve ESG data collection, and report on climate targets.

Once more, DNB's work on gender diversity in management teams was acknowledged in research published by DBRS Morningstar in the third quarter. The research, based on data from 43 European banks, showed, among other things, that DNB was the only institution to have women in the positions of Group Chief Executive Officer and Chair of the Board.

On the regulatory side, the Norwegian Transparency Act entered into force on 1 July. The Act requires large Norwegian companies to carry out due diligence activities to ensure respect for human rights and decent working conditions, and introduces related transparency requirements. DNB is well prepared to meet the requirements of the Act, and has, among other things, launched a web page that sums up the Group's work on human rights to meet the transparency requirements under the Act.

As of 30 September, DNB has facilitated a cumulative total of NOK 345 billion in sustainable financing volumes, and is on track to reach the target of NOK 1 500 billion by 2030. With regard to DNB Asset Management's target of NOK 200 billion in assets in mutual funds with a sustainability profile by 2025, NOK 25.2 billion has been invested as of September 30.

## Other events in the third quarter

The merger plan with Sbanken was signed in the third quarter. Furthermore, DNB decided to submit an application to keep the Sbanken brand in addition to the DNB brand.

DNB NXT, a meeting place for startups, growth companies and investors, was held on 29 September for the seventh year in a row. The main event, which was held in Oslo, had 35 external speakers, over 1 000 physical attendees, and more than 4 000 digital viewers. The event also included 'Oslo Innovation Week – 100 pitches', where startup companies competed to make the best pitch and win NOK 200 000. The pitch competition had 280 registered companies, both Norwegian and international.

On 22 September, DNB was awarded 'the Stockman Prize' in two categories: open class and best investor relations team. The Stockman Prize is awarded to listed companies in Norway that set themselves apart in the way they provide ongoing updates and engage in their financial reporting.

In September, DNB Markets achieved a first-place ranking in the annual Prospera benchmarking for 2021, in the category Back Office FI, FX & Derivatives, both in Norway and in the Nordics.

Following the decisions made in the third quarter by the Norwegian central bank, Norges Bank, to raise the key policy rate twice by a total of 1.0 percentage point to 2.25 per cent, DNB decided to increase its interest rate on mortgages by up to 1.0 percentage point in the same period.

In Traction's reputation survey for the third quarter of 2022, DNB scored 60 points. The goal is a result over 65 points, indicating that DNB is a well-liked bank.

## Financial performance in the three first quarters

DNB recorded profits of NOK 22 914 million in the first three quarters of 2022, up NOK 3 714 million from the previous year. Return on equity was 13.0 per cent, compared with 10.8 per cent in the year-earlier period, and earnings per share were NOK 14.39, up from NOK 11.95.

Net interest income increased by NOK 5 819 million from the corresponding period last year, driven by volume growth, higher interest on equity and repricing effects. Compared with 2021, there was an average increase in the healthy loan portfolio of 9.1 per cent, and a 12.9 per cent increase in average deposit volumes. The combined spreads were at the same level, compared with the year-earlier period. Average lending spreads for the customer segments narrowed by 46 basis points, and deposit spreads widened by 64 basis points.

Net other operating income increased by NOK 488 million, or 3.8 per cent, from the corresponding period in 2021. Net commissions and fees showed a strong development and increased by NOK 453 million, or 5.7 per cent.

Total operating expenses were up NOK 1 355 million from 2021, due to higher activity and a greater number of full-time employees.

There were net reversals of impairment of financial instruments of NOK 946 million in the first three quarters of 2022, compared with net reversals of NOK 1 143 million in the previous year. For the corporate customers industry segments, reversals could be seen in stages 2 and 3, mainly driven by stage 3 reversals in the oil, gas and offshore industry segment. The personal customers industry segment showed impairment provisions of NOK 266 million.

## Third quarter income statement – main items

### Net interest income

Amounts in NOK million	3Q22	2Q22	3Q21
Lending spreads, customer segments	5 682	7 302	7 951
Deposit spreads, customer segments	3 739	1 925	330
Amortisation effects and fees	1 046	1 097	955
Operational leasing	627	599	559
Contributions to the deposit guarantee and resolution funds	(296)	(337)	(268)
Other net interest income	1 455	939	238
Net interest income	12 253	11 525	9 766

Net interest income increased by NOK 2 487 million, or 25.5 per cent, from the third quarter of 2021. This was mainly driven by increased volumes, higher interest on equity and positive effects from repricing. There was an average increase of NOK 205.0 billion, or 12.8 per cent, in the healthy loan portfolio compared with the third quarter of 2021. Adjusted for exchange rate effects, volumes were up NOK 185.6 billion, or 11.6 per cent. During the same period, deposits were up NOK 189.2 billion, or 15.5 per cent. Adjusted for exchange rate effects, there was an increase of NOK 162.7 billion, or 13.3 per cent. Average lending spreads narrowed by 72 basis points, and deposit spreads widened by 94 basis points compared with the third quarter of 2021. Volume-weighted spreads for the customer segments were at the same level compared with the corresponding period in 2021.

Compared with the second quarter of 2022, net interest income increased by NOK 728 million, or 6.3 per cent, driven by volume growth, one additional interest day, higher interest on equity and positive effects from repricing. There was an average increase of NOK 49.2 billion, or 2.8 per cent, in the healthy loan portfolio, and deposits were up NOK 71.5 billion, or 5.3 per cent. Volume-weighted spreads for the customer segments narrowed by 3 basis points compared with the previous quarter.

### Net other operating income

Amounts in NOK million	3Q22	2Q22	3Q21
Net commissions and fees	2 742	2 829	2 448
Basis swaps	369	428	147
Exchange rate effects on additional Tier 1 capital	783	997	274
Net gains on other financial instruments at fair value	(447)	199	1 164
Net financial and risk result, life insurance	83	(102)	147
Net profit from associated companies	5	144	185
Other operating income	338	299	212
Net other operating income	3 875	4 794	4 577

Net other operating income decreased by NOK 702 million from the third quarter of 2021, mainly due to negative mark-to-market effects on equity investments. However, customer revenues from Markets, exchange rate effects on additional Tier 1 (AT1) capital and basis swaps contributed positively. Net commissions and fees showed strong performance with an all-time high third quarter result, and were up NOK 294 million, or 12.0 per cent, compared with the corresponding period last year. This was mainly driven by money transfer services delivering higher than pre-pandemic levels and solid performance across products areas.

Compared with the previous quarter, net other operating income was down NOK 919 million, mainly due to negative mark-to-market effects on equity investment. Net commissions and fees had solid performance, despite a seasonally slower quarter.

### Operating expenses

Amounts in NOK million	3Q22	2Q22	3Q21
Salaries and other personnel expenses	(3 617)	(3 626)	(3 301)
Restructuring expenses	(8)	(1)	(1)
Other expenses	(1 947)	(2 022)	(1 608)
Depreciation of fixed and intangible assets	(902)	(877)	(844)
Impairment of fixed and intangible assets	1	3	2
Total operating expenses	(6 473)	(6 524)	(5 752)

Operating expenses were up NOK 721 million, or 12.5 per cent, from the third quarter of 2021. This was due to higher fees and salary expenses as a result of a greater number of full-time employees and investments in technology and compliance competence.

Compared with the second quarter of 2022, operating expenses were at the same level.

The cost/income ratio was 40.1 per cent in the third quarter.

### Impairment of financial instruments by industry segment

Amounts in NOK million	3Q22	2Q22	3Q21
Personal customers	(136)	(94)	(26)
Commercial real estate	(0)	26	35
Shipping	43	30	101
Oil, gas and offshore	333	313	90
Other industry segments	(93)	(65)	0
Total impairment of financial instruments	148	209	200

There were net reversals of impairment of financial instruments of NOK 148 million in the third quarter. This was a decrease from net reversals of NOK 200 million and NOK 209 million in the third quarter of 2021 and the second quarter of 2022, respectively.

The personal customers industry segment showed impairment provisions in all three stages, totalling NOK 136 million in the quarter. This was an increase in impairment provisions of NOK 110 million compared with the corresponding quarter of 2021, and an increase of NOK 42 million compared with the second quarter of 2022. The quarterly impairment provisions in stages 1 and 2 can be explained by a slightly worsened macro forecast. In stage 3, the impairment provisions could mainly be seen within consumer finance. Overall, the credit quality in the portfolio remained stable.

The commercial real estate industry segment remained stable during the third quarter, resulting in zero impairment provisions, compared with net reversals of NOK 35 million and NOK 26 million in the third quarter of 2021 and second quarter of 2022, respectively.

The shipping industry segment showed net reversals of NOK 43 million in the quarter, compared with net reversals of NOK 101 million and NOK 30 million in the third quarter of 2021 and second quarter of 2022, respectively. The net reversals were spread across all three stages, and the macro forecast remained stable during the quarter.

The oil, gas and offshore industry segment showed net reversals of NOK 333 million in the quarter, compared with net reversals of NOK 90 million in the year-earlier period and net reversals of NOK 313 million in the second quarter of 2022. Stages 1 and 2 showed net reversals of NOK 50 million during the quarter, mainly associated with customers in the oil and gas-related industries. The net reversals in stage 3 can mainly be ascribed to improved credit quality for specific customers.

Other industry segments saw impairment provisions of NOK 93 million in the quarter, compared with zero impairment provisions in the year-earlier period, and impairment provisions of NOK 65 million in the second quarter of 2022. The impairment provisions were spread across all stages, with those in stages 1 and 2 primarily driven by a slightly worsened macro forecast, and those in stage 3 related to a few specific customers within the energy and retail industries.

Net stage 3 loans and financial commitments amounted to NOK 25 billion at end-September 2022, down NOK 2 billion compared with both the corresponding quarter last year and the second quarter of 2022.

## Taxes

The DNB Group's tax expense for the third quarter has been estimated at NOK 2 255 million, or 23.0 per cent of pre-tax operating profit.

## 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

<i>Income statement in NOK million</i>	3Q22	2Q22	3Q21
Net interest income	3 936	3 946	3 148
Net other operating income	1 452	1 380	1 311
Total income	5 388	5 326	4 459
Operating expenses	(2 576)	(2 668)	(2 177)
Pre-tax operating profit before impairment	2 812	2 658	2 282
Impairment of financial instruments	(98)	(65)	22
Pre-tax operating profit	2 714	2 592	2 303
Tax expense	(679)	(648)	(576)
Profit for the period	2 036	1 944	1 728

### Average balance sheet items in NOK billion

Loans to customers	936.2	926.0	834.5
Deposits from customers	591.2	579.5	490.7

### Key figures in per cent

Lending spreads <sup>1)</sup>	0.39	1.09	1.52
Deposit spreads <sup>1)</sup>	1.75	0.91	0.13
Return on allocated capital	13.9	13.7	14.2
Cost/income ratio	47.8	50.1	48.8
Ratio of deposits to loans	63.2	62.6	58.8

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

The personal customers segment delivered sound results in the third quarter, with a return on allocated capital of 13.9 per cent. A rise in net other operating income combined with decreasing costs contributed to the positive development from the previous quarter.

Including the loan portfolio in Sbanken, average loans to customers grew by 12.2 per cent from the third quarter of 2021. The healthy home mortgage portfolio grew by 12.8 per cent in the same period. Deposits from customers, including the Sbanken portfolio, grew by 20.5 per cent from the corresponding quarter last year. The ratio of deposits to loans improved by 4.4 percentage points, to 63.2 per cent.

The third quarter results included the full effect of the interest rate hike announced in March 2022, and a partial effect of the interest rate hike announced in June 2022. The positive effects were offset by a further increase in NOK money market rates. Combined spreads on loans and deposits narrowed by 8 basis points from the third quarter last year and by 10 basis points from the previous quarter.

Net other operating income rose by 10.8 per cent from the corresponding quarter of 2021, mainly as a result of the acquisition of Sbanken and higher revenues from payment services due to increased consumption and travel activity.

Operating expenses increased by NOK 18.3 per cent from the third quarter of 2021. The cost increase was mainly driven by the customer identity verification programme and the acquisition of Sbanken.

Net impairment of financial instruments amounted to NOK 98 million in the third quarter, corresponding to 0.04 per cent of total lending to customers.

DNB's market share of credit to households was 24.1 per cent at end-August. The market share of total household savings was 32.1 per cent at the same point in time. Savings in mutual funds amounted to 38.3 per cent at end-September. DNB Eiendom had an average market share of 15.0 per cent in the third quarter.

## Corporate customers

<i>Income statement in NOK million</i>	3Q22	2Q22	3Q21
Net interest income	8 076	7 128	6 176
Net other operating income	1 943	2 645	2 064
Total income	10 018	9 773	8 240
Operating expenses	(3 701)	(3 669)	(3 272)
Pre-tax operating profit before impairment	6 317	6 104	4 968
Net gains on fixed and intangible assets	(1)	1	0
Impairment of financial instruments	244	276	179
Profit from repossessed operations	15	86	53
Pre-tax operating profit	6 575	6 466	5 200
Tax expense	(1 644)	(1 616)	(1 300)
Profit for the period	4 932	4 849	3 900
<b>Average balance sheet items in NOK billion</b>			
Loans to customers	887.7	848.7	786.5
Deposits from customers	821.5	760.2	731.2
<b>Key figures in per cent</b>			
Lending spreads <sup>1)</sup>	2.17	2.31	2.46
Deposit spreads <sup>1)</sup>	0.55	0.32	0.09
Return on allocated capital	17.9	18.5	15.6
Cost/income ratio	36.9	37.5	39.7
Ratio of deposits to loans	92.5	89.6	93.0

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

The corporate customers segment delivered a solid profit and a return on allocated capital of 17.9 per cent in the third quarter, although this was down from 18.5 per cent compared with the previous quarter. Profitability in the third quarter was mainly driven by increased net interest income from deposits and solid income from net commissions and fees.

Net interest income increased from the previous quarter and from the corresponding quarter of 2021. Lending volumes were up 12.9 per cent from the corresponding quarter last year. Adjusted for exchange rate effects, volumes were up 9.4 per cent. Compared with the previous quarter, lending volumes were up 4.6 per cent, and up 2.9 per cent adjusted for exchange rate effects. Lending spreads continued to narrow in the third quarter, down 14 basis points from the previous quarter and down 30 basis points from the corresponding quarter last year. This can mainly be ascribed to a lag effect from the implementation of increased interest rates in the small and medium-sized enterprises (SME) segment and in the DNB Finans portfolio, combined with improved quality in the portfolio.

The growth in deposits was substantial in the third quarter, with an increase of 8.1 per cent compared with the previous quarter. The ratio of deposits to loans has remained high for some time but is expected to gradually decrease towards a more normalised level. Deposit spreads were positively affected by increasing NOK money market rates during the quarter.

Net other operating income amounted to NOK 1 943 million in the third quarter, a decrease of NOK 122 million from the corresponding quarter last year, and NOK 702 million from the previous quarter. Income from net commissions and fees remained at a high level, and income from Markets activities was NOK 236 million higher than in the corresponding quarter last year. However, net gains on financial instruments at fair value recognised in the quarter was negative of NOK 376 million, compared with a positive result of NOK 358 million in the previous quarter.

Total income for the quarter ended at NOK 10 018 million, a solid increase of 21.6 per cent compared with the third quarter of last year, and an increase of 2.5 per cent compared with the previous quarter.

Operating expenses were up 13.1 per cent compared with the third quarter of 2021. The increase was mainly driven by higher personnel expenses, largely due to the strengthening of competence in the area of compliance and technology. Compared with the previous quarter, the operating expenses were up 0.9 per cent, mainly driven by increased IT expenses.

There were net reversals of impairment of financial instruments of NOK 244 million in the third quarter, compared with NOK 179 million in the corresponding quarter last year, and of NOK 276 million in the previous quarter. The net reversals can primarily be explained by improved credit quality for specific customers within the oil, gas and offshore sectors.

The corporate customers segment is in the process of establishing the methodology and baseline for measuring financed emissions, and for assessing and reporting on DNB's net-zero ambition. The segment has recently strengthened its focus on ESG by establishing a new division with specific responsibility for sustainability and strategy. Going forward, the emphasis will be on embedding DNB's sustainability ambitions into segment sector strategies. DNB continues to offer training on sustainability for small and medium-sized enterprises in collaboration with the non-profit organisation DigitalNorway.

In the time ahead, DNB will continue to focus on capital optimisation and a further strengthening of the Group's position within the large corporates segment, as well as on ensuring continued profitable growth within the SME segment.

## Other operations

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

<i>Income statement in NOK million</i>	3Q22	2Q22	3Q21
Net interest income	241	451	442
Net other operating income	268	1 089	2 208
Total income	509	1 540	2 649
Operating expenses	17	(506)	(1 308)
Pre-tax operating profit before impairment	526	1 034	1 341
Net gains on fixed and intangible assets	1	(0)	(0)
Impairment of financial instruments	1	(1)	0
Profit from repossessed operations	(15)	(86)	(53)
Pre-tax operating profit	514	947	1 288
Tax expense	68	(37)	(58)
Profit from operations held for sale, after taxes	26	81	26
Profit for the period	607	992	1 256
<b>Average balance sheet items in NOK billion</b>			
Loans to customers	104.6	107.1	106.1
Deposits from customers	36.4	28.2	106.3

The profit for the other operations segment was NOK 607 million in the third quarter.

Risk management income amounted to NOK 46 million in the quarter, down from NOK 153 million in the corresponding quarter last year and NOK 183 million in the previous quarter. Interest-rate trading came in at a satisfactory level given the highly volatile market. Value adjustments were influenced by volatility in general, and more specifically, the widening of credit spreads.

For traditional pension products with a guaranteed rate of return, net other operating income was NOK 205 million, down NOK 106 million from the year-earlier period. This reflected a decrease in profits in both the corporate portfolio and the common portfolio, due to volatility in the financial markets and rising interest rates. Net commissions and fees rose by NOK 22 million, to NOK 171 million in the quarter. This was mainly due to NOK 14 million in profits from DNB Næringseiendom being reclassified from financial income to commissions and fees. In addition, commission and fee expenses were down NOK 9 million from the year-earlier period.

The solvency margin as of 30 September was 202 per cent, which was unchanged from the second quarter. The solvency capital amounted to NOK 31 352 million, compared with a capital requirement of NOK 15 532 million. At the current interest rate level, the Group was not affected by the transitional rules for valuation of technical insurance provisions. This means that the solvency margin with and without transitional rules was the same.

DNB's share of the profit in associated companies (most importantly Luminor, Vipps and Fremtind) is included in this segment. There was a decrease in profit from these companies of NOK 184 million compared with the third quarter of 2021, and from NOK 141 million compared with the previous quarter.

## Funding, liquidity and balance sheet

The markets for short-term funding were volatile during the third quarter. The underlying trend towards higher interest rates made it more challenging to price the bank's ongoing need for issuance of short-term securities. It also made investors more uncertain, so even though access to the market remained good, the volumes issued by DNB varied more, and the short-term funding required much closer follow-up than usual. Access to the market remained good, and USD was by far the most important currency. Higher interest rates in EUR and GBP also meant that the bank saw more funding interest from investors in these markets. The term to maturity for short-term funding was increased to reduce short-term refinancing needs should market turbulence escalate.

The markets for long-term funding were also volatile during the quarter, and continued to be affected by general market uncertainty. After credit premiums reached a temporary peak at the beginning of the quarter, they fell somewhat during the course of July and in the beginning of August. However, increased risk aversion in the latter part of the quarter resulted in the premiums returning to the levels seen at the beginning of the quarter. The focus in the market, which set the tone for developments during the quarter, was the increasing pace of key policy rate hikes aimed at controlling the inflation trend, and associated fears that a high interest rate level would lead to an economic recession. In addition, the financial markets were affected by geopolitical turmoil and uncertainty in light of the ongoing war in Ukraine. Activity was increasing at the beginning of the quarter, when several issuers took advantage of somewhat improved market conditions to make new issuances, but in the latter part of the quarter this activity was low, due to the prevailing market conditions. DNB issued long-term debt in the SEK, JPY, NOK, GBP and EUR markets in the third quarter, totalling approximately NOK 29 billion. The terms to maturity for new issues were relatively short (3–5 years), as the credit premiums for short-term funding rose less than those for long-term funding.

The total nominal value of long-term debt securities issued by the Group was NOK 589 billion at the end of the quarter, compared with NOK 587 billion a year earlier. The average remaining term to maturity for long-term debt securities issued was 3.4 years at the end of the quarter, compared with 3.6 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 153 per cent at the end of the quarter. The net long-term stable funding ratio, NSFR, was 117 per cent at end-September, which was well above the minimum requirement of 100 per cent for stable and long-term funding.

Total combined assets in the DNB Group were NOK 3 964 billion at the end of the quarter, up from NOK 3 667 billion a year earlier. Total assets in the Group's balance sheet were NOK 3 485 billion at the end of the quarter and NOK 3 146 billion a year earlier.

Loans to customers increased by NOK 236.1 billion, or 13.7 per cent, from the end of the third quarter of 2021. Customer deposits were up NOK 237.2 billion, or 19.2 per cent, during the same period. The ratio of customer deposits to net loans to customers was 76.7 per cent at the end of the quarter, up from 73.9 per cent a year earlier.

## Capital position

The CET1 capital ratio was 18.1 per cent at end-September, down from 19.2 per cent a year earlier, but up from 18.0 per cent at end-June 2022. Retained profits increased the CET1 ratio by 0.4

percentage points in the quarter, while exchange rate effects and volume growth reduced the ratio by around 0.3 percentage points.

The CET1 requirement for DNB at end-September was 15.3 per cent, while the expectation from the supervisory authorities was 16.8 per cent including Pillar 2 Guidance. The Group thus had a solid 1.3 percentage-point headroom above the current supervisory authorities' capital level expectation.

The risk exposure amount increased by NOK 19 billion from end-June 2022, to NOK 1 090 billion at end-September 2022, mainly due to volume growth and exchange rate effects.

The leverage ratio was 6.4 per cent at end-September, down from 6.8 per cent in the year-earlier period, and from 6.5 per cent at end-June. Excluding central bank deposits, the leverage ratio was 7.4 per cent, up from 7.3 per cent from the previous quarter.

### Development in CET1 capital ratio

Per cent	CET1 capital ratio
<b>2Q22</b>	<b>18.0</b>
Profit (50 per cent after tax)	0.4
Exchange rate effects	(0.1)
Volumes	(0.1)
<b>3Q22</b>	<b>18.1</b>

### Capital adequacy

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

### Capital and risk

	3Q22	2Q22	3Q21
CET1 capital ratio, per cent	18.1	18.0	19.2
Tier 1 capital ratio, per cent	19.3	18.9	20.8
Capital ratio, per cent	21.5	20.9	23.4
Risk exposure amount, NOK billion	1 090	1 071	982
Leverage ratio, per cent	6.4	6.5	6.8

As the DNB Group consists of both a credit institution and a life insurance company, DNB has to satisfy a cross-sectoral calculation test to demonstrate that it complies with sectoral requirements: the capital adequacy requirement, in accordance with the CRR/CRD IV, and the Solvency II requirement. At end-September, DNB complied with these requirements by a good margin, with excess capital of NOK 24.3 billion.

## New regulatory framework

### State loan guarantee programme for the business sector

On 1 October, the Government presented a Proposition to the Storting (Norwegian parliament), proposing financial measures in response to the repercussions of the war in Ukraine and the unusually high electricity costs. Among other things, the Government proposed setting up a temporary compensation scheme for energy costs and a temporary loan guarantee programme for the business sector. The purpose of the proposed loan guarantee programme is to give companies in energy-intensive industries access to bank loans.

Under the loan guarantee programme, the Government will provide a guarantee for 90 per cent of the amount when new bank loans are issued to companies facing an acute liquidity shortage as a result of the sharp increase in electricity prices. The programme will be managed by Export Finance Norway. It is proposed that the programme will be limited to companies with an energy intensity of at least 3 per cent in the first half of 2022, measured as the actual electricity costs as a share of their turnover in the same period. The upper limit for the loan amount has been set at NOK 50 million per



enterprise/group. For the loan guarantee programme, a guarantee facility limit of NOK 1 billion has been proposed, as well as an allocation for impairment provisions of NOK 200 million.

The programme is expected to be introduced in November and last until the end of March 2023, provided that the European Commission's State Aid Temporary Crisis Framework is extended beyond 31 December 2022, and that the programme is approved by the EFTA Surveillance Authority (ESA).

### **Countercyclical capital buffer to be kept unchanged**

On 22 September, the Norwegian central bank, Norges Bank, decided to keep the countercyclical capital buffer for banks unchanged, at 2.5 per cent. The current requirement is 1.5 per cent. Norges Bank had previously decided to increase the buffer requirement from 2.0 per cent with effect from 31 December 2022, and to 2.5 per cent with effect from 31 March 2023.

### **Proposal to prohibit soft commissions**

To ensure increased transparency in the savings market, Finanstilsynet (the Financial Supervisory Authority of Norway) has proposed introducing a ban on receiving or providing soft commissions when distributing savings products to retail clients. This will, for example, mean that distributors of savings products will no longer be able to receive soft commissions. In Finanstilsynet's view, a ban will ensure that conflicts of interest are handled in a better way and will make it easier for consumers to compare prices. The Ministry of Finance has circulated the proposal for comment, with a deadline of 18 November 2022.

For the DNB Group, the proposal means that DNB Asset Management AS will no longer be able to provide soft commissions to its distributors, and DNB Bank ASA will no longer be able to receive soft commissions from management companies when distributing mutual funds in the personal customers market.

### **Finanstilsynet's practice for assessing risk and capital requirements**

On 9 September, Finanstilsynet published a circular describing its Supervisory Review and Evaluation Process (SREP) and providing information relating to the methods and assessment criteria used by Finanstilsynet during the process. The circular was updated as a result of new guidelines issued by the European Banking Authority (EBA) and amendments to the Capital Requirements Directive (CRD V) on the determination of the Pillar 2 requirement.

Previously, Finanstilsynet required that the Pillar 2 requirement was to be met using only CET1 capital. However, the new circular states that parts of the Pillar 2 requirement can be met using a combination of Tier 1 capital and Tier 2 capital. This is in line with the rules of the CRD V.

### **New Financial Contracts Act to enter into force on 1 January 2023**

The new Financial Contracts Act is intended to replace the current Norwegian Financial Contracts Act of 1999 and the Norwegian Cancellation Act in the area of banking and finance. The Act is to enter into force on 1 January 2023. During the autumn of 2022, the Ministry of Justice and Public Security finalised the regulations on financial contracts with supplementary regulations. The Ministry also published an interpretative statement and laid down transitional rules concerning, among other things, the new Act's provisions relating to changes to interest rate terms in credit agreements.

The purpose of the Act, which is the most important law governing the relationship between banks and their customers, is to strengthen customers' consumer protection and take into account digital developments in society.

### **Amendments to the Norwegian regulations on debt information**

In July, the Ministry of Children and Families circulated for comment a proposal to expand the debt register (Gjeldsregisteret) to include secured debt such as car loans and home mortgages. Today's debt register only contains unsecured debt such as consumer loans and credit card debt. The proposed expansion will provide a better and more accurate basis for assessing a consumer's debt situation, and enable the bank to make better credit assessments and prevent debt problems. The deadline for comments was 14 October 2022.

### **Proposed ban on additional benefits in connection with taking up credit**

In June, the Ministry of Justice and Public Security circulated for comment a proposal to prohibit the provision of additional benefits that can only be obtained by taking up credit. This means, among other things, that if the bank offers benefits, for example in the form of insurance, discounts or bonuses in connection with the use of credit cards, the benefits must be offered on equal terms to customers who wish to pay with debit solutions. The deadline for submitting comments is 1 November 2022.

## **Macroeconomic developments**

In the third quarter, several key figures indicated that growth in the Norwegian economy was slowing. According to Norges Bank's regional network, activity in export- and oil and gas-related industries showed solid growth, while domestically oriented industries reported a decline in output and weaker production prospects. Capacity utilisation declined somewhat, but remained high in the third quarter. According to Statistics Norway, there was a reduction in mainland GDP in July and August. In its September Monetary Policy Report, Norges Bank projected a slight downturn in the second half of this year. However, the labour market remained tight, and registered unemployment was 1.6 per cent at end-September, adjusted for seasonal variations.

In August, consumer prices rose by 6.5 per cent compared with the same month last year. This was slightly down from a growth of 6.8 per cent in July. Excluding the electricity support scheme, the 12-month rate for the CPI All-item index would have been 9.0 per cent in August. Core inflation, as measured by the CPI-ATE All-item index (consumer price index adjusted for tax changes and excluding energy products), rose to 4.7 per cent in August. The inflation rate for imported goods was the same as for goods and services produced in Norway. According to Norges Bank's regional network, expectations concerning wage growth this year have increased from 3.7 per cent in the first quarter to 4.0 per cent in the third quarter.

Housing prices were 0.1 per cent higher in the third quarter than in the second quarter, but fell by 0.6 per cent from August to September. Household credit growth appears to have slowed further in the third quarter and was 4.3 per cent year-on-year in August.

High capacity utilisation and inflation indicate a tightening of monetary policy. The key policy rate was raised by 0.5 percentage points in August, and in September, Norges Bank raised the key policy rate by another 0.5 percentage points, to 2.25 per cent. Norges Bank wishes to raise the key policy rate gradually in the time ahead, and signalled in September that the rate may be raised by 0.25 percentage points at each of the meetings in November and December. According to the interest rate path presented, Norges Bank indicates a further increase of 0.25 percentage points in March next year. The interest rate path is a result of Norges Bank's attempts to strike a balance between curbing inflation, on the one hand, and avoiding an excessive rise in unemployment, on the other.

## Future prospects

DNB's overriding financial target of a return on equity (ROE) above 12 per cent remains unchanged. In addition to effects from increasing NOK interest rates, the following factors will contribute to reaching the ROE target: growth in loans and deposits, and growth in commissions and fees from capital-light products combined with cost control measures.

The annual organic loan growth is expected to be between 3 and 4 per cent over time, while maintaining a sound deposit-to-loan ratio. Due to high volume growth in the first half of 2022, DNB expects somewhat higher growth this year. 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 23 per cent.

The supervisory expectation for the common equity Tier 1 (CET1) capital ratio for DNB is 16.3 per cent, including Pillar 2 Guidance at 1.5 per cent. The actual ratio achieved in the third quarter was 18.1 per cent. Norges Bank has announced an increase in the counter-cyclical buffer requirement from 1.5 to 2 per

cent from December 2022 and to 2.5 per cent from March 2023. In its capital planning, DNB has taken into account the full counter-cyclical buffer requirement of 2.5 per cent in Norway, which will increase the supervisory expectation for the CET1 level to 17.7 per cent. Finanstilsynet has announced that fulfilment of the Pillar 2 requirement (P2R) is to be harmonised with the EBA guidelines, which means that the P2R can now partly be fulfilled using Tier 1 and Tier 2 capital, rather than using 100 per cent CET1 capital, as was required before. The results of this year's final Supervisory Review and Evaluation Process (SREP) are expected to be announced later this year.

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.

DNB will host a Capital Markets Day in London on 15 November.

Oslo, 19 October 2022  
The Board of Directors of DNB Bank ASA



Olaug Svarva  
(Chair of the Board)



Jens Petter Olsen



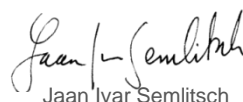
Svein Richard Brandtzæg  
(Vice Chair of the Board)



Stian Tegler Samuelsen



Gro Bakstad



Jaan Ivar Semlitsch



Julie Galbo



Jannicke Skaanes



Lillian Hattrem



Kim Wahl



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

# Accounts for the DNB Group

## G – INCOME STATEMENT

<i>Amounts in NOK million</i>	3rd quarter 2022	3rd quarter 2021	Jan.-Sept. 2022	Jan.-Sept. 2021	Full year 2021
Interest income, amortised cost	19 893	10 938	47 824	32 127	43 997
Other interest income	1 436	594	2 940	2 207	2 890
Interest expenses, amortised cost	(8 389)	(1 025)	(14 088)	(3 389)	(4 693)
Other interest expenses	(687)	(741)	(2 452)	(2 541)	(3 504)
<b>Net interest income</b>	<b>12 253</b>	<b>9 766</b>	<b>34 223</b>	<b>28 405</b>	<b>38 690</b>
Commission and fee income	3 813	3 389	11 379	10 898	14 992
Commission and fee expenses	(1 070)	(940)	(2 964)	(2 936)	(3 981)
Net gains on financial instruments at fair value	706	1 585	3 892	2 916	3 621
Net financial result, life insurance	(40)	53	(313)	363	581
Net risk result, life insurance	123	94	327	224	210
Profit from investments accounted for by the equity method	5	185	134	531	524
Net gains on investment properties	4	10	2	46	91
Other income	334	202	908	835	1 188
<b>Net other operating income</b>	<b>3 875</b>	<b>4 577</b>	<b>13 365</b>	<b>12 877</b>	<b>17 225</b>
<b>Total income</b>	<b>16 128</b>	<b>14 343</b>	<b>47 588</b>	<b>41 281</b>	<b>55 915</b>
Salaries and other personnel expenses	(3 625)	(3 302)	(10 596)	(10 120)	(13 826)
Other expenses	(1 947)	(1 608)	(5 741)	(4 989)	(6 845)
Depreciation and impairment of fixed and intangible assets	(901)	(842)	(2 625)	(2 499)	(3 363)
<b>Total operating expenses</b>	<b>(6 473)</b>	<b>(5 752)</b>	<b>(18 962)</b>	<b>(17 607)</b>	<b>(24 034)</b>
<b>Pre-tax operating profit before impairment</b>	<b>9 655</b>	<b>8 591</b>	<b>28 625</b>	<b>23 674</b>	<b>31 881</b>
Net gains on fixed and intangible assets	1	0	2	(106)	(82)
Impairment of financial instruments	148	200	946	1 143	868
<b>Pre-tax operating profit</b>	<b>9 803</b>	<b>8 791</b>	<b>29 573</b>	<b>24 712</b>	<b>32 667</b>
Tax expense	(2 255)	(1 934)	(6 802)	(5 437)	(7 462)
Profit from operations held for sale, after taxes	26	26	143	(75)	150
<b>Profit for the period</b>	<b>7 575</b>	<b>6 883</b>	<b>22 914</b>	<b>19 200</b>	<b>25 355</b>
Portion attributable to shareholders	7 397	6 657	22 306	18 532	24 407
Portion attributable to non-controlling interests	6	3	73	(29)	26
Portion attributable to additional Tier 1 capital holders	172	223	536	697	922
<b>Profit for the period</b>	<b>7 575</b>	<b>6 883</b>	<b>22 914</b>	<b>19 200</b>	<b>25 355</b>
Earnings/diluted earnings per share (NOK)	4.77	4.29	14.39	11.95	15.74
Earnings per share excluding operations held for sale (NOK)	4.75	4.28	14.30	12.00	15.65

## G – COMPREHENSIVE INCOME STATEMENT

<i>Amounts in NOK million</i>	3rd quarter 2022	3rd quarter 2021	Jan.-Sept. 2022	Jan.-Sept. 2021	Full year 2021
<b>Profit for the period</b>	<b>7 575</b>	<b>6 883</b>	<b>22 914</b>	<b>19 200</b>	<b>25 355</b>
Actuarial gains and losses	118		651	(144)	(183)
Property revaluation	(12)	34	356	187	212
Items allocated to customers (life insurance)	(19)	(18)	(361)	(171)	(193)
Financial liabilities designated at FVTPL, changes in credit risk	58	33	214	(1)	29
Tax	(44)	(8)	(209)	36	41
Items that will not be reclassified to the income statement	102	41	651	(93)	(93)
Currency translation of foreign operations	3 289	9	6 949	(685)	(1 018)
Currency translation reserve reclassified to the income statement				(6)	0
Hedging of net investment	(2 832)	(108)	(6 060)	420	680
Financial assets at fair value through OCI	(258)	(27)	(952)	2	(101)
Tax	774	33	1 753	(106)	(148)
Items that may subsequently be reclassified to the income statement	972	(94)	1 690	(376)	(587)
<b>Other comprehensive income for the period</b>	<b>1 074</b>	<b>(53)</b>	<b>2 341</b>	<b>(469)</b>	<b>(681)</b>
<b>Comprehensive income for the period</b>	<b>8 649</b>	<b>6 830</b>	<b>25 255</b>	<b>18 731</b>	<b>24 674</b>

## G – BALANCE SHEET

<i>Amounts in NOK million</i>	Note	30 Sept. 2022	31 Dec. 2021	30 Sept. 2021
<b>Assets</b>				
Cash and deposits with central banks		441 873	296 727	532 067
Due from credit institutions		67 039	44 959	52 670
Loans to customers	G5, G6, G7, G8	1 959 268	1 744 922	1 723 214
Commercial paper and bonds	G8	427 356	425 267	416 658
Shareholdings	G8	36 220	35 297	35 388
Financial assets, customers bearing the risk	G8	128 365	138 747	131 703
Financial derivatives	G8	312 574	135 400	150 016
Investment properties		18 092	17 823	17 485
Investments accounted for by the equity method		18 790	19 549	18 708
Intangible assets	G2	10 173	5 804	5 796
Deferred tax assets		768	649	4 151
Fixed assets		22 055	21 430	21 339
Assets held for sale		1 822	2 245	2 471
Other assets		40 994	30 423	34 644
<b>Total assets</b>		<b>3 485 388</b>	<b>2 919 244</b>	<b>3 146 308</b>
<b>Liabilities and equity</b>				
Due to credit institutions		229 776	149 611	258 471
Deposits from customers	G8	1 470 882	1 247 719	1 233 576
Financial derivatives	G8	279 309	114 348	129 813
Debt securities issued	G8, G9	788 949	702 759	806 029
Insurance liabilities, customers bearing the risk		128 365	138 747	131 703
Liabilities to life insurance policyholders		191 565	199 379	199 414
Payable taxes		6 233	3 054	9 607
Deferred taxes		1 720	1 571	40
Other liabilities		47 735	39 718	48 178
Liabilities held for sale		461	896	868
Provisions		1 089	1 642	1 590
Pension commitments		4 383	5 073	4 969
Senior non-preferred bonds	G9	54 069	37 769	38 102
Subordinated loan capital	G8, G9	29 841	33 047	31 451
<b>Total liabilities</b>		<b>3 234 377</b>	<b>2 675 332</b>	<b>2 893 811</b>
Additional Tier 1 capital		14 849	16 974	17 136
Non-controlling interests		421	266	404
Share capital		19 380	19 379	19 379
Share premium		18 733	18 733	18 733
Other equity		197 629	188 559	196 845
<b>Total equity</b>		<b>251 011</b>	<b>243 912</b>	<b>252 497</b>
<b>Total liabilities and equity</b>		<b>3 485 388</b>	<b>2 919 244</b>	<b>3 146 308</b>

## G – STATEMENT OF CHANGES IN EQUITY

<i>Amounts in NOK million</i>	Non-controlling interests	Share capital	Share premium	Additional Tier 1 capital	Net currency translation reserve	Liability credit reserve	Other equity	Total equity
<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	(29)			697			18 532	19 200
Actuarial gains and losses							(144)	(144)
Property revaluation							16	16
Financial assets at fair value through OCI							2	2
Financial liabilities designated at FVTPL, changes in credit risk						(1)		(1)
Currency translation of foreign operations	(1)				(691)			(692)
Hedging of net investment					420			420
Tax on other comprehensive income					(105)	0	35	(70)
Comprehensive income for the period	(30)			697	(376)	(1)	18 441	18 731
Interest payments AT1 capital				(538)				(538)
Currency movements on interest payments and redemption AT1 capital				15			(11)	4
AT1 capital redeemed				(1 400)				(1 400)
Non-controlling interests	315						(3)	313
Net purchase of treasury shares		1					16	16
DNB ASA merger		3 876	(3 876)					
Dividends paid for 2019 (NOK 8.4 per share)							(13 023)	(13 023)
<b>Balance sheet as at 30 Sept. 2021</b>	<b>404</b>	<b>19 379</b>	<b>18 733</b>	<b>17 136</b>	<b>5 576</b>	<b>22</b>	<b>191 247</b>	<b>252 497</b>
<b>Balance sheet as at 31 Dec. 2021</b>	<b>266</b>	<b>19 379</b>	<b>18 733</b>	<b>16 974</b>	<b>5 444</b>	<b>45</b>	<b>183 071</b>	<b>243 912</b>
Profit for the period	73			536			22 306	22 914
Actuarial gains and losses							651	651
Property revaluation							(5)	(5)
Financial assets at fair value through OCI							(952)	(952)
Financial liabilities designated at FVTPL, changes in credit risk						214		214
Currency translation of foreign operations	33				6 915			6 949
Hedging of net investment					(6 060)			(6 060)
Tax on other comprehensive income					1 515	(54)	83	1 544
Comprehensive income for the period	106			536	2 370	161	22 082	25 255
Interest payments additional Tier 1 capital				(543)				(543)
AT1 capital redeemed <sup>1)</sup>				(6 548)				(6 548)
Currency movements on interest payment and redemption AT1				478			(428)	50
AT1 capital issued <sup>2)</sup>				3 250				3 250
Net purchase of treasury shares		0					0	0
Non-controlling interests	49							49
Aquisition of Sbanken				702				702
Dividends paid for 2021 (NOK 9.75 per share)							(15 116)	(15 116)
<b>Balance sheet as at 30 Sept. 2022</b>	<b>421</b>	<b>19 380</b>	<b>18 733</b>	<b>14 849</b>	<b>7 814</b>	<b>205</b>	<b>189 610</b>	<b>251 011</b>

1) An additional Tier 1 capital instrument of USD 750 million, issued by the DNB Group's parent DNB Bank ASA in 2016, was redeemed in the first quarter of 2022.

2) The DNB Group's parent, DNB Bank ASA, issued two additional Tier 1 capital instruments in the third quarter of 2022. The first has a nominal value of NOK 2 750 million and is perpetual with a floating interest of 3 months NIBOR plus 3.75 per cent p.a. The second has a nominal value of NOK 500 million and is perpetual with an interest rate of 6.72 per cent p.a.

## G – CASH FLOW STATEMENT

<i>Amounts in NOK million</i>	Jan.-Sept. 2022	Jan.-Sept. 2021	Full year 2021
<b>Operating activities</b>			
Net payments on loans to customers	(87 905)	(33 832)	(58 083)
Interest received from customers	41 454	31 295	42 060
Net receipts on deposits from customers	97 997	127 770	143 754
Interest paid to customers	(4 484)	(1 500)	(3 475)
Net receipts/(payments) on loans to credit institutions	69 322	73 981	(25 144)
Net interest received from/(paid) to credit institutions	538	(933)	(1 023)
Net receipts/(payments) on the sale of financial assets for investment or trading	29 272	(9 663)	(42 985)
Interest received on bonds and commercial paper	2 677	711	2 832
Net receipts on commissions and fees	9 000	8 769	10 974
Payments to operations	(18 053)	(16 375)	(19 807)
Taxes paid	(2 436)	(3 594)	(7 119)
Receipts on premiums	12 953	11 628	15 761
Net receipts/(payments) on premium reserve transfers	(386)	(404)	444
Payments of insurance settlements	(11 011)	(10 762)	(14 278)
Other net receipts/(payments)	(13 201)	1 491	(2 326)
<b>Net cash flow from operating activities</b>	<b>125 737</b>	<b>178 582</b>	<b>41 585</b>
<b>Investing activities</b>			
Net payments on the acquisition or disposal of fixed assets	(3 250)	(3 428)	(4 486)
Net receipts on investment properties	473	381	375
Net investment in long-term shares	(9 240)	(452)	(627)
Dividends received on long-term investments in shares	821	298	344
<b>Net cash flow from investing activities</b>	<b>(11 196)</b>	<b>(3 201)</b>	<b>(4 393)</b>
<b>Financing activities</b>			
Receipts on issued bonds and commercial paper	1 377 335	2 244 884	3 205 879
Payments on redeemed bonds and commercial paper	(1 315 463)	(2 169 392)	(3 213 010)
Interest payments on issued bonds and commercial paper	(5 550)	(7 557)	(9 446)
Receipts on issued senior non-preferred bonds	13 805	29 421	29 421
Interest payments on senior non-preferred bonds	(381)	(104)	(184)
Receipts on issued subordinated loan capital	5 339		4 845
Redemptions of subordinated loan capital	(10 676)		(2 947)
Interest payments on subordinated loan capital	(444)	(372)	(440)
Net payments on redemption of additional Tier 1 capital	(3 298)	(1 400)	(1 400)
Interest payments on additional Tier 1 capital	(543)	(538)	(926)
Lease payments	(429)	(366)	(580)
Net sale of own shares	0	16	20
Dividend payments	(15 116)	(13 023)	(26 976)
<b>Net cash flow from financing activities</b>	<b>44 579</b>	<b>81 568</b>	<b>(15 744)</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>(9 052)</b>	<b>(5 943)</b>	<b>(2 805)</b>
<b>Net cash flow</b>	<b>150 067</b>	<b>251 006</b>	<b>18 643</b>
Cash as at 1 January	307 735	289 092	289 092
Net receipts of cash	150 067	251 006	18 643
Cash at end of period <sup>1)</sup>	457 803	540 098	307 735

<sup>*)</sup> Of which: Cash and deposits with central banks	441 873	532 067	296 727
Deposits with credit institutions with no agreed period of notice <sup>1)</sup>	15 930	8 031	11 008

<sup>1)</sup> Recorded under "Due from credit institutions" in the balance sheet.

## **NOTE G1 BASIS FOR PREPARATION**

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The quarterly financial statements for the Group have been prepared in accordance with IAS 34 Interim Financial Reporting, as issued by the International Accounting Standards Board and as adopted by the European Union. When preparing the consolidated financial statements, the management makes estimates, judgements and assumptions that affect the application of the accounting principles, as well as income, expenses, and the carrying amount of assets and liabilities. Estimates and assumptions are subject to continual evaluation and are based on historical experience and other factors, including expectations of future events that are believed to be probable on the balance sheet date. A description of the accounting policies, significant estimates, and areas where judgement is applied by the Group, can be found in Note 1 Accounting principles in the annual report for 2021. In the interim report, the accounting policies, significant estimates, and areas where judgement is applied by the Group are in conformity with those described in the annual report.

## **NOTE G2 ACQUISITION OF SBANKEN**

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On 15 April 2021, DNB announced an agreement with Sbanken ASA to launch a recommended voluntary cash tender offer for 100 per cent of the Sbanken shares at a price of NOK 103.85 per share. The offer price was later adjusted to NOK 108.85 per share. On 1 October 2021, Sbanken announced that it had decided to distribute a dividend of NOK 4.40 per share. As a result, the price per share was adjusted to NOK 104.45 in accordance with the terms in the offer document.

Following the required regulatory approvals, the transaction was completed on 30 March 2022. On this date, DNB Bank ASA held 10.53 per cent of the shares acquired directly in the market. After the approval, DNB held a total of 91.78 per cent of the shares and voting interests in Sbanken. DNB immediately announced that it would carry out a compulsory acquisition of the remaining shares in the Sbanken. The consideration offered under the compulsory acquisition was NOK 104.45 per share, and the final settlement was made in April 2022, after which DNB held 100 per cent of the shares and voting interests in Sbanken. Following the completion of the acquisition, DNB has started the process to merge the two Sbanken legal entities, Sbanken ASA and Sbanken Boligkreditt AS, with DNB's legal entities, DNB Bank ASA and DNB Boligkreditt AS, respectively.

Sbanken was established in 2000 as the first pure-play digital bank in Norway and was listed on Oslo Børs (the Oslo Stock Exchange) in 2015. Today, the bank is positioned as one of the leading digital retail banks in Norway with 484 000 personal customers at year-end 2021. The company has had the most satisfied banking customers in Norway for the last 20 years. In addition to a strong position within current accounts and home mortgages, Sbanken also has a good position in the savings market, with NOK 33 billion in customers' investments in mutual funds, and has launched several successful offerings in the SME segment, resulting in 10 000 customers at year-end 2021.

DNB believes that Sbanken will further strengthen its position within retail banking in its home market. In addition, Sbanken will complement DNB within the savings area, which is a growth area for DNB, and also bring in highly skilled technology personnel. The transaction is expected to be accretive and to positively impact earnings per share and return on equity for DNB. Synergies are expected to be realised within both Sbanken and DNB.

As DNB held an ownership interest in Sbanken at the date of the acquisition, this business combination is being achieved in stages. The fair value of DNB Bank's 10.53 per cent ownership interest was NOK 1.2 billion on the acquisition date.

The total transaction price for 100 per cent of the shares amounted to NOK 11.2 billion. In the DNB Group, Sbanken is part of the personal customers segment.



## NOTE G2 ACQUISITION OF SBANKEN (continued)

The purchase price allocation has been determined to be final at the end of second quarter. The fair values of the identifiable assets and liabilities of Sbanken at the acquisition date 30 March 2022 are presented in the following table.

Amounts in NOK million	30 March 2022
<b>Assets</b>	
Loans to customers	89 095
Other financial assets	14 243
Other non-financial assets	731
<b>Total assets</b>	<b>104 069</b>
<b>Liabilities</b>	
Deposits from customers	64 933
Debt securities issued and senior non-preferred bonds	29 368
Other financial liabilities	1 649
Other non-financial liabilities	216
<b>Total liabilities</b>	<b>96 166</b>
<b>Net identifiable assets acquired</b>	<b>7 903</b>
Goodwill	4 026
Additional Tier 1 instruments issued by Sbanken ASA	(702)
<b>Total consideration for 100 per cent of shares, settled in cash</b>	<b>11 228</b>

At the time of the acquisition, Sbanken ASA had issued Additional Tier 1 (AT1) instruments amounting to NOK 702 million. These are instruments that due to specific terms do not meet the definition of a liability and are therefore presented as equity in Sbanken's consolidated financial statements. In the purchase price allocation, these instruments were treated as if they were non-controlling interests. In DNB Group's consolidated equity, these instruments are presented on the line Additional Tier 1 capital.

DNB has identified intangible assets and accounted for these separately in the final purchase price allocation. This comprises NOK 227 million relating to brand name and NOK 161 million relating to deposit customers that provide funding at lower interest rates than other funding. The intangible assets are presented under Other non-financial assets in the table above. Amortisation of the brand will be carried out over a period of 8 years, and the customers' intangible assets will be amortised over a period of 10 years.

The goodwill of NOK 4.0 billion comprises the value of expected synergies arising from the acquisition, assembled workforce, and deferred tax on excess values. The goodwill is not expected to be deductible for income tax purposes.

DNB has used external advisers in the process to acquire Sbanken, and NOK 44.3 million was recognised in the income statement for acquisition-related costs at end-September 2022. NOK 32.9 million of this was recognised in 2021. As the acquisition took place on 30 March 2022, there were no contributions from Sbanken to the DNB Group's income statements during the first quarter of 2022. If the business combination had taken place at the beginning of the year, the Group's net interest income would have been NOK 34 601 million, and pre-tax operating profit for the Group would have been NOK 29 799 million at end-September 2022.

## NOTE G3      SEGMENTS

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

### Income statement, third quarter

<i>Amounts in NOK million</i>	Personal customers		Corporate customers		Other operations		Eliminations		DNB Group	
	3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Net interest income	3 936	3 148	8 076	6 176	241	442			12 253	9 766
Net other operating income	1 452	1 311	1 943	2 064	268	2 208	212	(1 006)	3 875	4 577
Total income	5 388	4 459	10 018	8 240	509	2 649	212	(1 006)	16 128	14 343
Operating expenses	(2 576)	(2 177)	(3 701)	(3 272)	17	(1 308)	(212)	1 006	(6 473)	(5 752)
Pre-tax operating profit before impairment	2 812	2 282	6 317	4 968	526	1 341			9 655	8 591
Net gains on fixed and intangible assets		0	(1)	0	1	(0)			1	0
Impairment of financial instruments	(98)	22	244	179	1	0			148	200
Profit from repossessed operations			15	53	(15)	(53)				
Pre-tax operating profit	2 714	2 303	6 575	5 200	514	1 288			9 803	8 791
Tax expense	(679)	(576)	(1 644)	(1 300)	68	(58)			(2 255)	(1 934)
Profit from operations held for sale, after taxes					26	26			26	26
Profit for the period	2 036	1 728	4 932	3 900	607	1 256			7 575	6 883

### Income statement, January-September

<i>Amounts in NOK million</i>	Personal customers		Corporate customers		Other operations		Eliminations		DNB Group	
	Jan.-Sept.		Jan.-Sept.		Jan.-Sept.		Jan.-Sept.		Jan.-Sept.	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Net interest income	11 114	9 375	21 705	17 865	1 405	1 165			34 223	28 405
Net other operating income	4 097	3 953	7 570	6 467	2 246	5 280	(548)	(2 824)	13 365	12 877
Total income	15 210	13 328	29 274	24 333	3 651	6 445	(548)	(2 824)	47 588	41 281
Operating expenses	(7 524)	(6 742)	(10 906)	(9 799)	(1 080)	(3 890)	548	2 824	(18 962)	(17 607)
Pre-tax operating profit before impairment	7 686	6 586	18 368	14 534	2 571	2 555			28 625	23 674
Net gains on fixed and intangible assets		1	1	(0)	1	(107)			2	(106)
Impairment of financial instruments	(151)	159	1 097	982	1	3			946	1 143
Profit from repossessed operations			149	(46)	(149)	46				
Pre-tax operating profit	7 535	6 745	19 614	15 469	2 424	2 497			29 573	24 712
Tax expense	(1 884)	(1 686)	(4 904)	(3 867)	(15)	117			(6 802)	(5 437)
Profit from operations held for sale, after taxes					143	(75)			143	(75)
Profit for the period	5 651	5 059	14 711	11 602	2 552	2 539			22 914	19 200

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

## NOTE G4 CAPITAL ADEQUACY

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

### Own funds

<i>Amounts in NOK million</i>	30 Sept. 2022	31 Dec. 2021	30 Sept. 2021
Total equity	251 011	243 912	252 497
Effect from regulatory consolidation	(6 655)	(6 605)	(6 903)
Adjustment to retained earnings for foreseeable dividends	(10 597)		(8 382)
Additional Tier 1 capital instruments included in total equity	(14 424)	(16 595)	(16 595)
Net accrued interest on additional Tier 1 capital instruments	(424)	(285)	(406)
Common equity Tier 1 capital instruments	218 910	220 427	220 212
Regulatory adjustments			
Pension funds above pension commitments	(2)		
Goodwill	(8 973)	(4 794)	(4 836)
Deferred tax assets that rely on future profitability, excluding temporary differences	(440)	(439)	(973)
Other intangible assets	(1 911)	(1 814)	(1 743)
Dividends payable and group contributions		(15 116)	(13 953)
Deduction for investments in insurance companies <sup>1)</sup>	(5 574)	(5 242)	(6 115)
IRB provisions shortfall (-)	(2 875)	(2 540)	(2 393)
Additional value adjustments (AVA)	(1 085)	(1 002)	(1 040)
Insufficient coverage for non-performing exposures	(63)	(42)	(42)
(Gains) or losses on liabilities at fair value resulting from own credit risk	(205)	(45)	(22)
(Gains) or losses on derivative liabilities resulting from own credit risk (DVA)	(305)	(88)	(89)
Common equity Tier 1 capital	197 477	189 305	189 005
Additional Tier 1 capital instruments	14 424	16 595	16 595
Deduction of holdings of Tier 1 instruments in insurance companies <sup>2)</sup>	(1 500)	(1 500)	(1 500)
Non-eligible Tier 1 capital, DNB Group <sup>3)</sup>	(91)		
Additional Tier 1 capital instruments	12 834	15 095	15 095
Tier 1 capital	210 311	204 400	204 100
Perpetual subordinated loan capital	6 122	5 752	5 723
Term subordinated loan capital	22 996	29 237	25 511
Deduction of holdings of Tier 2 instruments in insurance companies <sup>2)</sup>	(5 588)	(5 588)	(5 750)
Non-eligible Tier 2 capital, DNB Group <sup>3)</sup>	(98)		
Additional Tier 2 capital instruments	23 432	29 401	25 484
Own funds	233 743	233 801	229 584
Total risk exposure amount	1 089 515	973 431	982 349
Minimum capital requirement	87 161	77 875	78 588
Capital ratios:			
Common equity Tier 1 capital ratio	18.1	19.4	19.2
Tier 1 capital ratio	19.3	21.0	20.8
Total capital ratio	21.5	24.0	23.4

### Own funds and capital ratios excluding interim profit

Common equity Tier 1 capital	185 656	179 706
Tier 1 capital	198 490	194 801
Own funds	221 921	220 285
Common equity Tier 1 capital ratio	17.0	18.3
Tier 1 capital ratio	18.2	19.8
Total capital ratio	20.4	22.4

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

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

3) Tier 1 and Tier 2 capital in subsidiaries not included in consolidated own funds in accordance with Articles 85-88 of the CRR.

## NOTE G4 CAPITAL ADEQUACY (continued)

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

### Specification of exposures

	Original exposure 30 Sept. 2022	Exposure at default (EAD) 30 Sept. 2022	Average risk weight in per cent 30 Sept. 2022	Risk exposure amount (REA) 30 Sept. 2022	Capital requirement 30 Sept. 2022	Capital requirement 31 Dec. 2021
<i>Amounts in NOK million</i>						
<b>IRB approach</b>						
Corporate exposures	1 211 002	991 760	42.7	423 419	33 873	30 188
<i>of which specialised lending (SL)</i>	10 039	9 218	47.2	4 354	348	278
<i>of which small and medium-sized enterprises (SME)</i>	220 638	196 679	42.9	84 398	6 752	7 057
<i>of which other corporates</i>	980 326	785 862	42.6	334 667	26 773	22 852
Retail exposures	1 003 212	987 102	22.3	219 693	17 575	17 294
<i>of which secured by mortgages on immovable property</i>	915 288	915 288	21.5	197 103	15 768	15 503
<i>of which other retail</i>	87 924	71 814	31.5	22 589	1 807	1 791
Total credit risk, IRB approach	2 214 214	1 978 862	32.5	643 112	51 449	47 481
<b>Standardised approach</b>						
Central government and central banks	497 671	496 792	0.0	1	0	49
Regional government or local authorities	47 475	41 026	1.8	732	59	93
Public sector entities	61 414	61 169	0.4	219	18	29
Multilateral development banks	40 490	41 238				
International organisations	1 601	1 601				
Institutions	101 713	68 710	29.0	19 943	1 595	1 701
Corporate	213 402	190 549	71.4	135 985	10 879	9 143
Retail	169 909	66 848	74.4	49 758	3 981	3 527
Secured by mortgages on immovable property	142 758	126 435	39.8	50 345	4 028	1 186
Exposures in default	2 479	1 581	129.8	2 052	164	238
Items associated with particular high risk	995	988	150.0	1 482	119	79
Covered bonds	46 880	46 880	10.0	4 688	375	268
Collective investment undertakings	1 121	1 121	17.6	197	16	18
Equity positions	23 616	23 615	221.5	52 297	4 184	4 251
Other assets	25 152	25 152	52.1	13 099	1 048	724
Total credit risk, standardised approach	1 376 675	1 193 704	27.7	330 799	26 464	21 304
Total credit risk	3 590 889	3 172 566	30.7	973 910	77 913	68 785
<b>Market risk</b>						
Position and general risk, debt instruments				8 041	643	621
Position and general risk, equity instruments				612	49	53
Currency risk				26	2	2
Commodity risk				0	0	0
Total market risk				8 678	694	677
Credit value adjustment risk (CVA)				5 772	462	542
Operational risk				101 154	8 092	7 870
Total risk exposure amount				1 089 515	87 161	77 875

## NOTE G5 DEVELOPMENT IN GROSS CARRYING AMOUNT AND MAXIMUM EXPOSURE

### Loans to customers at amortised cost

<i>Amounts in NOK million</i>	2022				2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount as at 31 Dec.</b>	<b>1 566 150</b>	<b>112 099</b>	<b>30 453</b>	<b>1 708 702</b>	<b>1 482 987</b>	<b>137 450</b>	<b>32 020</b>	<b>1 652 457</b>
Transfer to stage 1	70 508	(66 971)	(3 537)		73 432	(72 228)	(1 204)	
Transfer to stage 2	(106 420)	108 819	(2 399)		(86 075)	86 882	(807)	
Transfer to stage 3	(1 570)	(3 193)	4 764		(2 549)	(6 970)	9 519	
Originated and purchased	377 433	4 793	1 974	384 201	355 693	5 985	674	362 352
Derecognition	(238 280)	(26 109)	(5 600)	(269 989)	(289 157)	(29 088)	(6 822)	(325 067)
Acquisition of Sbanken	77 255	3 309	826	81 390				
Exchange rate movements	10 335	1 503	150	11 987	(3 797)	(200)	3	(3 994)
Other								
<b>Gross carrying amount as at 30 Sept.</b>	<b>1 755 410</b>	<b>134 251</b>	<b>26 630</b>	<b>1 916 291</b>	<b>1 530 535</b>	<b>121 830</b>	<b>33 383</b>	<b>1 685 748</b>

### Financial commitments

<i>Amounts in NOK million</i>	2022				2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Maximum exposure as at 31 Dec.</b>	<b>702 470</b>	<b>30 054</b>	<b>5 330</b>	<b>737 854</b>	<b>657 434</b>	<b>36 478</b>	<b>6 024</b>	<b>699 937</b>
Transfer to stage 1	20 053	(18 955)	(1 097)		17 444	(16 872)	(572)	
Transfer to stage 2	(23 823)	23 897	(74)		(19 098)	20 292	(1 194)	
Transfer to stage 3	(444)	(211)	655		(249)	(359)	607	
Originated and purchased	309 342	1 923	1 257	312 522	350 006	2 740	77	352 822
Derecognition	(315 929)	(6 487)	(1 110)	(323 526)	(311 124)	(7 613)	(189)	(318 926)
Acquisition of Sbanken	28 435			28 435				
Exchange rate movements	15 553	752	35	16 340	(1 551)	61	(2)	(1 491)
<b>Maximum exposure as at 30 Sept.</b>	<b>735 656</b>	<b>30 973</b>	<b>4 995</b>	<b>771 625</b>	<b>692 862</b>	<b>34 728</b>	<b>4 752</b>	<b>732 342</b>

## NOTE G6 DEVELOPMENT IN ACCUMULATED IMPAIRMENT OF FINANCIAL INSTRUMENTS

### Loans to customers at amortised cost

<i>Amounts in NOK million</i>	2022				2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Accumulated impairment as at 31 Dec.</b>	<b>(533)</b>	<b>(749)</b>	<b>(8 700)</b>	<b>(9 982)</b>	<b>(765)</b>	<b>(1 214)</b>	<b>(12 039)</b>	<b>(14 018)</b>
Transfer to stage 1	(186)	183	2		(254)	252	1	
Transfer to stage 2	60	(75)	15		161	(179)	18	
Transfer to stage 3	1	17	(18)		2	72	(74)	
Originated and purchased	(173)	(75)	(3)	(251)	(237)	(119)		(357)
Increased expected credit loss	(317)	(639)	(2 462)	(3 418)	(256)	(869)	(2 928)	(4 053)
Decreased (reversed) expected credit loss	438	391	2 145	2 974	727	785	3 293	4 806
Write-offs			2 814	2 814			1 304	1 304
Derecognition	82	249	286	617	101	364	100	565
Acquisition of Sbanken	(9)	(44)	(275)	(328)				
Exchange rate movements	(11)	(28)	(39)	(77)	5	(1)	(8)	(5)
Other								
<b>Accumulated impairment as at 30 Sept.</b>	<b>(648)</b>	<b>(769)</b>	<b>(6 235)</b>	<b>(7 651)</b>	<b>(516)</b>	<b>(909)</b>	<b>(10 334)</b>	<b>(11 759)</b>

### Financial commitments

<i>Amounts in NOK million</i>	2022				2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Accumulated impairment as at 31 Dec.</b>	<b>(211)</b>	<b>(330)</b>	<b>(669)</b>	<b>(1 209)</b>	<b>(284)</b>	<b>(566)</b>	<b>(601)</b>	<b>(1 451)</b>
Transfer to stage 1	(104)	103			(75)	75		
Transfer to stage 2	18	(19)	1		39	(40)	1	
Transfer to stage 3		1	(1)			16	(16)	
Originated and purchased	(103)	(72)		(174)	(140)	(21)		(160)
Increased expected credit loss	(39)	(109)	(24)	(172)	(64)	(203)	(305)	(572)
Decreased (reversed) expected credit loss	249	77	425	751	310	260	351	921
Derecognition	10	98	9	118	10	115		125
Acquisition of Sbanken	(2)	(2)	(1)	(5)				
Exchange rate movements	(5)	(17)		(21)	1	(2)		(1)
Other								
<b>Accumulated impairment as at 30 Sept.</b>	<b>(185)</b>	<b>(269)</b>	<b>(260)</b>	<b>(713)</b>	<b>(203)</b>	<b>(365)</b>	<b>(570)</b>	<b>(1 138)</b>

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

## NOTE G7      LOANS AND FINANCIAL COMMITMENTS TO CUSTOMERS BY INDUSTRY SEGMENT

### Loans to customers as at 30 September 2022

<i>Amounts in NOK million</i>	Gross carrying amount	Accumulated impairment			Loans at fair value	Total
		Stage 1	Stage 2	Stage 3		
Bank, insurance and portfolio management	91 490	(17)	(15)	(64)		91 393
Commercial real estate	232 411	(104)	(30)	(186)	86	232 178
Shipping	44 699	(30)	(2)	(206)		44 461
Oil, gas and offshore	46 315	(81)	(101)	(2 597)		43 536
Power and renewables	49 762	(19)	(8)	(668)		49 067
Healthcare	31 207	(10)	(2)			31 195
Public sector	3 841	(0)	(0)	(0)		3 841
Fishing, fish farming and farming	63 938	(13)	(25)	(139)	93	63 854
Retail industries	49 714	(37)	(30)	(225)	1	49 424
Manufacturing	41 681	(24)	(30)	(72)		41 556
Technology, media and telecom	26 760	(9)	(4)	(19)	(0)	26 728
Services	78 518	(61)	(76)	(353)	12	78 041
Residential property	123 139	(47)	(22)	(147)	184	123 108
Personal customers	957 454	(150)	(251)	(646)	50 241	1 006 648
Other corporate customers	75 362	(47)	(173)	(913)	9	74 238
<b>Total <sup>1)</sup></b>	<b>1 916 291</b>	<b>(648)</b>	<b>(769)</b>	<b>(6 235)</b>	<b>50 629</b>	<b>1 959 267</b>

1) Of which NOK 50 014 million in repo trading volumes.

### Loans to customers as at 30 September 2021

<i>Amounts in NOK million</i>	Gross carrying amount	Accumulated impairment			Loans at fair value	Total
		Stage 1	Stage 2	Stage 3		
Bank, insurance and portfolio management	77 195	(16)	(18)	(115)		77 047
Commercial real estate	208 120	(86)	(57)	(297)	76	207 756
Shipping	39 342	(50)	(56)	(204)		39 032
Oil, gas and offshore	51 370	(44)	(216)	(6 657)		44 453
Power and renewables	37 386	(26)	(4)	(370)		36 985
Healthcare	12 920	(4)	(0)			12 917
Public sector	8 043	(17)	(0)	(0)		8 026
Fishing, fish farming and farming	54 377	(38)	(61)	(145)	103	54 235
Retail industries	37 152	(25)	(42)	(374)	3	36 714
Manufacturing	34 381	(20)	(33)	(88)		34 240
Technology, media and telecom	24 978	(14)	(7)	(23)		24 934
Services	75 303	(48)	(66)	(876)	19	74 333
Residential property	103 569	(34)	(20)	(142)	233	103 606
Personal customers	854 852	(60)	(125)	(356)	48 778	903 090
Other corporate customers	66 760	(35)	(204)	(687)	10	65 845
<b>Total <sup>1)</sup></b>	<b>1 685 748</b>	<b>(516)</b>	<b>(909)</b>	<b>(10 334)</b>	<b>49 224</b>	<b>1 723 213</b>

1) Of which NOK 49 692 million in repo trading volumes.

## NOTE G7      LOANS AND FINANCIAL COMMITMENTS TO CUSTOMERS BY INDUSTRY SEGMENT (continued)

### Financial commitments as at 30 September 2022

<i>Amounts in NOK million</i>	Maximum exposure	Accumulated impairment			Total
		Stage 1	Stage 2	Stage 3	
Bank, insurance and portfolio management	33 383	(6)	(1)	(0)	33 376
Commercial real estate	33 971	(14)	(2)	(1)	33 955
Shipping	10 592	(7)	(0)		10 585
Oil, gas and offshore	71 113	(32)	(86)	(53)	70 942
Power and renewables	52 718	(14)	(3)		52 701
Healthcare	26 840	(6)	(1)		26 833
Public sector	12 238	(0)			12 238
Fishing, fish farming and farming	24 143	(4)	(4)	(0)	24 134
Retail industries	33 247	(17)	(8)	(4)	33 219
Manufacturing	50 458	(17)	(11)	(0)	50 429
Technology, media and telecom	22 069	(6)	(6)	(0)	22 057
Services	25 454	(21)	(37)	(8)	25 388
Residential property	37 567	(15)	(3)	(7)	37 543
Personal customers	299 574	(11)	(20)	(2)	299 541
Other corporate customers	38 257	(15)	(86)	(184)	37 971
<b>Total</b>	<b>771 625</b>	<b>(185)</b>	<b>(269)</b>	<b>(260)</b>	<b>770 911</b>

### Financial commitments as at 30 September 2021

<i>Amounts in NOK million</i>	Maximum exposure	Accumulated impairment			Total
		Stage 1	Stage 2	Stage 3	
Bank, insurance and portfolio management	44 299	(9)	(3)	(0)	44 287
Commercial real estate	30 395	(13)	(2)	(1)	30 379
Shipping	9 525	(9)	(3)		9 513
Oil, gas and offshore	56 414	(41)	(174)	(327)	55 871
Power and renewables	35 911	(15)	(0)		35 895
Healthcare	22 950	(4)	(0)		22 946
Public sector	9 882	(0)			9 882
Fishing, fish farming and farming	21 318	(12)	(8)	(8)	21 291
Retail industries	35 096	(17)	(8)	(7)	35 065
Manufacturing	51 039	(15)	(26)	(1)	50 997
Technology, media and telecom	19 962	(9)	(4)	(0)	19 949
Services	31 532	(15)	(44)	(8)	31 465
Residential property	38 400	(16)	(3)	(6)	38 375
Personal customers	286 793	(8)	(17)	(0)	286 768
Other corporate customers	38 826	(21)	(73)	(210)	38 521
<b>Total</b>	<b>732 342</b>	<b>(203)</b>	<b>(365)</b>	<b>(570)</b>	<b>731 204</b>



## NOTE G8 FINANCIAL INSTRUMENTS AT FAIR VALUE

<i>Amounts in NOK million</i>	Level 1	Level 2	Level 3	Total
<b>Assets as at 30 September 2022</b>				
Loans to customers			50 629	50 629
Commercial paper and bonds	39 225	275 960	677	315 862
Shareholdings	4 046	15 827	16 347	36 220
Financial assets, customers bearing the risk		128 365		128 365
Financial derivatives	4 949	303 782	3 843	312 574

<b>Liabilities as at 30 September 2022</b>				
Deposits from customers		15 131		15 131
Debt securities issued		7 371		7 371
Senior non-preferred bonds		935		935
Subordinated loan capital		406		406
Financial derivatives	7 742	268 043	3 525	279 309
Other financial liabilities <sup>1)</sup>	5 028	1		5 029

<b>Assets as at 30 September 2021</b>				
Loans to customers			49 224	49 224
Commercial paper and bonds	33 468	290 151	244	323 862
Shareholdings	6 777	15 762	12 848	35 388
Financial assets, customers bearing the risk		131 703		131 703
Financial derivatives	1 839	146 217	1 959	150 016

<b>Liabilities as at 30 September 2021</b>				
Deposits from customers		9 758		9 758
Debt securities issued		16 882		16 882
Senior non-preferred bonds		1 089		1 089
Subordinated loan capital		175		175
Financial derivatives	2 236	125 928	1 648	129 813
Other financial liabilities <sup>1)</sup>	4 915	(0)	0	4 916

1) Short positions, trading activities.

For a further description of the instruments and valuation techniques, see the annual report for 2021.

### Financial instruments at fair value, level 3

<i>Amounts in NOK million</i>	Financial assets				Financial liabilities
	Loans to customers	Commercial paper and bonds	Shareholdings	Financial derivatives	Financial derivatives
<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	(955)	(8)	1 158	(325)	(239)
Additions/purchases	6 407	499	2 272	1 115	1 080
Sales		(531)	(1 367)		
Settled	(11 458)	(11)		(708)	(705)
Transferred from level 1 or level 2		844			
Transferred to level 1 or level 2		(855)	(2)		
Other	(143)	23	(0)		
<b>Carrying amount as at 30 September 2021</b>	<b>49 224</b>	<b>244</b>	<b>12 848</b>	<b>1 959</b>	<b>1 648</b>
<b>Carrying amount as at 31 December 2021</b>	<b>46 202</b>	<b>351</b>	<b>12 802</b>	<b>1 858</b>	<b>1 605</b>
Net gains recognised in the income statement	(2 456)	(108)	1 286	1 327	1 334
Acquisition of Sbanken	8 033		144		
Additions/purchases	7 045	549	3 004	1 632	1 517
Sales		(237)	(887)		
Settled	(8 028)			(986)	(937)
Transferred from level 1 or level 2		447			
Transferred to level 1 or level 2		(471)	(2)		
Other	(167)	147	0	12	6
<b>Carrying amount as at 30 September 2022</b>	<b>50 629</b>	<b>677</b>	<b>16 347</b>	<b>3 843</b>	<b>3 525</b>

## NOTE G8 FINANCIAL INSTRUMENTS AT FAIR VALUE (continued)

### 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 133 million. The effects on other Level 3 financial instruments are insignificant.

## NOTE G9 DEBT SECURITIES ISSUED, SENIOR NON-PREFERRED BONDS AND SUBORDINATED LOAN CAPITAL

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

### Debt securities issued 2022

<i>Amounts in NOK million</i>	Balance sheet 30 Sept. 2022	Issued 2022	Matured/ redeemed 2022	Exchange rate movements 2022	Other changes 2022	Acquisition of Sbanken 2022	Balance sheet 31 Dec. 2021
Commercial papers issued, nominal amount	286 156	1 311 957	(1 197 993)	5 346			166 847
Bond debt, nominal amount <sup>1)</sup>	192 641	60 447	(34 889)	15 682		4 034	147 367
Covered bonds, nominal amount <sup>1)</sup>	335 652	4 931	(82 581)	16 883		22 682	373 736
Value adjustments	(25 499)			22	(40 564)	234	14 809
<b>Debt securities issued</b>	<b>788 949</b>	<b>1 377 335</b>	<b>(1 315 463)</b>	<b>37 933</b>	<b>(40 564)</b>	<b>26 950</b>	<b>702 759</b>
<i>Of which DNB Bank ASA</i>	<i>470 212</i>	<i>1 371 404</i>	<i>(1 229 953)</i>	<i>21 050</i>	<i>(8 526)</i>		<i>316 238</i>

1) Excluding own bonds. The total nominal amount of outstanding covered bonds in DNB Boligkreditt was NOK 409.8 billion as at 30 September 2022. The market value of the cover pool represented NOK 684.5 billion.

### Debt securities issued 2021

<i>Amounts in NOK million</i>	Balance sheet 30 Sept. 2021	Issued 2021	Matured/ redeemed 2021	Exchange rate movements 2021	Other changes 2021		Balance sheet 31 Dec. 2020
Commercial papers issued, nominal amount	238 473	2 207 333	(2 084 138)	(22 652)			137 931
Bond debt, nominal amount	146 485	11 859	(37 946)	(2 545)			175 115
Covered bonds, nominal amount	402 480	25 692	(47 309)	(9 957)			434 054
Value adjustments	18 591				(12 138)		30 729
<b>Debt securities issued</b>	<b>806 029</b>	<b>2 244 884</b>	<b>(2 169 392)</b>	<b>(35 154)</b>	<b>(12 138)</b>		<b>777 829</b>
<i>Of which DNB Bank ASA</i>	<i>387 682</i>	<i>2 219 192</i>	<i>(2 122 083)</i>	<i>(25 197)</i>	<i>(2 483)</i>		<i>318 252</i>

### Senior non-preferred bonds 2022

<i>Amounts in NOK million</i>	Balance sheet 30 Sept. 2022	Issued 2022	Matured/ redeemed 2022	Exchange rate movements 2022	Other changes 2022	Acquisition of Sbanken 2022	Balance sheet 31 Dec. 2021
Senior non-preferred bonds, nominal amount	60 463	13 805		6 159		2 000	38 499
Value adjustments	(6 394)				(5 621)	(43)	(730)
<b>Senior non-preferred bonds</b>	<b>54 069</b>	<b>13 805</b>	<b>0</b>	<b>6 159</b>	<b>(5 621)</b>	<b>1 957</b>	<b>37 769</b>
<i>Of which DNB Bank ASA</i>	<i>51 042</i>	<i>12 705</i>		<i>6 159</i>	<i>(5 591)</i>		<i>37 769</i>

### Senior non-preferred bonds 2021

<i>Amounts in NOK million</i>	Balance sheet 30 Sept. 2021	Issued 2021	Matured/ redeemed 2021	Exchange rate movements 2021	Other changes 2021		Balance sheet 31 Dec. 2020
Senior non-preferred bonds, nominal amount	38 473	29 421		533			8 519
Value adjustments	(371)				(375)		4
<b>Senior non-preferred bonds</b>	<b>38 102</b>	<b>29 421</b>	<b>0</b>	<b>533</b>	<b>(375)</b>		<b>8 523</b>

## NOTE G9 DEBT SECURITIES ISSUED, SENIOR NON-PREFERRED BONDS AND SUBORDINATED LOAN CAPITAL (continued)

### Subordinated loan capital and perpetual subordinated loan capital securities 2022

	Balance sheet 30 Sept. 2022	Issued 2022	Matured/ redeemed 2022	Exchange rate movements 2022	Other changes 2022	Acquisition of Sbanken 2022	Balance sheet 31 Dec. 2021
<i>Amounts in NOK million</i>							
Term subordinated loan capital, nominal amount	22 996	5 339	(10 676)	360		900	27 073
Perpetual subordinated loan capital, nominal amount	6 872			1 121			5 752
Value adjustments	(27)		2		(264)	12	223
<b>Subordinated loan capital and perpetual subordinated loan capital securities</b>	<b>29 841</b>	<b>5 339</b>	<b>(10 674)</b>	<b>1 480</b>	<b>(264)</b>	<b>912</b>	<b>33 047</b>
<i>Of which DNB Bank ASA</i>	<i>28 930</i>	<i>5 339</i>	<i>(10 676)</i>	<i>1 480</i>	<i>(261)</i>		<i>33 047</i>

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

	Balance sheet 30 Sept. 2021	Issued 2021	Matured/ redeemed 2021	Exchange rate movements 2021	Other changes 2021		Balance sheet 31 Dec. 2020
<i>Amounts in NOK million</i>							
Term subordinated loan capital, nominal amount	25 511			(809)			26 320
Perpetual subordinated loan capital, nominal amount	5 723			83			5 640
Value adjustments	217				(142)		359
<b>Subordinated loan capital and perpetual subordinated loan capital securities</b>	<b>31 451</b>	<b>0</b>	<b>0</b>	<b>(726)</b>	<b>(142)</b>		<b>32 319</b>

## NOTE G10 CONTINGENCIES

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

### Tax effect of debt interest distribution with international branch offices

In the second quarter of 2021, DNB Bank ASA received a decision from the Norwegian tax authorities relating to the deduction of external interest expenses. According to Norwegian tax legislation, external interest expenses are to be allocated proportionally among DNB Bank ASA's operations in Norway and certain international branch offices, based on the respective entities' total assets. This could result in additions to or deductions from the companies' income in Norway. The decision means that the limitation of interest deduction is calculated by including internal receivables, and covers the fiscal years 2015–2019. The decision represents a tax exposure of NOK 1.7 billion for the period in question. The effect for subsequent years is not considered to be significant.

DNB disagrees with the tax authorities' interpretation of the legislation. Legal proceedings were initiated in 2021, and the court proceedings at the first level took place at the beginning of May 2022. The first-level court decision of 4 June 2022 was not in favour of DNB, and DNB has appealed the decision. DNB is still of the opinion that it has a strong case in the proceedings, and no provisions have been recognised in the accounts.

### Tax effect of the reorganisation of the lending activities in Sweden and the UK in 2015

In the second quarter of 2022, DNB Bank ASA received a notice from the Norwegian tax authorities relating to a reorganisation of the lending activities in Sweden and in the UK in 2015. The tax authorities questioned the valuation and calculation of taxable gains/losses relating to loan portfolios that were sold from branches of DNB Bank ASA to subsidiaries in Sweden and the UK. The Group's maximum tax exposure is estimated to be approximately NOK 1.1 billion. DNB disagrees with the Norwegian tax authorities' approach. It is DNB's view that it has a strong case, and no provisions have been recognised in the accounts.

See also note G26 Taxes in the annual report for 2021.

# Accounts for DNB Bank ASA

## P – INCOME STATEMENT

<i>Amounts in NOK million</i>	3rd quarter 2022	3rd quarter 2021	Jan.-Sept. 2022	Jan.-Sept. 2021	Full year 2021
Interest income, amortised cost	15 827	7 467	36 384	22 161	30 653
Other interest income	1 541	409	2 860	1 691	2 247
Interest expenses, amortised cost	(8 072)	(1 183)	(13 758)	(3 786)	(5 240)
Other interest expenses	583	291	1 518	797	1 057
<b>Net interest income</b>	<b>9 880</b>	<b>6 984</b>	<b>27 004</b>	<b>20 862</b>	<b>28 718</b>
Commission and fee income	2 230	1 920	6 751	6 452	9 026
Commission and fee expenses	(815)	(713)	(2 249)	(2 347)	(3 193)
Net gains on financial instruments at fair value	(828)	940	723	3 105	3 247
Other income	(113)	1 973	2 675	4 558	10 607
<b>Net other operating income</b>	<b>475</b>	<b>4 120</b>	<b>7 900</b>	<b>11 768</b>	<b>19 687</b>
<b>Total income</b>	<b>10 354</b>	<b>11 104</b>	<b>34 905</b>	<b>32 630</b>	<b>48 405</b>
Salaries and other personnel expenses	(2 929)	(2 753)	(8 615)	(8 272)	(11 331)
Other expenses	(1 608)	(1 389)	(4 876)	(4 295)	(5 971)
Depreciation and impairment of fixed and intangible assets	(873)	(846)	(2 566)	(2 491)	(3 342)
<b>Total operating expenses</b>	<b>(5 410)</b>	<b>(4 988)</b>	<b>(16 057)</b>	<b>(15 058)</b>	<b>(20 643)</b>
<b>Pre-tax operating profit before impairment</b>	<b>4 944</b>	<b>6 116</b>	<b>18 847</b>	<b>17 572</b>	<b>27 762</b>
Net gains on fixed and intangible assets	1	0	35	17	28
Impairment of financial instruments	146	44	727	710	263
<b>Pre-tax operating profit</b>	<b>5 091</b>	<b>6 160</b>	<b>19 609</b>	<b>18 299</b>	<b>28 053</b>
Tax expense	(1 171)	(1 355)	(4 510)	(4 026)	(5 710)
<b>Profit for the period</b>	<b>3 920</b>	<b>4 805</b>	<b>15 099</b>	<b>14 273</b>	<b>22 342</b>
Portion attributable to shareholders of DNB Bank ASA	3 757	4 582	14 579	13 576	21 420
Portion attributable to additional Tier 1 capital holders	163	223	519	697	922
<b>Profit for the period</b>	<b>3 920</b>	<b>4 805</b>	<b>15 099</b>	<b>14 273</b>	<b>22 342</b>

## P – COMPREHENSIVE INCOME STATEMENT

<i>Amounts in NOK million</i>	3rd quarter 2022	3rd quarter 2021	Jan.-Sept. 2022	Jan.-Sept. 2021	Full year 2021
<b>Profit for the period</b>	<b>3 920</b>	<b>4 805</b>	<b>15 099</b>	<b>14 273</b>	<b>22 342</b>
Actuarial gains and losses	124		648	(151)	(180)
Financial liabilities designated at FVTPL, changes in credit risk	24	19	108	16	29
Tax	(37)	(5)	(182)	34	40
Items that will not be reclassified to the income statement	111	14	574	(101)	(111)
Currency translation of foreign operations	24	(12)	(23)	(64)	(74)
Financial assets at fair value through OCI	(282)	(6)	(902)	16	(44)
Tax	71	2	225	(4)	11
Items that may subsequently be reclassified to the income statement	(188)	(17)	(699)	(52)	(108)
<b>Other comprehensive income for the period</b>	<b>(76)</b>	<b>(3)</b>	<b>(125)</b>	<b>(153)</b>	<b>(218)</b>
<b>Comprehensive income for the period</b>	<b>3 844</b>	<b>4 802</b>	<b>14 974</b>	<b>14 121</b>	<b>22 124</b>

## P – BALANCE SHEET

<i>Amounts in NOK million</i>	<i>Note</i>	<i>30 Sept. 2022</i>	<i>31 Dec. 2021</i>	<i>30 Sept. 2021</i>
<b>Assets</b>				
Cash and deposits with central banks		440 844	295 039	530 176
Due from credit institutions		486 151	417 777	373 212
Loans to customers	P3, P4	998 555	898 584	876 470
Commercial paper and bonds	P4	361 356	312 638	303 904
Shareholdings	P4	5 022	7 078	7 346
Financial derivatives	P4	338 251	157 085	158 853
Investments in associated companies		9 655	9 436	9 438
Investments in subsidiaries		136 476	119 228	118 804
Intangible assets		3 368	3 438	3 397
Deferred tax assets		146	124	5 218
Fixed assets		16 009	15 580	15 733
Other assets		23 280	29 091	13 542
<b>Total assets</b>		<b>2 819 111</b>	<b>2 265 097</b>	<b>2 416 093</b>
<b>Liabilities and equity</b>				
Due to credit institutions		313 582	246 335	329 738
Deposits from customers	P4	1 398 080	1 235 125	1 219 881
Financial derivatives	P4	299 134	136 311	146 864
Debt securities issued	P4	470 212	316 238	387 682
Payable taxes		4 823	189	3 902
Deferred taxes		3 835	3 752	89
Other liabilities		28 354	45 189	39 937
Provisions		705	1 229	1 139
Pension commitments		3 816	4 514	4 413
Senior non-preferred bonds		51 042	37 769	38 102
Subordinated loan capital	P4	28 930	33 047	31 451
<b>Total liabilities</b>		<b>2 602 513</b>	<b>2 059 698</b>	<b>2 203 198</b>
Additional Tier 1 capital		14 147	16 974	17 136
Share capital		19 380	19 379	19 379
Share premium		18 733	18 733	18 733
Other equity		164 340	150 312	157 647
<b>Total equity</b>		<b>216 599</b>	<b>205 399</b>	<b>212 895</b>
<b>Total liabilities and equity</b>		<b>2 819 111</b>	<b>2 265 097</b>	<b>2 416 093</b>

## P – STATEMENT OF CHANGES IN EQUITY

<i>Amounts in NOK million</i>	Share capital	Share premium	Additional Tier 1 capital	Net currency translation reserve	Liability credit reserve	Other equity	Total equity
<b>Balance sheet as at 31 December 2020</b>	<b>19 380</b>	<b>19 895</b>	<b>18 362</b>	<b>629</b>	<b>(29)</b>	<b>150 669</b>	<b>208 905</b>
Profit for the period			697			13 576	14 273
Actuarial gains and losses						(151)	(151)
Financial assets at fair value through OCI						16	16
Financial liabilities designated at FVTPL, changes in credit risk					16		16
Currency translation of foreign operations				(64)			(64)
Tax on other comprehensive income					(4)	34	30
Comprehensive income for the period			697	(64)	12	13 475	14 121
Interest payments AT1 capital			(538)				(538)
Currency movements on interest payments and redemption AT1 capital			15			(11)	4
Additional Tier 1 capital redeemed			(1 400)				(1 400)
Net purchase of treasury shares	0					6	6
Merger DNB ASA	(1)	(1 162)				6 914	5 751
Dividends paid for 2020 (NOK 9.0 per share)						(13 953)	(13 953)
<b>Balance sheet as at 30 September 2021</b>	<b>19 379</b>	<b>18 733</b>	<b>17 136</b>	<b>565</b>	<b>(17)</b>	<b>157 099</b>	<b>212 895</b>
<b>Balance sheet as at 31 December 2021</b>	<b>19 379</b>	<b>18 733</b>	<b>16 974</b>	<b>554</b>	<b>(8)</b>	<b>149 765</b>	<b>205 399</b>
Profit for the period			519			14 579	15 099
Actuarial gains and losses						648	648
Financial assets at fair value through OCI						(902)	(902)
Financial liabilities designated at FVTPL, changes in credit risk					108		108
Currency translation of foreign operations				(23)			(23)
Tax on other comprehensive income					(27)	71	43
Comprehensive income for the period			519	(23)	81	14 396	14 974
Interest payments additional Tier 1 capital			(527)				(527)
AT1 capital redeemed <sup>1)</sup>			(6 548)				(6 548)
Currency movements on interest payment and redemption AT1			478			(428)	50
AT1 capital issued <sup>2)</sup>			3 250				3 250
Net purchase of treasury shares	0					0	0
<b>Balance sheet as at 30 September 2022</b>	<b>19 380</b>	<b>18 733</b>	<b>14 147</b>	<b>532</b>	<b>74</b>	<b>163 734</b>	<b>216 599</b>

1) An additional Tier 1 capital instrument of USD 750 million, issued by DNB Bank ASA in 2016, was redeemed in the first quarter of 2022.

2) DNB Bank ASA issued two additional Tier 1 capital instruments in the third quarter of 2022. The first has a nominal value of NOK 2 750 million and is perpetual with a floating interest of 3 months NIBOR plus 3.75 per cent p.a. The second has a nominal value of NOK 500 million and is perpetual with an interest rate of 6.72 per cent p.a.

## NOTE P1 BASIS FOR PREPARATION

DNB Bank ASA has prepared the financial statements according to the Norwegian Ministry of Finance's regulations on annual accounts. A description of the accounting principles applied by the company when preparing the financial statements can be found in Note 1 Accounting principles in the annual report for 2021. In the interim report, the accounting policies, significant estimates, and areas where judgement is applied by the company are in conformity with those described in the annual report.

See note G9 to the consolidated accounts for information about debt securities issued, senior non-preferred bonds and subordinated loan capital, and note G10 for information about contingencies.

### Acquisition of Sbanken ASA

DNB Bank ASA acquired a majority shareholding in Sbanken ASA as at 30 March 2022. Please refer to note G2 Acquisition of Sbanken for further information.

## NOTE P2 CAPITAL ADEQUACY

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

### Own funds

<i>Amounts in NOK million</i>	30 Sept. 2022	31 Dec. 2021	30 Sept. 2021
Total equity	216 599	205 399	212 895
Adjustment to retained earnings for foreseeable dividends	(7 290)		(6 788)
Additional Tier 1 capital instruments included in total equity	(13 724)	(16 595)	(16 595)
Net accrued interest on additional Tier 1 capital instruments	(422)	(285)	(406)
Common equity Tier 1 capital instruments	195 162	188 520	189 106
Regulatory adjustments			
Goodwill	(2 392)	(2 391)	(2 403)
Deferred tax assets that rely of future profitability, excluding temporary differences	(25)	(25)	(453)
Other intangible assets	(792)	(1 047)	(994)
Dividends payable and group contributions			
IRB provisions shortfall (-)	(1 646)	(1 427)	(1 296)
Additional value adjustments (AVA)	(961)	(914)	(943)
Insufficient coverage for non-performing exposures	(32)		
(Gains) or losses on liabilities at fair value resulting from own credit risk	(74)	8	17
(Gains) or losses on derivative liabilities resulting from own credit risk (DVA)	(544)	(336)	(371)
Common equity Tier 1 capital	188 696	182 386	182 664
Additional Tier 1 capital instruments	13 724	16 595	16 595
Tier 1 capital	202 420	198 981	199 259
Perpetual subordinated loan capital	6 122	5 752	5 723
Term subordinated loan capital	22 096	29 237	25 511
Additional Tier 2 capital instruments	28 218	34 989	31 234
Own funds	230 639	233 970	230 493
Total risk exposure amount	916 303	833 707	832 963
Minimum capital requirement	73 304	66 697	66 637
Capital ratios:			
Common equity Tier 1 capital ratio	20.6	21.9	21.9
Tier 1 capital ratio	22.1	23.9	23.9
Total capital ratio	25.2	28.1	27.7

### Own funds and capital ratios excluding interim profit

Common equity Tier 1 capital	181 406	175 876
Tier 1 capital	195 131	192 471
Own funds	223 349	223 705
Common equity Tier 1 capital ratio	19.8	21.1
Tier 1 capital ratio	21.3	23.1
Total capital ratio	24.4	26.9

## NOTE P3 DEVELOPMENT IN ACCUMULATED IMPAIRMENT OF FINANCIAL INSTRUMENTS

### Loans to customers at amortised cost

<i>Amounts in NOK million</i>	2022				2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Accumulated impairment as at 31 Dec.</b>	<b>(433)</b>	<b>(494)</b>	<b>(7 979)</b>	<b>(8 905)</b>	<b>(555)</b>	<b>(987)</b>	<b>(10 506)</b>	<b>(12 048)</b>
Transfer to stage 1	(131)	130	1		(217)	217		
Transfer to stage 2	44	(54)	10		119	(126)	7	
Transfer to stage 3		15	(16)		2	71	(73)	
Originated and purchased	(118)	(46)		(163)	(154)	(63)		(217)
Increased expected credit loss	(223)	(516)	(2 216)	(2 956)	(218)	(666)	(2 545)	(3 429)
Decreased (reversed) expected credit loss	332	236	1 828	2 396	565	585	2 570	3 720
Write-offs			2 553	2 553			985	985
Derecognition (including repayments)	63	174	253	491	79	313	83	475
Exchange rate movements		(1)	2		2	3	(1)	4
<b>Accumulated impairment as at 30 Sept.</b>	<b>(466)</b>	<b>(556)</b>	<b>(5 564)</b>	<b>(6 586)</b>	<b>(377)</b>	<b>(654)</b>	<b>(9 481)</b>	<b>(10 512)</b>

### Financial commitments

<i>Amounts in NOK million</i>	2022				2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Accumulated impairment as at 31 Dec.</b>	<b>(169)</b>	<b>(250)</b>	<b>(669)</b>	<b>(1 087)</b>	<b>(231)</b>	<b>(438)</b>	<b>(601)</b>	<b>(1 270)</b>
Transfer to stage 1	(96)	96			(72)	72		
Transfer to stage 2	17	(17)	1		34	(34)		
Transfer to stage 3		1	(1)			16	(16)	
Originated and purchased	(86)	(14)		(99)	(111)	(18)		(129)
Increased expected credit loss	(29)	(104)	(24)	(156)	(49)	(197)	(300)	(545)
Decreased (reversed) expected credit loss	206	64	425	695	256	225	347	828
Derecognition	10	39	9	58	5	108		113
Exchange rate movements	(1)	(3)		(4)				(1)
Other								
<b>Accumulated impairment as at 30 Sept.</b>	<b>(147)</b>	<b>(188)</b>	<b>(258)</b>	<b>(594)</b>	<b>(169)</b>	<b>(264)</b>	<b>(570)</b>	<b>(1 002)</b>

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



## NOTE P4 FINANCIAL INSTRUMENTS AT FAIR VALUE

<i>Amounts in NOK million</i>	Level 1	Level 2	Level 3	Total
<b>Assets as at 30 September 2022</b>				
Loans to customers		136 358	5 804	142 161
Commercial paper and bonds	36 111	324 568	677	361 356
Shareholdings	2 991	384	1 647	5 022
Financial derivatives	4 949	329 458	3 843	338 251
<b>Liabilities as at 30 September 2022</b>				
Deposits from customers		15 131		15 131
Debt securities issued		2 760		2 760
Senior non-preferred bonds		935		935
Subordinated loan capital		406		406
Financial derivatives	7 742	287 867	3 525	299 134
Other financial liabilities <sup>1)</sup>	5 028	1		5 029
<b>Assets as at 30 September 2021</b>				
Loans to customers		125 612	6 344	131 956
Commercial paper and bonds	27 384	276 276	244	303 904
Shareholdings	5 530	941	874	7 346
Financial derivatives	1 839	155 055	1 959	158 853
<b>Liabilities as at 30 September 2021</b>				
Deposits from customers		9 758		9 758
Debt securities issued		6 267		6 267
Senior non-preferred bonds		1 089		1 089
Subordinated loan capital		175		175
Financial derivatives	2 236	142 979	1 648	146 864
Other financial liabilities <sup>1)</sup>	4 915	(0)	0	4 916

<sup>1)</sup> Short positions, trading activities.

Loans with floating interest rate measured at fair value through other comprehensive income are categorised within level 2, since the valuation is mainly based on observable inputs.

For a further description of the instruments and valuation techniques, see the annual report for 2021.

## NOTE P5 INFORMATION ON RELATED PARTIES

### DNB Boligkreditt AS

In the first three quarters of 2022, loan portfolios representing NOK 6.5 billion (NOK 21.7 billion in the first three quarters of 2021) were transferred from the bank to DNB Boligkreditt in accordance with the "Agreement relating to transfer of loan portfolio between DNB Bank ASA and DNB Boligkreditt AS".

At end-September 2022, the bank had invested NOK 93.8 billion in covered bonds issued by DNB Boligkreditt.

The servicing agreement between DNB Boligkreditt and DNB Bank ensures DNB Boligkreditt a minimum margin achieved on loans to customers. A margin below the minimum level will be at DNB Bank's risk, resulting in a negative management fee (payment from DNB Bank to DNB Boligkreditt). The management fee paid to the bank for purchased services amounted to a negative NOK 662 million in the first three quarters of 2022 (NOK 1 548 million in the first three quarters of 2021).

In the first three quarters of 2022, DNB Boligkreditt entered into reverse repurchasing agreements (reverse repos) with the bank as counterparty. The value of the repos amounted to NOK 6.6 billion at end-September 2022.

DNB Boligkreditt AS has a long-term overdraft facility in DNB Bank ASA with a limit of NOK 270 billion.

### Sbanken ASA og Sbanken Boligkreditt AS

At end-September 2022, the bank had invested a total amount of NOK 9 361 million in bonds issued by Sbanken and Sbanken Boligkreditt.

# Information about DNB

## Head office

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Internet	dnb.no
Organisation number	Register of Business Enterprises NO 984 851 006 MVA

## Board of Directors

Olaug Svarva	Chair of the Board
Svein Richard Brandtzæg	Vice Chair of the Board
Gro Bakstad	
Julie Garbo	
Lillian Hattrem	
Jens Petter Olsen	
Stian Tegler Samuelsen	
Jaan Ivar Semlitsch	
Jannicke Skaanes	
Kim Wahl	

## Group Management

Kjerstin R. Braathen	Group Chief Executive Officer (CEO)
Ida Lerner	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
Benjamin Golding	Group Executive Vice President of Products & Innovation
Mirella E. Grant	Group Chief Compliance Officer (CCO)
Sverre Krog	Group Chief Risk Officer (CRO)
Maria Ervik Løvold	Group Executive Vice President of Technology & Services
Anne Sigrun Moen	Group Executive Vice President of People
Thomas Midteide	Group Executive Vice President of Communications & Sustainability

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## Financial calendar

### 2022

15 November	Capital Markets Day
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### 2023

9 February	Q4 2022
9 March	Annual report 2022
25 April	Annual General Meeting
26 April	Ex-dividend date
5 May	Distribution of dividends
27 April	Q1 2023
12 July	Q2 2023
19 October	Q3 2023

## Other sources of information

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

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*Cover design: Hyper*



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