



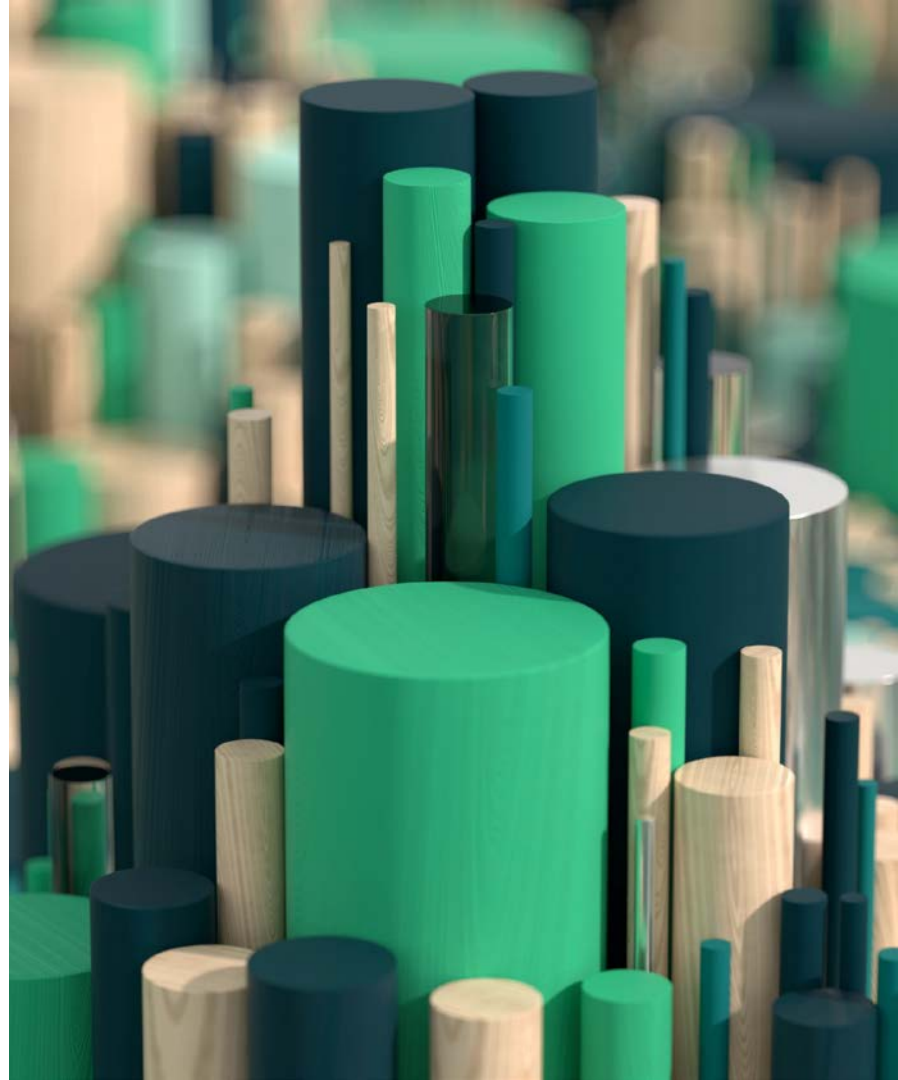
Results DNB Group

Fourth quarter 2023

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

Q4

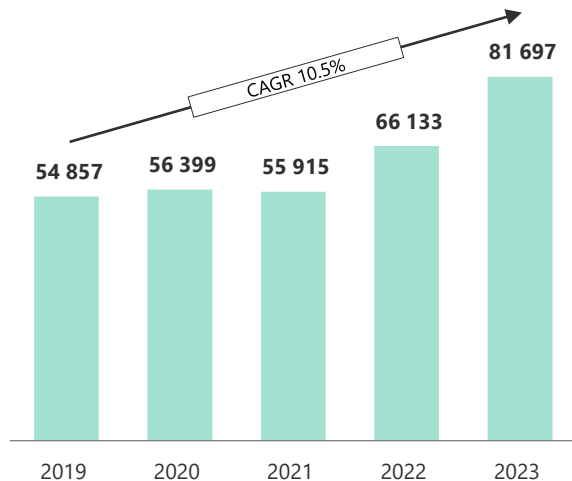
31 January 2024



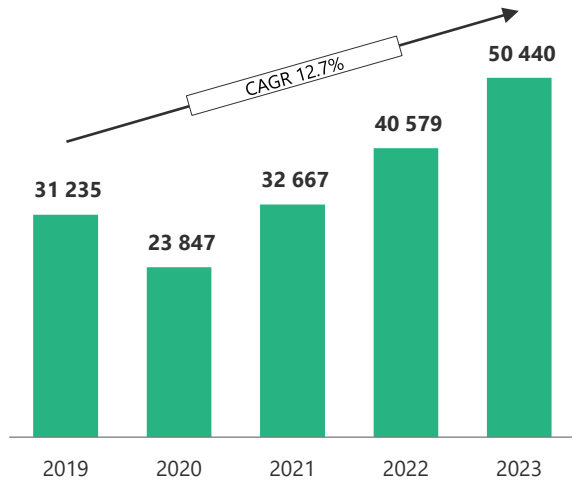
Strong performance in 2023 – delivering on financial ambitions

- Net interest income (NII) up 27.4 per cent from last year, driven by profitable volume growth and repricing effects
- All-time high result from net commissions and fees (NCF), up 7.6 per cent from last year, strong performance across product areas
- Solid capital position with CET1 capital ratio of 18.2 per cent with ~140 basis-point headroom to Financial Supervisory Authority's (FSA) expectation

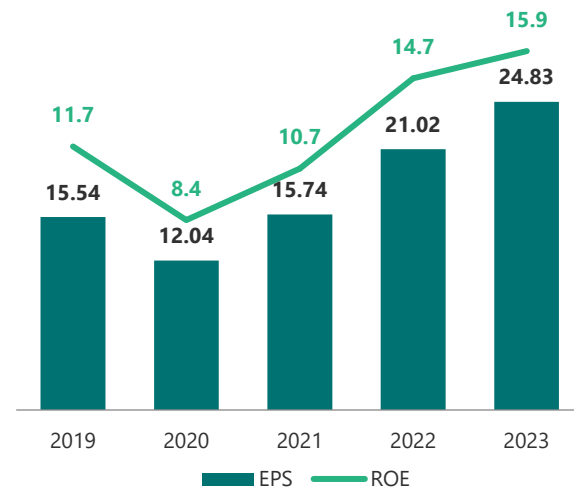
Total income
NOK million



Pre-tax operating profit
NOK million



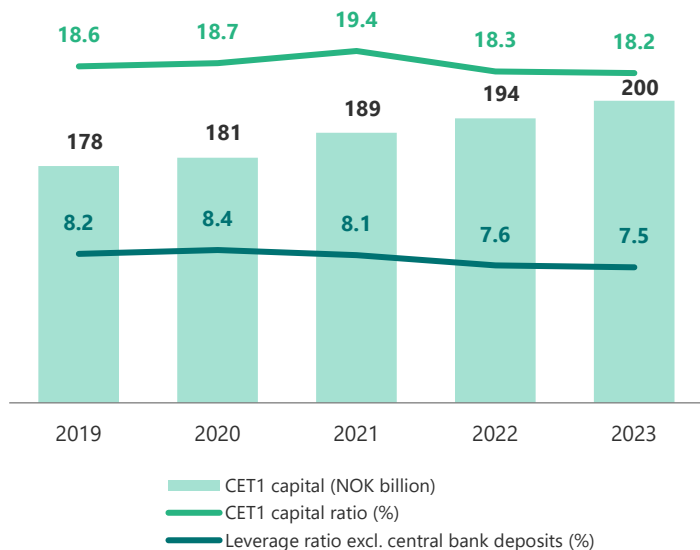
Earnings per share/ Return on equity
NOK, Per cent



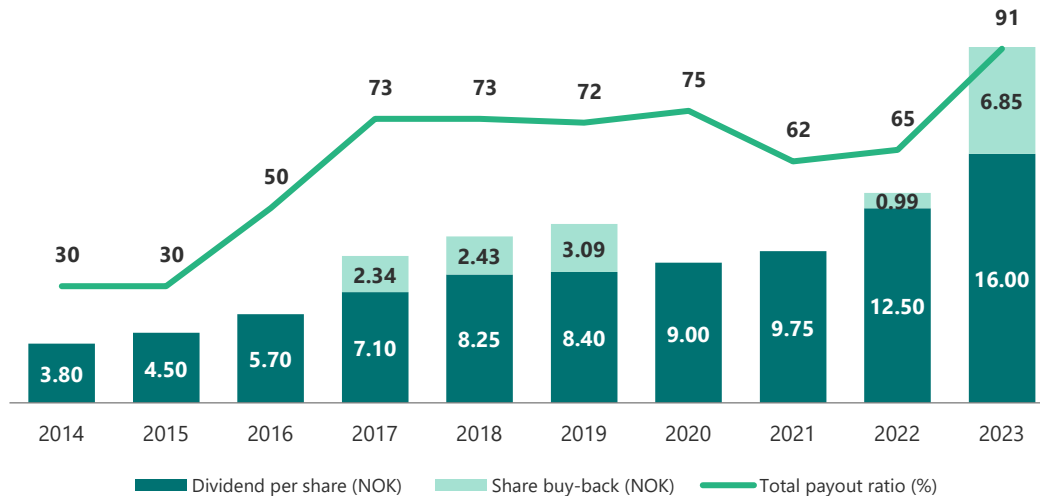
Strong commitment to dividend policy – continued increase in dividend per share

- Dividend per share of NOK 16.00 to be proposed by Board of Directors – increase of NOK 3.50 from 2022
- Total share buy-back programmes of 3.25 per cent initiated in 2023 – 78 per cent completed at year-end
- Board of Directors expected to request authorisation from Annual General Meeting for share buy-back programme in line with previous years
- Robust Solvency II margin of 248 per cent in DNB Liv enabled capital repayment of NOK 1 billion in 4Q23. Ordinary dividend to be paid in 1Q24.

CET1 capital
NOK billion, Per cent



Dividend per share and payout ratio
NOK, Per cent

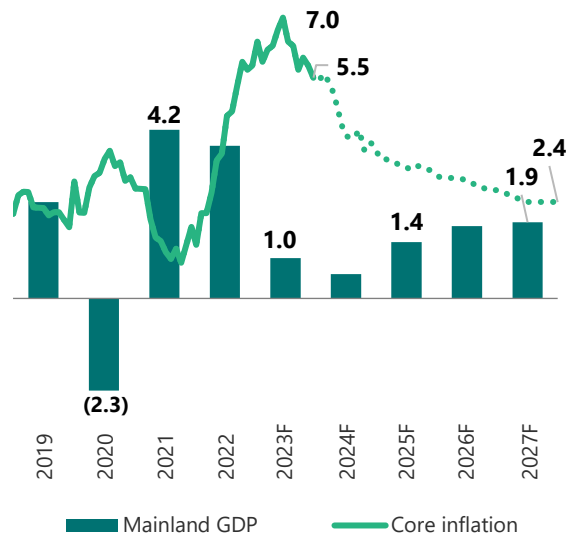


Norwegian economy heading for soft landing

- Moderate growth in mainland economy anticipated in short term – growth expected to pick up from 2025
- Corporate investments expected to increase in both mainland economy and petroleum sector
- Key policy rate expected to remain at 4.50 per cent until September, and then gradually decrease to 3.25 per cent year-end 2025

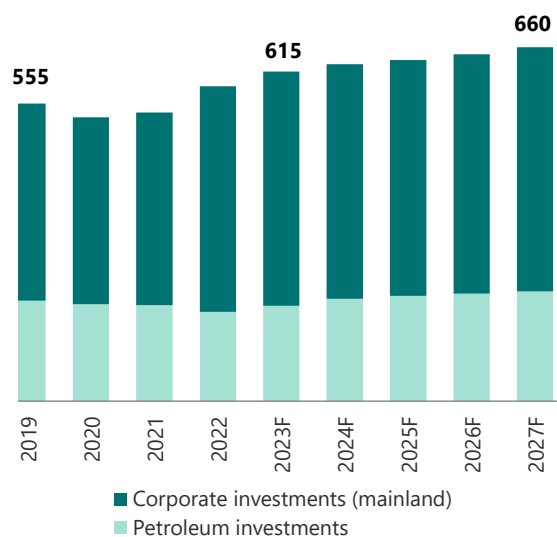
Mainland GDP and inflation¹

Actual and DNB Markets forecast
Per cent



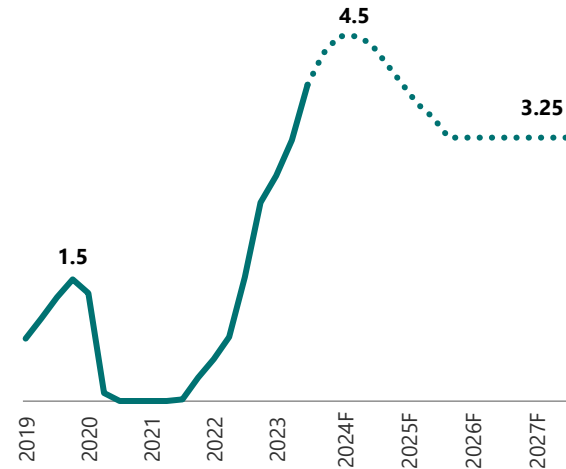
Investments in Norway

Actual and DNB Markets forecast
NOK billion



Key policy rate

Actual and DNB Markets forecast
Per cent



1) Consumer price index adjusted for taxes and energy prices.

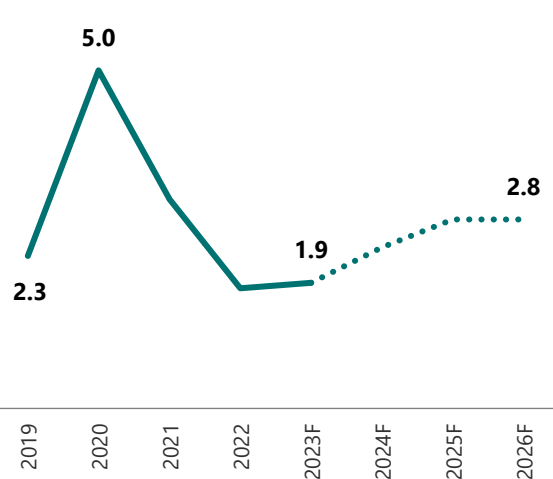
Sources: Statistics Norway, DNB Markets, Norges Bank (Norwegian central bank).

Norwegian households remain resilient

- Unemployment expected to remain low in coming years
- Debt-servicing ratio close to peak – annuity loan structure alleviating burden on households of higher interest rates
- Positive real wage development expected from 2024 onwards, improving households' purchasing power in coming years

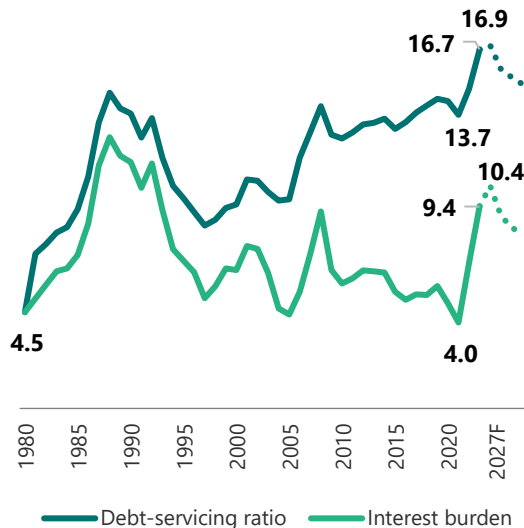
Unemployment rate

Actual and DNB Markets forecast
Per cent



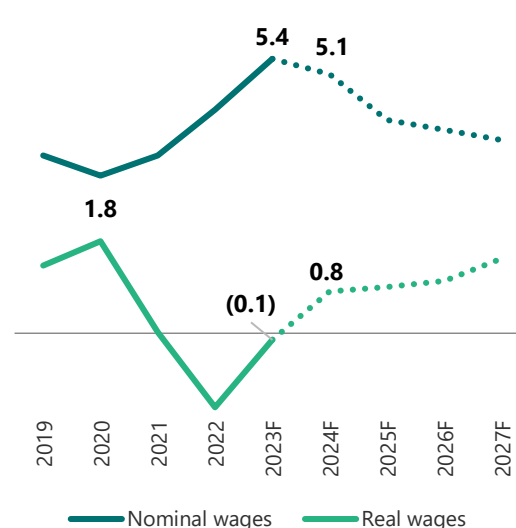
Debt-servicing ratio of Norwegian households

Per cent of disposable income



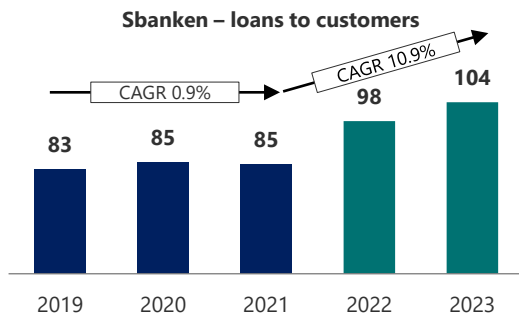
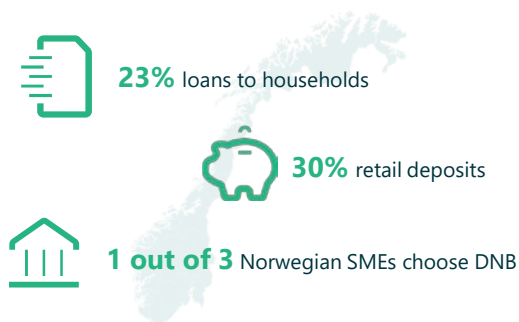
Wage growth

Actual and DNB Markets forecast
Per cent



Solid platform for profitable growth

Market-leading position in Norwegian banking



International presence within selected growth industries



Seafood



Healthcare



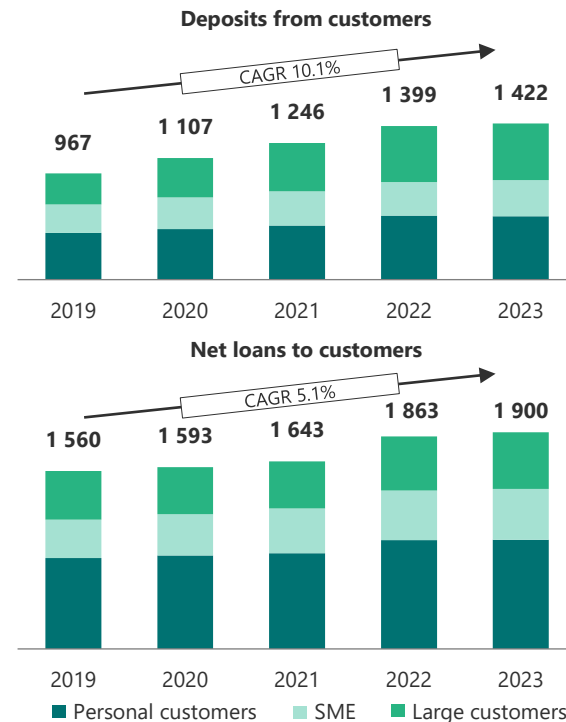
Energy and maritime



Infrastructure, power and renewables

Growth across customer segments

NOK billion



Leading positions within savings and investment supporting future growth

Leading strategic positions



No. 1 in asset management in Norway



Strong market position for pensions in corporate segment

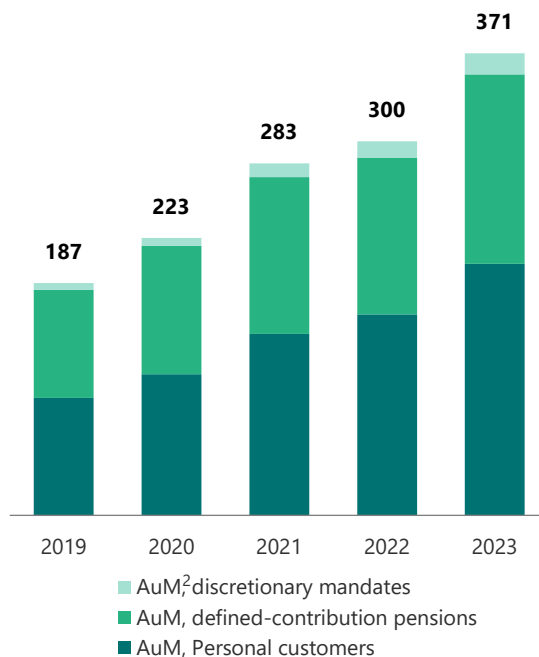


No. 1 digital savings platform for retail

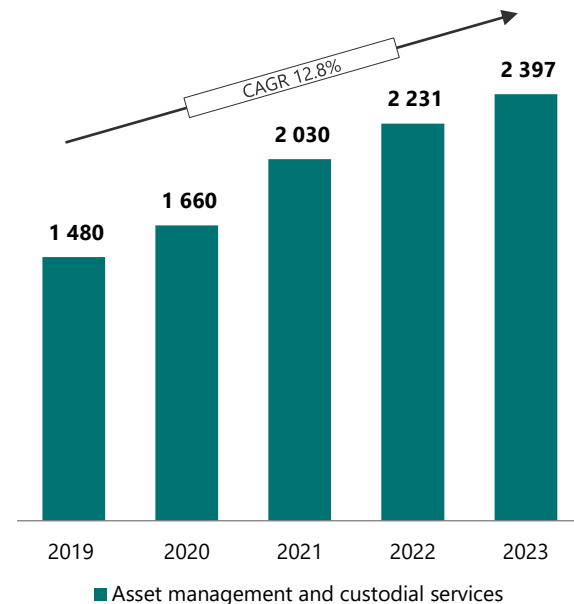


Market-leading position for Private Banking in Norway

Assets under management from DC pensions¹ and savings NOK billion



Commissions and fees NOK million



1) Defined-contribution pensions.
2) AuM: Assets under management.

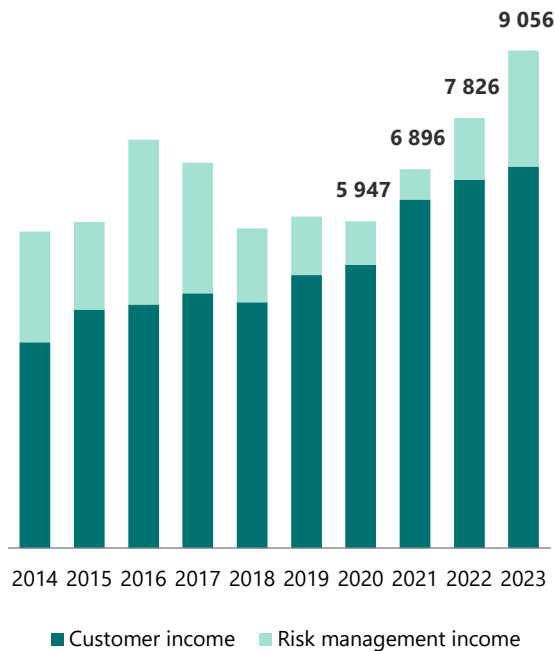
Continued growth in customer revenue from DNB Markets

Ranked no.1 across most advisory and securities categories

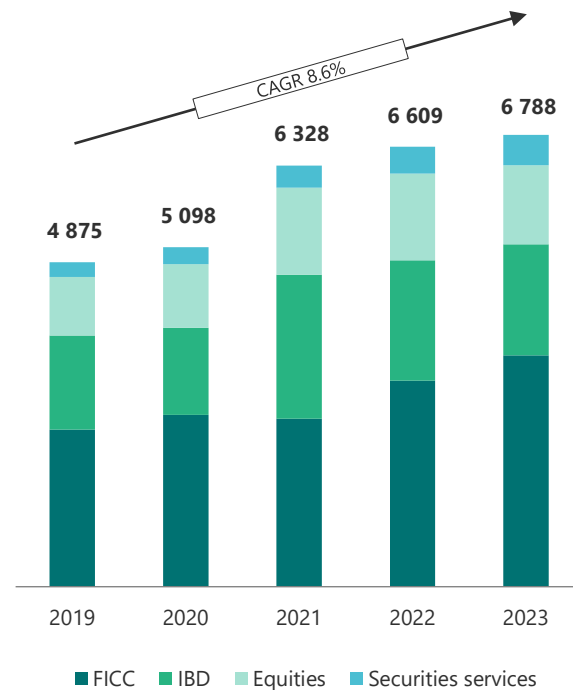
- Unique market position in Norway
- Leading bank globally in NOK foreign exchange (FX) and rates
- Continuously strengthening market position in the Nordics



Total income NOK million



Customer income – breakdown of revenues NOK million per division



Constantly aiming to deliver better customer value in highly competitive market

Capitalising on our strong digital platform and physical distribution



DNB mobile banking app highly rated by customers¹ (4.7 of 5 rating)



63 per cent growth in users of our digital solution for SMEs – *DNB Bedrift*

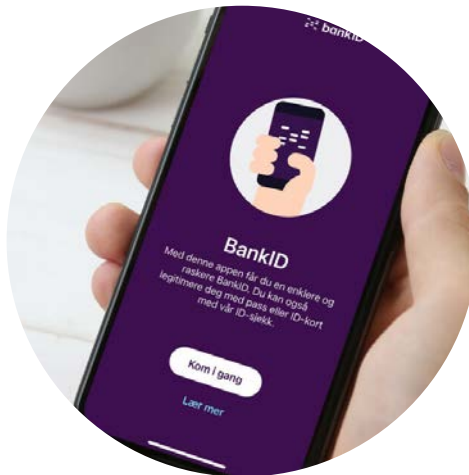


3.8 million customer conversations in 2023, 90 per cent of queries resolved at first point of contact

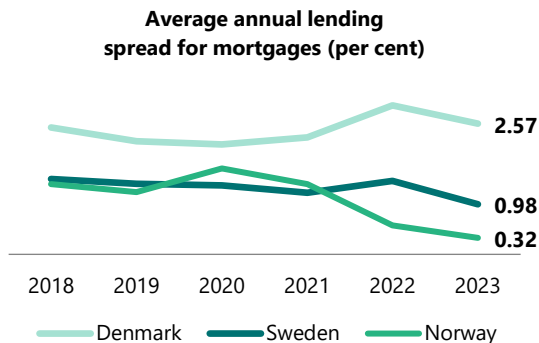
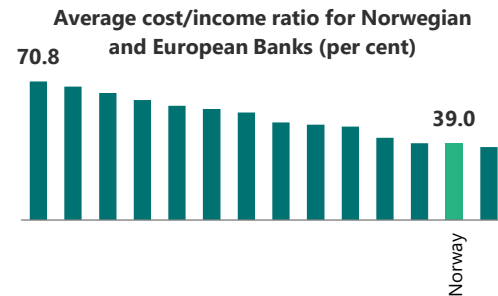


Substantial annual investment in cyber defence - stopped attempted fraud worth NOK 1.5 billion in 2023

Innovative solutions promoting a transparent banking market



Customers benefiting from efficient Norwegian banks²



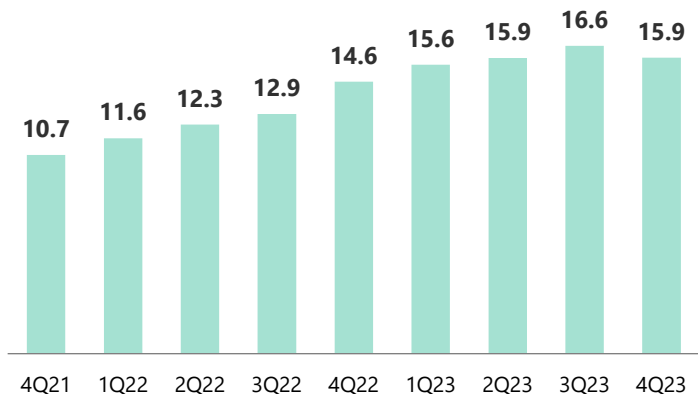
1) Among iOS users (194 000 reviews).

2) Source: Finance Norway.

Strong performance in the fourth quarter

Return on equity

Per cent, trailing 12-month figures



Profit for
the period
NOK billion
9.4

CET1
capital ratio
Per cent
18.2

Return on equity (ROE) of 14.6 per cent in the quarter

Driven by strong results across customer segments and product areas and extraordinarily low tax rate in the quarter

Net interest income (NII) up 1.8 per cent from 3Q23

Driven by higher interest rates

Net commissions and fees (NCF) up 8.1 per cent from 4Q22

Strong performance across product areas – well-diversified fee platform

Robust and solid asset quality

99.2 per cent in stages 1 and 2
Impairment provisions of NOK 920 million in the quarter

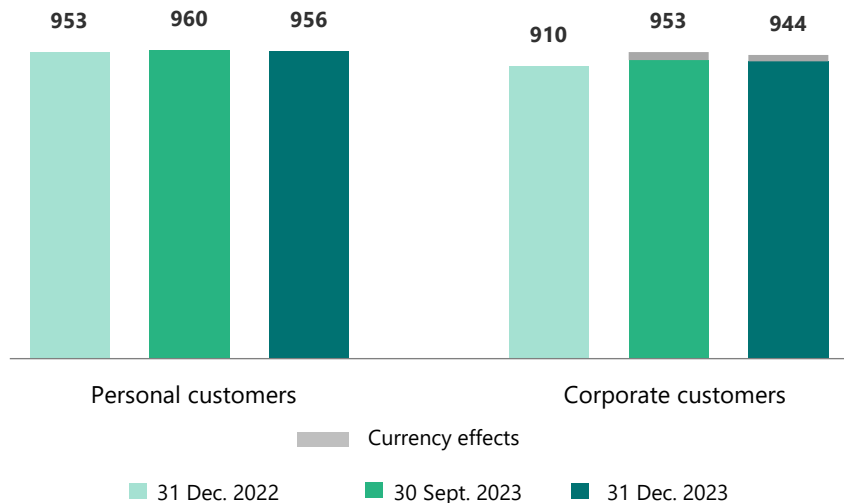
Solid earnings per share (EPS)

EPS of NOK 5.93 in the quarter

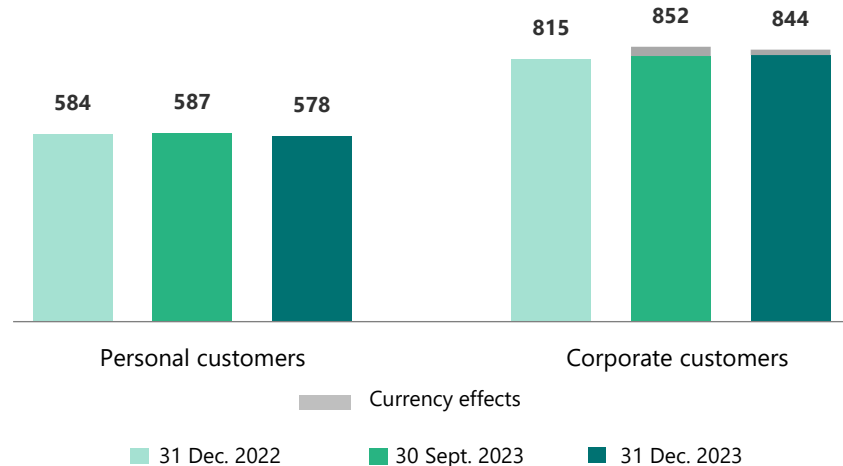
Volumes affected by lower market activity

- Loans down 0.5 per cent, currency adjusted, in both customer segments
- Deposits down 0.3 per cent, currency adjusted
 - Personal customers down 1.3 per cent and Corporate customers up 0.4 per cent
- Continued strong deposit-to-loan ratio within the customer segments – 74.9 per cent in the quarter

Loans by customer segment
NOK billion



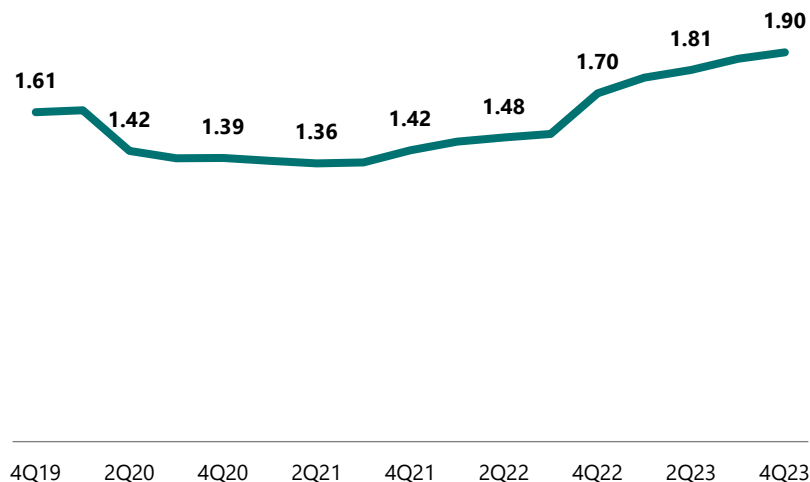
Deposits by customer segment
NOK billion



Positive development in net interest margin

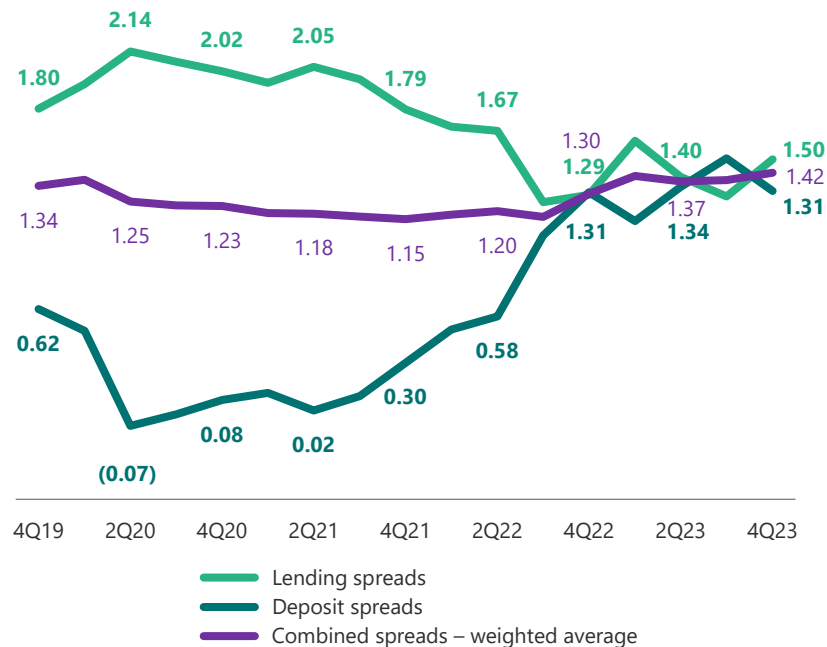
Net interest margin¹

Per cent



Spreads in customer segments

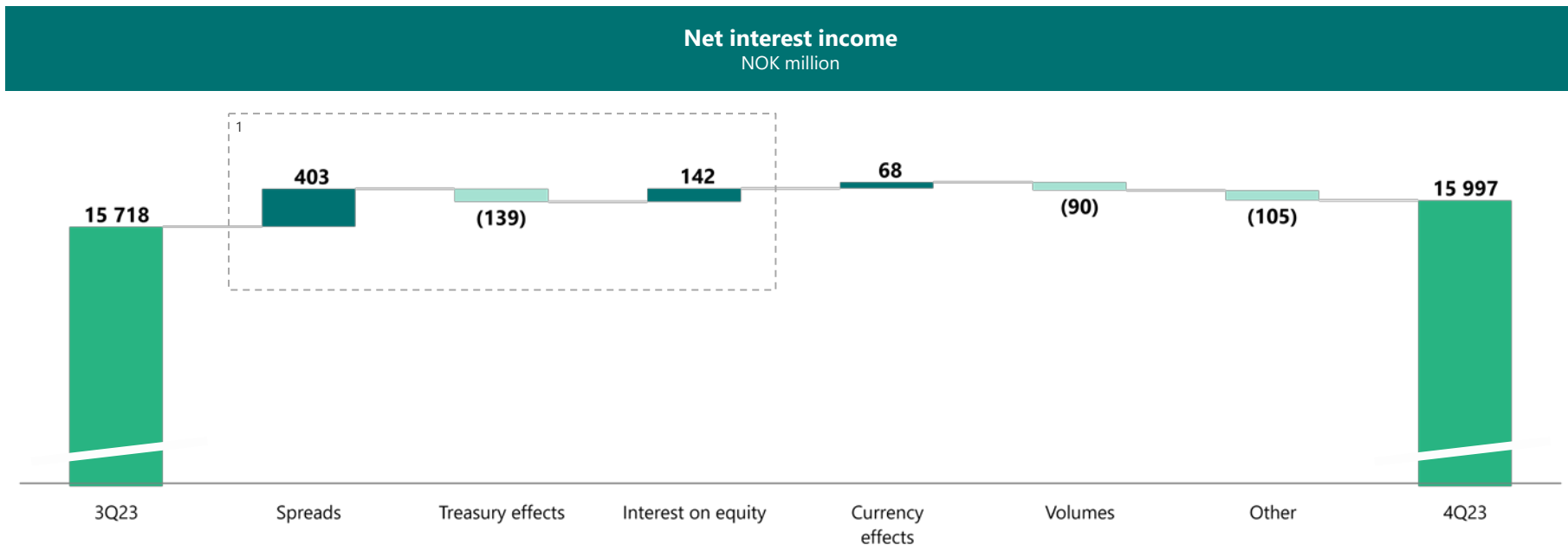
Per cent



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

Net interest income driven by increased interest rates

- Net interest income up NOK 279 million, or 1.8 per cent
- Full effect of repricing implemented in early August and partial effect of repricings implemented end-October and end-November, respectively
- Following Norges Bank's key policy rate hike in December, DNB announced repricing effective end-February 2024

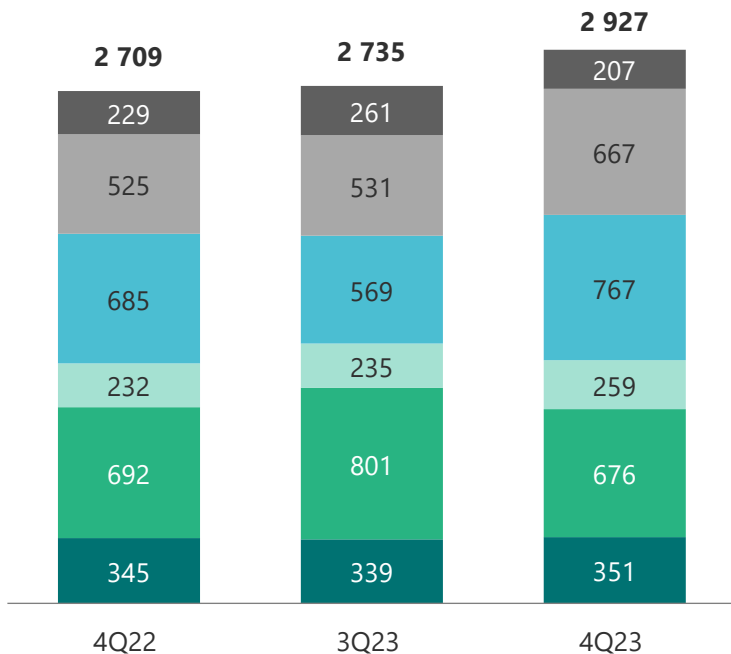


1) Effect of customer repricings and increased NOK money market rates.

Net commissions and fees up 8.1 per cent from 4Q22

Commissions and fees

NOK million / Change in per cent from 4Q22



-9.7

Real estate broking

Lower number of transactions in the market compared with 2022

+27.0

Investment banking services

All-time high activity in DCM¹ and solid quarter for M&A²

+12.0

Asset management and custodial services

All-time high result – AuM up NOK 136 billion from 4Q22 including positive net in-flow of NOK 22.6 billion from 4Q22

+11.5

Guarantee commissions

Increased demand for Trade Finance products

-2.3

Money transfer and banking services

Higher than pre-pandemic levels, but somewhat affected by lower travel activity this quarter

+1.7

Sale of insurance products

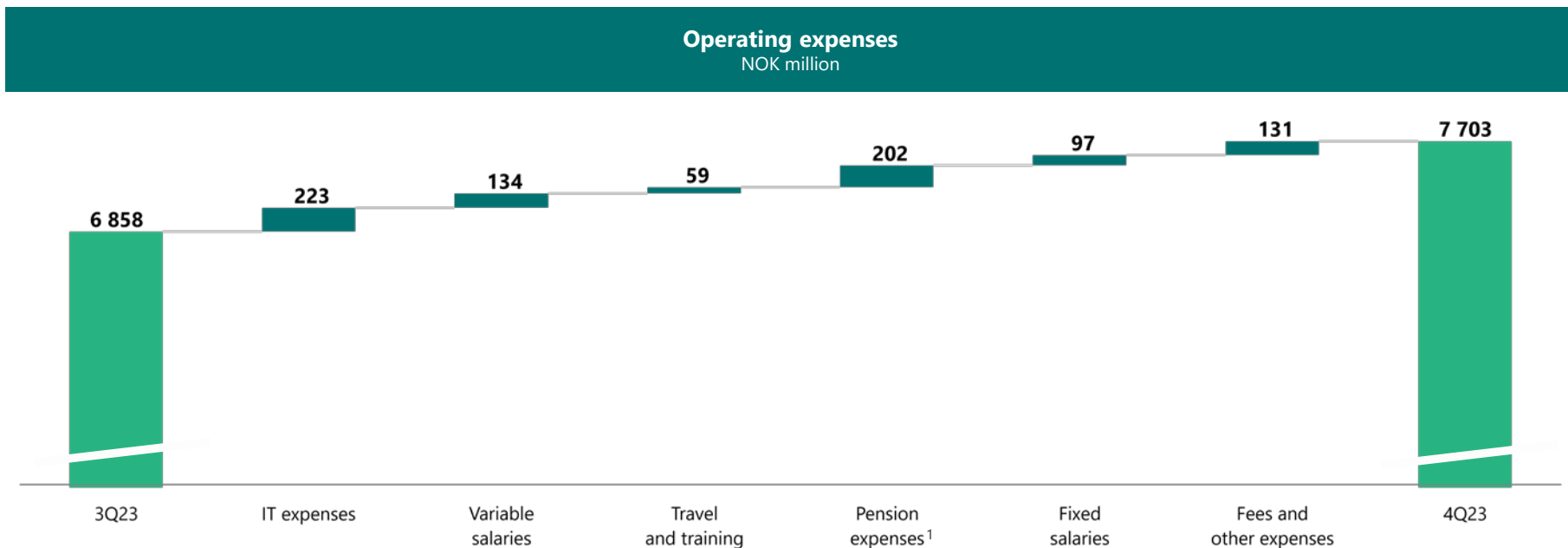
Positive development in non-guaranteed pensions

1) DCM: Debt capital markets.

2) M&A: Mergers and acquisitions.

Operating expenses reflecting seasonally high activity level

- Seasonally high activity level combined with strong results led to increase of approximately NOK 200 million in activity-based expenses
- Non-recurring expenses of approximately NOK 80 million in the quarter
- Higher return on closed defined-benefit pension scheme driving pension expenses of approximately NOK 170 million this quarter



1) The pension scheme is partly hedged, and a gain is recognised in net gains on financial instruments.

Robust and well-diversified portfolio – 99.2 per cent in stages 1 and 2

- Personal customer portfolio – continued strong credit quality
- Corporate customer portfolio – increase in stage 3 impairment provisions relating to customer-specific events in both large corporates and small and medium-sized enterprises

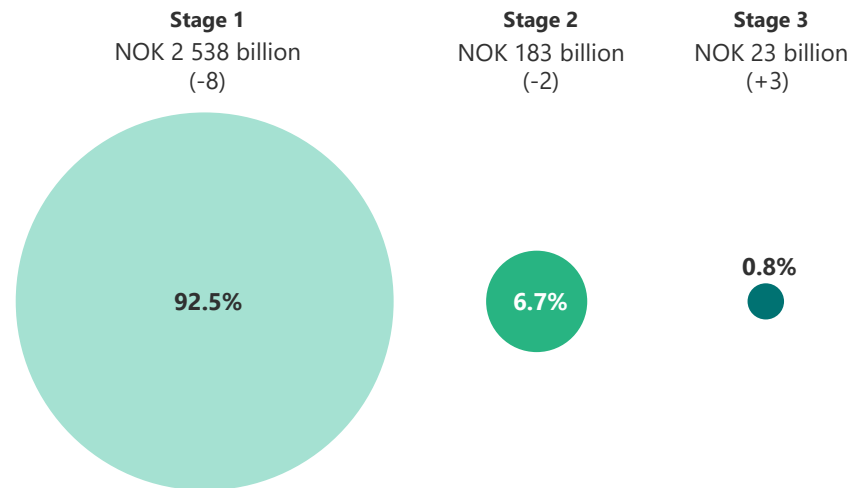
Impairment of financial instruments by industry segment

NOK million

	4Q23	3Q23	4Q22
Personal customers			
- Stages 1 and 2	16	(24)	(5)
- Stage 3	(132)	(62)	(142)
Corporate customers			
- Stages 1 and 2	(118)	(25)	30
- Stage 3	(685)	(826)	(557)
Total	(920)	(937)	(674)

Maximum exposure¹

Changes from 3Q23 in parentheses

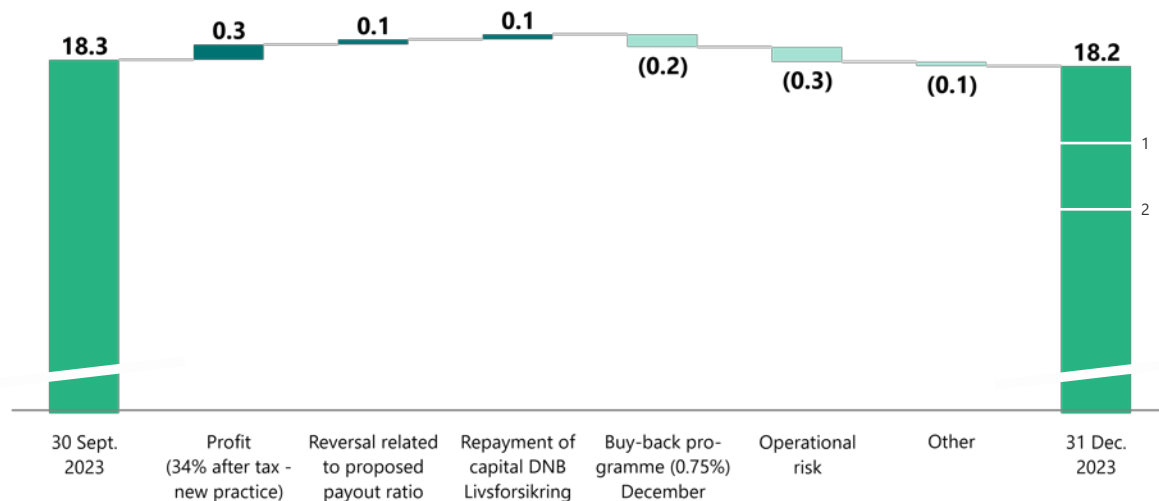


1) On- and off-balance sheet items, net of accumulated impairment provisions.

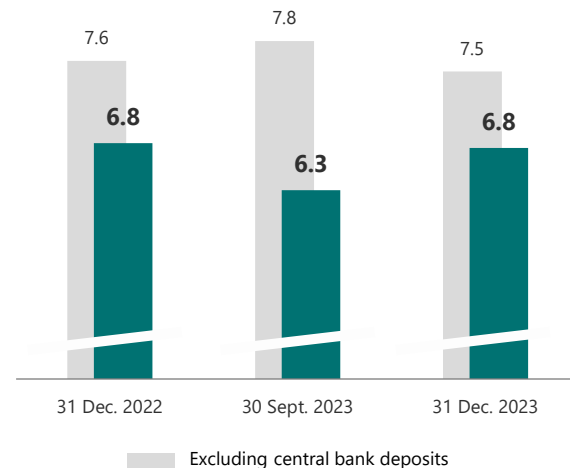
Strong capital position enabling delivery on dividend policy

- CET1 capital ratio of 18.2 per cent with ~140 basis-point headroom to Financial Supervisory Authority's (FSA) expectation following new SREP
- Proposed cash dividend of NOK 16.00 per share (payout ratio of 63 per cent), up from NOK 12.50 in 2022
- New buy-back programme of 0.75 per cent initiated in December, expected to be finalised in March 2024
- Repayment of excess capital from DNB Livsforsikring of NOK 1.0 billion – ordinary dividend of NOK 887 million to be paid in 1Q24

CET1 capital ratio
Per cent



Leverage ratio
Per cent



- 1) The FSA's current expectation: 16.8 per cent (down from 17.2 per cent in September 2023).
- 2) The FSA's current requirement: 15.6 per cent.

Appendix



Income statement

NOK million	4Q23	3Q23	4Q22	Change from 3Q23	Change from 3Q22
Net interest income	15 997	15 718	14 071	279	1 926
Other operating income	3 991	5 252	4 487	(1 260)	(496)
Total income	19 988	20 970	18 558	(982)	1 431
Operating expenses	(7 703)	(6 858)	(7 366)	(845)	(337)
Pre-tax operating profit before impairment	12 286	14 112	11 192	(1 827)	1 094
Impairment of loans and guarantees and gains on assets	(920)	(941)	(699)	21	(221)
Pre-tax operating profit	11 366	13 172	10 493	(1 806)	873
Tax expense	(1 824)	(3 029)	(519)	1 205	(1 305)
Profit from operations held for sale, after taxes	(138)	(0)	127	(138)	(265)
Profit for the period	9 403	10 142	10 101	(739)	(698)
Portion attributable to shareholders	9 019	9 805	9 858	(787)	(840)

Other operating income

NOK million	4Q23	3Q23	4Q22	Change from 3Q23	Change from 3Q22
Net commissions and fees	2 927	2 735	2 709	192	218
Customer revenues in DNB Markets	816	752	835	64	(18)
Trading revenues in DNB Markets	222	251	157	(28)	65
Hedging of defined-benefit pension scheme	82	(19)	63	101	19
Credit spreads on bonds	(16)	(12)	(67)	(4)	50
Credit spreads on fixed-rate loans	22	136	156	(114)	(134)
CVA/DVA/FVA	(137)	65	180	(202)	(317)
Other mark-to-market adjustments	(260)	702	382	(962)	(642)
Basis swaps	(500)	(162)	(604)	(338)	105
Exchange rate effects on additional Tier 1 capital	(392)	(11)	(847)	(381)	455
Net gains on financial instruments at fair value	(162)	1 703	256	(1 865)	(417)
Net life insurance result	326	364	504	(38)	(178)
Profit from investments accounted for by the equity method	274	(65)	460	339	(187)
Other	626	515	558	111	68
Net other operating income, total	3 991	5 252	4 487	(1 260)	(496)

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

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