

Fact book

DNB Group



Fourth quarter 2018
(Preliminary and unaudited)

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Financial calendar 2019

7 March	Annual report 2018
30 April	Annual general meeting
2 May	Ex-dividend date
3 May	1Q19
as of 10 May	Distribution of dividends
11 July	2Q19
24 October	3Q19
20 November	Capital markets day

Statements regarding DNB's relative market positions are, unless otherwise specified, based on internal DNB analyses.

Major changes from 3Q18

On 24 September, SpareBank 1 Gruppen AS and DNB ASA signed a transaction agreement to merge their insurance operations in a new company called Fremtind.

The transaction agreement included the merger of the insurance companies DNB Forsikring and SpareBank 1 Skadeforsikring, the transfer of individual personal risk products from DNB Livsforsikring and SpareBank 1 Forsikring as well as the company paid personal risk products from SpareBank 1 Forsikring. The Norwegian Competition Authority approved the agreement at an early stage, and on 19 December 2018, Finanstilsynet (the Financial Supervisory Authority of Norway) approved the part of the agreement that applies to the merger of the non-life insurance companies DNB Forsikring and SpareBank 1 Skadeforsikring, that is, without the individual personal and the company paid personal risk products. Due to this, the parties decided to implement the merger in two steps, and the merger of the non-life insurance companies was carried out at the beginning of January 2019. Based on the completed transaction at the beginning of 2019, DNB Forsikring is presented as held for sale in the Group's balance sheet at year-end 2018. Because of the uncertainty surrounding the approval of the demerger of the individual personal risk products in DNB Livsforsikring, this part of the transaction is not presented as held for sale. DNB's ownership of 35 per cent in Fremtind will from the first quarter of 2019 be presented under "Investments accounted for by the equity method".

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1.1.1 Income statement - condensed¹⁾

Amounts in NOK million	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17	4Q16
Net interest income	9 611	9 152	9 052	9 007	8 863	9 007	9 031	8 521	8 372
<i>Net commissions and fees</i>	2 660	2 082	2 453	2 116	2 064	2 150	2 161	2 073	2 136
<i>Net gains on financial instruments at fair value²⁾</i>	430	616	134	162	1 693	1 065	982	808	1 689
<i>Net financial and risk result, life insurance</i>	387	215	162	205	266	335	454	240	232
<i>Net insurance result, non-life insurance</i>	189	127	153	154	164	176	189	155	181
<i>Other operating income</i>	226	303	542	230	228	197	196	123	(9)
Net other operating income, total ³⁾	3 891	3 343	3 445	2 867	4 415	3 922	3 982	3 399	4 230
Total income	13 502	12 495	12 497	11 874	13 278	12 929	13 014	11 920	12 602
Operating expenses	(5 716)	(5 313)	(5 330)	(5 131)	(5 346)	(5 321)	(5 518)	(5 243)	(5 213)
Restructuring costs and non-recurring effects	(464)	(26)	(54)	(24)	(672)	(199)	(97)	(197)	19
Pre-tax operating profit before impairment	7 322	7 157	7 113	6 719	7 260	7 409	7 399	6 479	7 409
Net gains on fixed and intangible assets	49	(3)	465	18	(35)	750	17	6	(12)
Impairment of loans and guarantees	(235)	(11)	54	330	(402)	(867)	(597)	(562)	(1 753)
Pre-tax operating profit	7 136	7 144	7 632	7 066	6 823	7 292	6 819	5 923	5 644
Tax expense	(124)	(1 429)	(1 526)	(1 413)	(446)	(1 677)	(1 568)	(1 362)	(290)
Profit from operations held for sale, after taxes	(141)	(42)	(21)	(3)	33	(14)	(17)	(17)	26
Profit for the period	6 872	5 673	6 084	5 653	6 374	5 648	5 237	4 544	5 380
Portion attributable to shareholders	6 601	5 440	5 850	5 432	6 132	5 430	5 000	4 304	5 143

1) See table 1.1.2 "Income statement" for more details.

2) See table 1.3.2 "Net gains on financial instruments at fair value" for specification.

3) See table 1.3.1 "Net other operating income" for specification.

1.1.2 Income statement - quarterly figures

Amounts in NOK million	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17	4Q16
Interest income, amortised cost	14 013	13 225	13 028	12 355	11 687	11 925	12 012	11 693	11 735
Other interest income	1 229	1 278	1 309	1 224	1 595	1 725	1 697	1 529	1 538
Interest expenses, amortised cost	(6 413)	(6 054)	(5 721)	(5 463)	(3 902)	(3 870)	(3 809)	(3 891)	(4 107)
Other interest expenses	781	703	436	892	(518)	(774)	(868)	(811)	(794)
Net interest income	9 611	9 152	9 052	9 007	8 863	9 007	9 031	8 521	8 372
Commission and fee income etc.	3 600	3 034	3 553	3 049	3 255	3 054	3 026	2 944	2 814
Commission and fee expenses etc.	(940)	(952)	(1 100)	(932)	(1 191)	(904)	(866)	(871)	(678)
Net gains on financial instruments at fair value ¹⁾	430	616	134	162	1 693	1 065	982	808	1 689
Net financial result, life insurance	361	47	103	63	168	147	372	117	(57)
Net risk result, life insurance	26	167	60	142	98	187	83	123	290
Net insurance result, non-life insurance	189	127	153	154	164	176	189	155	181
Profit from investments accounted for by the equity method	(10)	94	267	(37)	(74)	(17)	23	(45)	(45)
Net gains on investment properties	(6)	17	9	42	146	(3)	(14)	14	(7)
Other income	243	193	266	229	155	217	187	154	44
Net other operating income	3 891	3 343	3 445	2 867	4 415	3 922	3 982	3 399	4 230
Total income	13 502	12 495	12 497	11 874	13 278	12 929	13 014	11 920	12 602
Salaries and other personnel expenses	(3 048)	(2 942)	(2 975)	(2 900)	(3 023)	(3 056)	(3 049)	(3 056)	(2 842)
Other expenses	(2 189)	(1 901)	(1 931)	(1 768)	(1 977)	(1 938)	(2 088)	(1 874)	(1 828)
Depreciation and impairment of fixed and intangible assets	(942)	(495)	(478)	(488)	(1 018)	(525)	(478)	(510)	(524)
Total operating expenses	(6 179)	(5 338)	(5 384)	(5 155)	(6 018)	(5 520)	(5 615)	(5 441)	(5 194)
Pre-tax operating profit before impairment	7 322	7 157	7 113	6 719	7 260	7 409	7 399	6 479	7 409
Net gains on fixed and intangible assets	49	(3)	465	18	(35)	750	17	6	(12)
Impairment of financial instruments	(235)	(11)	54	330	(402)	(867)	(597)	(562)	(1 753)
Pre-tax operating profit	7 136	7 144	7 632	7 066	6 823	7 292	6 819	5 923	5 644
Tax expense	(124)	(1 429)	(1 526)	(1 413)	(446)	(1 677)	(1 568)	(1 362)	(290)
Profit from operations held for sale, after taxes	(141)	(42)	(21)	(3)	33	(14)	(17)	26	
Profit for the period	6 872	5 673	6 084	5 653	6 374	5 648	5 237	4 544	5 380
Portion attributable to shareholders	6 601	5 440	5 850	5 432	6 132	5 430	5 000	4 304	5 143
Portion attributable to additional Tier 1 capital holders	270	233	234	221	243	218	238	240	238
Profit for the period	6 872	5 673	6 084	5 653	6 374	5 648	5 237	4 544	5 380
Earnings/diluted earnings per share (NOK)	4.14	3.41	3.65	3.36	3.79	3.34	3.07	2.64	3.16
Earnings per share excluding operations held for sale (NOK)	4.23	3.44	3.66	3.36	3.79	3.32	3.08	2.65	3.14

Average exchange rates in the period:

EUR/NOK	9.64	9.58	9.55	9.64	9.61	9.34	9.37	8.99	9.05
USD/NOK	8.45	8.24	8.02	7.84	8.17	7.97	8.51	8.45	8.39

1) See table 1.3.2 "Net gains on financial instruments at fair value" for specification.

1.1.3 Income statement - five years

Amounts in NOK million	2018	2017	2016	2015	2014
Interest income, amortised cost	52 621	47 318	46 645	50 301	52 654
Other interest income	5 039	6 547	5 779	7 232	8 792
Interest expenses, amortised cost	(23 650)	(15 472)	(16 561)	(20 399)	(24 552)
Other interest expenses	2 812	(2 970)	(1 753)	(1 775)	(4 407)
Net interest income	36 822	35 422	34 110	35 358	32 487
Commission and fee income etc.	13 235	12 279	11 452	11 963	11 565
Commission and fee expenses etc.	(3 925)	(3 831)	(3 172)	(3 101)	(2 597)
Net gains on financial instruments at fair value ¹⁾	1 342	4 548	6 513	8 683	5 317
Net financial result, life insurance	574	804	(72)	(1 251)	(79)
Net risk result, life insurance	395	491	736	861	688
Net insurance result, non-life insurance	622	683	648	534	491
Profit from investments accounted for by the equity method	314	(112)	1 189	(72)	226
Net gains on investment properties	62	143	(35)	269	82
Other income	926	713	795	762	1 182
Net other operating income	13 546	15 718	18 053	18 648	16 877
Total income	50 368	51 140	52 163	54 006	49 363
Salaries and other personnel expenses	(11 864)	(12 184)	(11 904)	(9 822)	(10 872)
Other expenses	(7 789)	(7 878)	(7 251)	(7 790)	(7 645)
Depreciation and impairment of fixed and intangible assets	(2 404)	(2 531)	(2 177)	(2 298)	(2 158)
Total operating expenses	(22 057)	(22 593)	(21 333)	(19 910)	(20 675)
Pre-tax operating profit before impairment	28 311	28 547	30 830	34 096	28 689
Net gains on fixed and intangible assets	529	738	(19)	45	52
Impairment of financial instruments	139	(2 428)	(7 424)	(2 270)	(1 639)
Pre-tax operating profit	28 979	26 858	23 387	31 871	27 102
Tax expense	(4 493)	(5 054)	(4 140)	(7 048)	(6 463)
Profit from operations held for sale, after taxes	(204)	(1)	4	(51)	(22)
Profit for the period	24 282	21 803	19 251	24 772	20 617
Portion attributable to shareholders	23 323	20 865	18 656	24 398	20 617
Portion attributable to additional Tier 1 capital holders	959	938	595	374	
Profit for the period	24 282	21 803	19 251	24 772	20 617
Earnings/diluted earnings per share (NOK)	14.56	12.84	11.46	14.98	12.67
Earnings per share excluding operations held for sale (NOK)	14.69	12.84	11.46	15.01	12.68

Average exchange rates in the period:

EUR/NOK	9.60	9.33	9.29	8.95	8.36
USD/NOK	8.14	8.27	8.40	8.07	6.30

1) See table 1.3.2 "Net gains on financial instruments at fair value" for specification.

1.1.4 Comprehensive income statement - quarterly figures

Amounts in NOK million	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17	4Q16
Profit for the period	6 872	5 673	6 084	5 653	6 374	5 648	5 237	4 544	5 380
Actuarial gains and losses	(117)	0			(93)				(22)
Property revaluation	37	0	(22)	(36)	5	(35)	(28)	22	37
Items allocated to customers (life insurance)	(37)	(0)	22	36	(5)	35	28	(22)	(37)
Financial liabilities designated at fair value through profit or loss, changes in credit risk	241	78	29	(128)					
Tax	(23)	(20)	(7)	32	(10)				(0)
Items that will not be reclassified to the income statement	102	59	22	(96)	(104)	0	0	0	(23)
Currency translation of foreign operations	4 239	(343)	148	(2 735)	2 739	(2 975)	895	531	3 562
Currency translation reserve reclassified to the income statement	0	(2)			(1 306)				
Hedging of net investments	(3 469)	307	(284)	2 386	(2 187)	2 525	(688)	(336)	(3 220)
Hedging reserve reclassified to the income statement	0	1			1 224				
Investments according to the equity method					41	20	12	87	4
Tax	867	(77)	71	(596)	547	(631)	172	84	805
Tax reclassified to the income statement	0				(338)				
Items that may subsequently be reclassified to the income statement	1 637	(114)	(65)	(946)	719	(1 062)	391	366	1 151
Other comprehensive income for the period	1 739	(55)	(43)	(1 042)	615	(1 062)	391	366	1 128
Comprehensive income for the period	8 611	5 618	6 041	4 611	6 989	4 586	5 629	4 910	6 509

1.1.5 Comprehensive income statement - five years

Amounts in NOK million	2018	2017	2016	2015	2014
Profit for the period	24 282	21 803	19 251	24 772	20 617
Actuarial gains and losses	(117)	(93)	(237)	932	(2 902)
Property revaluation	(21)	(35)	47	(204)	191
Items allocated to customers (life insurance)	21	35	(47)	204	(191)
Financial liabilities designated at fair value through profit or loss, changes in credit risk	221				
Tax	(18)	(10)	53	(259)	802
Items that will not be reclassified to the income statement	86	(104)	(183)	673	(2 101)
Currency translation of foreign operations	1 309	1 190	(6 476)	9 612	7 149
Currency translation reserve reclassified to the income statement	(2)	(1 306)	(43)		
Hedging of net investments	(1 060)	(687)	5 795	(8 497)	(6 200)
Hedging reserve reclassified to the income statement	1	1 224			
Investments according to the equity method		160	(25)	889	
Investments according to the equity method reclassified to the income statement			(855)		
Tax	265	172	(1 449)	2 294	1 674
Tax reclassified to the income statement	0	(338)			
Items that may subsequently be reclassified to the income statement	512	414	(3 052)	4 298	2 623
Other comprehensive income for the period	599	311	(3 236)	4 972	522
Comprehensive income for the period	24 881	22 113	16 015	29 744	21 138

1.1.6 Balance sheet - quarterly figures

Amounts in NOK million	31 Dec. 2018	30 Sept. 2018	30 June 2018	31 March 2018	31 Dec. 2017	30 Sept. 2017	30 June 2017	31 March 2017	31 Dec. 2016
Assets									
Cash and deposits with central banks	155 592	312 366	381 327	275 298	151 595	325 842	265 552	368 518	208 263
Due from credit institutions	130 146	123 979	190 592	181 002	239 328	156 146	160 749	200 848	176 442
Loans to customers	1 597 758	1 564 318	1 561 572	1 532 395	1 545 415	1 536 167	1 551 738	1 531 096	1 509 078
Commercial paper and bonds at fair value	409 328	393 535	381 949	370 091	422 606	359 740	362 449	391 381	390 649
Shareholdings	39 802	42 030	36 383	32 617	28 220	26 683	26 794	28 535	22 512
Financial assets, customers bearing the risk	77 241	82 380	78 277	74 630	75 206	70 690	67 680	64 688	60 220
Financial derivatives	124 755	105 229	116 979	113 255	132 349	130 282	139 643	141 449	157 940
Investment property	16 715	16 168	16 318	16 273	16 306	15 919	16 139	15 967	15 912
Investments accounted for by the equity method	16 362	15 831	15 876	15 202	15 609	8 562	7 936	7 926	7 768
Intangible assets	5 455	5 589	5 572	5 555	5 600	5 904	5 854	5 767	5 814
Deferred tax assets	996	1 166	1 162	1 160	769	1 180	1 391	1 406	1 404
Fixed assets	9 240	8 801	8 643	8 653	8 704	8 353	8 317	8 125	7 949
Assets held for sale	5 044	1 343	1 293	0	0	70 359	55 950	53 365	52 541
Other assets	46 469	58 129	60 608	46 894	56 559	51 204	52 616	51 375	36 709
Total assets	2 634 903	2 730 865	2 856 551	2 673 026	2 698 268	2 767 030	2 722 809	2 870 447	2 653 201
Liabilities and equity									
Due to credit institutions	188 063	252 032	301 895	251 533	224 107	246 222	215 633	273 010	212 882
Deposits from customers	927 092	984 518	1 029 812	954 826	971 137	1 010 092	1 008 878	1 016 896	934 897
Financial derivatives	110 116	94 969	105 850	96 194	110 262	107 731	111 659	111 697	130 161
Debt securities issued	801 918	781 201	798 094	759 608	780 247	756 134	758 402	832 521	765 869
Insurance liabilities, customers bearing the risk	77 241	82 380	78 277	74 630	75 206	70 690	67 680	64 688	60 220
Liabilities to life insurance policyholders	204 280	207 527	207 685	207 753	208 500	208 844	209 230	209 354	208 160
Non-life insurance liabilities	0	2 250	2 352	2 440	2 043	2 047	2 206	2 259	1 892
Payable taxes	2 461	7 844	6 365	5 585	4 599	4 000	1 900	9 222	8 874
Deferred taxes	4 216	2 802	2 686	2 591	2 574	4 003	3 915	3 891	3 816
Other liabilities	55 424	64 493	69 617	55 016	68 078	62 045	58 603	60 983	44 568
Liabilities held for sale	3 037	268	231	0	0	51 001	43 106	41 671	41 243
Provisions	2 536	2 316	2 617	3 129	1 812	1 940	2 129	1 885	2 094
Pension commitments	3 472	3 592	3 489	3 374	3 267	3 047	2 974	2 867	2 756
Subordinated loan capital	31 082	29 267	36 781	38 208	29 538	28 554	29 426	28 795	29 347
Total liabilities	2 410 937	2 515 460	2 645 754	2 454 888	2 481 371	2 556 351	2 515 741	2 659 740	2 446 779
Share capital	15 944	15 944	16 003	16 127	16 180	16 227	16 288	16 283	16 286
Share premium	22 609	22 609	22 609	22 609	22 609	22 609	22 609	22 609	22 609
Additional Tier 1 capital	16 194	15 969	15 782	15 594	16 159	15 960	15 787	15 594	15 952
Other equity	169 220	160 883	156 403	163 809	161 948	155 883	152 385	156 221	151 576
Total equity	223 966	215 405	210 797	218 138	216 897	210 679	207 069	210 707	206 423
Total liabilities and equity	2 634 903	2 730 865	2 856 551	2 673 026	2 698 268	2 767 030	2 722 809	2 870 447	2 653 201

Exchange rates at the end of the period:

EUR/NOK	9.94	9.46	9.52	9.69	9.83	9.41	9.59	9.18	9.08
USD/NOK	8.68	8.17	8.18	7.85	8.20	7.98	8.40	8.60	8.61

1.1.7 Balance sheet - five years

<i>Amounts in NOK million</i>	31 Dec. 2018	31 Dec. 2017	31 Dec. 2016	31 Dec. 2015	31 Dec. 2014
Assets					
Cash and deposits with central banks	155 592	151 595	208 263	19 317	58 505
Due from credit institutions	130 146	239 328	176 442	301 216	373 409
Loans to customers	1 597 758	1 545 415	1 509 078	1 542 744	1 438 839
Commercial paper and bonds	409 328	422 607	390 649	394 919	386 970
Shareholdings	39 802	28 220	22 512	19 341	26 870
Financial assets, customers bearing the risk	77 241	75 206	60 220	49 679	42 866
Financial derivatives	124 755	132 349	157 940	203 029	235 736
Investment properties	16 715	16 306	15 912	16 734	30 404
Investments accounted for by the equity method	16 362	15 609	7 768	9 525	5 866
Intangible assets	5 455	5 600	5 814	6 076	6 286
Deferred tax assets	996	769	1 404	1 151	1 213
Fixed assets	9 240	8 704	7 949	8 860	13 830
Assets held for sale	5 044	0	52 541	200	692
Other assets	46 469	56 559	36 709	25 739	27 855
Total assets	2 634 903	2 698 268	2 653 201	2 598 530	2 649 341
Liabilities and equity					
Due to credit institutions	188 063	224 107	212 882	161 537	214 214
Deposits from customers	927 092	971 137	934 897	944 428	941 534
Financial derivatives	110 116	110 262	130 161	154 663	184 971
Debt securities issued	801 918	780 247	765 869	804 928	812 025
Insurance liabilities, customers bearing the risk	77 241	75 206	60 220	49 679	42 866
Liabilities to life insurance policyholders	204 280	208 500	208 160	208 726	216 577
Non-life insurance liabilities	0	2 043	1 892	1 846	1 737
Payable taxes	2 461	4 599	8 874	2 093	1 723
Deferred taxes	4 216	2 574	3 816	7 672	6 130
Other liabilities	55 424	68 078	44 568	37 675	31 908
Liabilities held for sale	3 037	0	41 243	71	100
Provisions	2 536	1 812	2 094	1 285	1 172
Pension commitments	3 472	3 267	2 756	2 549	6 006
Subordinated loan capital	31 082	29 538	29 347	30 953	29 319
Total liabilities	2 410 937	2 481 371	2 446 779	2 408 105	2 490 282
Share capital	15 944	16 180	16 286	16 257	16 273
Share premium	22 609	22 609	22 609	22 609	22 609
Additional Tier 1 capital	16 194	16 159	15 952	8 353	
Other equity	169 220	161 948	151 576	143 207	120 178
Total equity	223 966	216 897	206 423	190 425	159 059
Total liabilities and equity	2 634 903	2 698 268	2 653 201	2 598 530	2 649 341

Exchange rates at the end of the period:

EUR/NOK	9.94	9.83	9.08	9.60	8.98
USD/NOK	8.68	8.20	8.61	8.80	7.39

1.1.8 Key figures - quarterly figures

	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17	4Q16
Interest rate analysis									
1 Combined weighted total average spread for lending and deposits (%)	1.31	1.30	1.27	1.30	1.31	1.31	1.32	1.29	1.29
2 Average spread for ordinary lending to customers (%)	1.92	1.95	1.89	2.01	2.08	2.09	2.07	2.03	1.96
3 Average spread for deposits from customers (%)	0.36	0.29	0.32	0.20	0.13	0.15	0.19	0.20	0.25
Rate of return/profitability									
4 Cost/income ratio (%)	45.8	42.7	43.1	43.4	45.3	42.7	43.1	45.6	41.2
5 Return on equity, annualised (%)	12.9	10.9	11.8	11.0	12.3	11.2	10.4	9.1	10.9
6 RAROC, annualised (%)	9.1	9.2	10.0	9.8	9.5	10.6	10.4	9.6	10.9
7 Average equity including allocated dividend (NOK million) ¹⁾	203 362	197 499	198 591	200 566	197 613	191 649	193 406	192 074	187 027
Financial strength at end of period									
8 Common Equity Tier 1 capital ratio, transitional rules (%) ²⁾	16.4	16.5	16.2	16.6	16.4	16.3	15.8	15.8	16.0
9 Tier 1 capital ratio, transitional rules (%) ²⁾	17.7	17.9	17.7	18.0	17.9	17.7	17.3	17.2	17.6
10 Capital ratio, transitional rules (%) ²⁾	19.9	20.0	20.2	20.7	20.0	19.6	19.2	19.2	19.5
Loan portfolio and impairment									
11 Net loans and financial commitments in stage 2, per cent of net loans	6.99	6.64	6.39	6.61					
12 Net loans and financial commitments in stage 3, per cent of net loans	1.45	1.64	1.69	1.49	1.12	1.21	1.47	1.46	1.65
13 Impairment relative to average net loans to customers, annualised (per cent)	(0.06)	(0.00)	0.01	0.09	(0.10)	(0.22)	(0.15)	(0.15)	(0.45)
Liquidity									
14 Ratio of customer deposits to net loans to customers at end of period (%)	58.0	62.9	65.9	62.3	62.8	65.8	65.0	66.4	62.0
Total assets owned or managed by DNB									
15 Customer assets under management at end of period (NOK billion)	597	625	613	603	614	591	582	569	548
16 Total combined assets at end of period (NOK billion)	2 951	3 064	3 181	2 991	3 026	3 076	3 026	3 163	2 931
17 Average total assets (NOK billion)	2 710	2 780	2 762	2 835	2 799	2 815	2 947	2 866	2 726
Staff									
18 Number of full-time positions at end of period	9 225	9 172	9 100	9 107	9 144	10 785	10 697	10 924	11 007
The DNB share									
19 Number of issued shares at end of period (1 000) ¹⁾	1 604 367	1 604 367	1 604 367	1 628 799	1 628 799	1 628 799	1 628 799	1 628 799	1 628 799
20 Number of outstanding shares at end of period (1 000) ¹⁾	1 594 352	1 594 352	1 600 254	1 612 674	1 618 049	1 622 743	1 628 799	1 628 251	1 628 578
21 Average number of outstanding shares (1 000) ¹⁾	1 594 352	1 595 550	1 602 996	1 614 465	1 619 871	1 623 815	1 628 761	1 628 586	1 628 725
22 Earnings per share (NOK)	4.14	3.41	3.65	3.36	3.79	3.34	3.07	2.64	3.16
23 Earnings per share excl. operations held for sale (NOK)	4.23	3.44	3.66	3.36	3.79	3.32	3.08	2.65	3.14
24 Dividend per share (NOK)	-	-	-	-	-	-	-	-	-
25 Total shareholder's return (%)	(15.4)	12.8	9.9	0.0	(1.2)	17.9	8.8	6.0	28.1
26 Dividend yield (%)	-	-	-	-	-	-	-	-	-
27 Book value per share incl. allocated dividend at end of period (NOK)	130.32	125.09	121.86	125.60	124.06	119.99	117.44	119.83	116.95
28 Share price at end of period (NOK)	138.15	171.25	159.30	152.15	152.10	160.50	142.00	136.10	128.40
29 Price/earnings ratio	8.34	12.56	10.91	11.31	10.05	12.00	11.57	12.87	10.17
30 Price/book value	1.06	1.37	1.31	1.21	1.23	1.34	1.21	1.14	1.10
31 Market capitalisation (NOK billion) ¹⁾	220.3	273.0	254.9	245.4	246.1	260.5	231.3	221.6	209.1

1) The Annual General Meeting held on 24 April 2018 resolved a reduction in share capital by cancelling own shares and redeeming shares held by the Norwegian government. The number of issued shares has been reduced by 24 431 973 to 1 604 366 888 and was reflected in the accounts as of June 2018. The cancellation of the shares was registered in the Register of Business Enterprises 30 July 2018.

2) Including 50 per cent of profit for the period, except for the full year figures.

For definitions of selected key figures, see table 1.1.10.

1.1.9 Key figures - five years

	2018	2017	2016	2015	2014
Interest rate analysis					
1 Combined weighted total average spread for lending and deposits (%)	1.30	1.30	1.32	1.33	1.31
2 Average spread for ordinary lending to customers (%)	1.94	2.07	2.04	2.17	2.33
3 Average spread for deposits from customers (%)	0.29	0.17	0.21	0.01	(0.25)
Rate of return/profitability					
4 Cost/income ratio (%)	43.8	44.2	40.9	36.9	41.9
5 Return on equity, annualised (%)	11.7	10.8	10.1	14.5	13.8
6 RAROC, annualised (%)	9.5	10.0	11.1	11.2	12.3
7 Average equity including allocated dividend (NOK million) ¹⁾	200 004	193 686	184 056	168 674	149 460
Financial strength at end of period					
8 Common Equity Tier 1 capital ratio, transitional rules (%) ²⁾	16.4	16.4	16.0	14.4	12.7
9 Tier 1 capital ratio, transitional rules (%) ²⁾	17.7	17.9	17.6	15.3	13.0
10 Capital ratio, transitional rules (%) ²⁾	19.9	20.0	19.5	17.8	15.2
Loan portfolio and impairment					
11 Net loans and financial commitments in stage 2, per cent of net loans	6.99				
12 Net loans and financial commitments in stage 3, per cent of net loans	1.45	1.12	1.70	0.91	1.20
13 Impairment relative to average net loans to customers, annualised (per cent)	0.01	(0.15)	(0.48)	(0.15)	(0.12)
Liquidity					
14 Ratio of customer deposits to net loans to customers at end of period (%)	58.0	62.8	62.0	61.2	65.4
Total assets owned or managed by DNB					
15 Customer assets under management at end of period (NOK billion)	597	614	548	562	549
16 Total combined assets at end of period (NOK billion)	2 951	3 026	2 931	2 901	2 936
17 Average total assets (NOK billion)	2 772	2 857	2 841	2 946	2 712
Staff					
18 Number of full-time positions at end of period	9 225	9 144	11 007	11 380	11 643
The DNB share					
19 Number of issued shares at end of period (1 000) ¹⁾	1 604 367	1 628 799	1 628 799	1 628 799	1 628 799
20 Number of outstanding shares at end of period (1 000) ¹⁾	1 594 352	1 618 049	1 628 578	1 625 658	1 627 269
21 Average number of outstanding shares (1 000) ¹⁾	1 601 841	1 625 258	1 627 735	1 627 744	1 627 566
22 Earnings per share (NOK)	14.56	12.84	11.46	14.99	12.67
23 Earnings per share excl. operations held for sale (NOK)	14.69	12.84	11.46	15.02	12.68
24 Dividend per share (NOK)	8.25	7.10	5.70	4.50	3.80
25 Total shareholder's return (%)	(4.7)	23.5	22.2	1.9	4.7
26 Dividend yield (%)	5.97	4.67	4.44	4.10	3.16
27 Book value per share incl. allocated dividend at end of period (NOK)	130.32	124.06	116.95	112.00	97.75
28 Share price at end of period (NOK)	138.15	152.10	128.40	109.80	110.70
29 Price/earnings ratio	9.41	11.85	11.20	7.33	8.74
30 Price/book value	1.06	1.23	1.10	0.98	1.13
31 Market capitalisation (NOK billion) ¹⁾	220.3	246.1	209.1	178.5	180.1

1) The Annual General Meeting held on 24 April 2018 resolved a reduction in share capital by cancelling own shares and redeeming shares held by the Norwegian government. The number of issued shares has been reduced by 24 431 973 to 1 604 366 888 and was reflected in the accounts as of June 2018. The cancellation of the shares was registered in the Register of Business Enterprises 30 July 2018.

2) Including 50 per cent of profit for the period, except for the full year figures.

For definitions of selected key figures, see table 1.1.10.

1.1.10 Key figures - definitions

1, 2, 3	Based on customer segments and nominal values and excluding impaired loans. Measured against the 3-month money market rate.
4	Total operating expenses relative to total income.
5	Return on equity represents the shareholders' share of profit for the period relative to average equity excluding additional Tier 1 capital.
6	RAROC (Risk-Adjusted Return On Capital) is defined as risk-adjusted profits (shareholders' share) relative to average equity excluding additional Tier 1 capital. Risk-adjusted profits indicate the level of profits in a normalised situation. Among other things, recorded impairment losses on loans are replaced by normalised losses.
11	Net loans and financial commitments in stage 2 divided by net loans to customers. New measure as from 1 January 2018 due to the implementation of IFRS 9.
12	Net loans and financial commitments in stage 3 divided by net loans to customers. Comparable to previously reported figures under IAS 39.
13	Impairment losses on loans and financial commitments divided by average net loans to customers, annualised.
15	Total assets under management for external clients in DNB Asset Management, DNB Livsforsikring and DNB Forsikring.
16	Total assets and customer assets under management.
19	The Annual General Meeting on 24 April 2018 authorised the Board of Directors of DNB ASA to acquire own shares for a total face value of up to NOK 641 746 755, corresponding to 4 per cent of share capital, of which 0.5 per cent has to be used for hedging purposes by DNB Markets. The shares shall be purchased in a regulated market. Each share may be purchased at a price between NOK 10 and NOK 250 per share. The authorisation is valid for a period of 12 months from 24 April 2018. Acquired shares shall be redeemed in accordance with regulations on the reduction of capital. An agreement has been signed with the Norwegian Government/ Ministry of Trade, Industry and Fisheries for the redemption of a proportional share of government holdings to ensure that the government's percentage ownership does not change as a result of the redemption of repurchased shares.
20	Number of issued shares excluding DNB shares owned for trading purpose and as part of buy-back programmes.
22	The shareholders' share of profits relative to the average number of outstanding shares.
23	The shareholders' share of profits excluding profits from operations held for sale relative to the average number of outstanding shares.
25	Closing price at end of period less closing price at beginning of period, including dividends reinvested in DNB shares on the dividend payment date, relative to closing price at beginning of period.
27	The shareholders' share of equity, excluding additional Tier 1 capital, at end of period relative to the number of outstanding shares.
29	Closing price at end of period relative to annualised earnings per share.
30	Share price at end of period relative to book value per share.
31	Number of outstanding shares multiplied by the closing share price, at end of period.

1.2.1 Net interest income - split by segments

Amounts in NOK million	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17	4Q16
Net interest income from loans to customers¹⁾	7 202	7 272	6 789	7 118	7 593	7 805	7 673	7 281	7 239
Personal customers	2 987	3 036	2 871	3 241	3 485	3 404	3 204	2 999	2 828
Small and medium-sized enterprises	1 897	1 895	1 785	1 783	1 842	1 790	1 769	1 681	1 672
Large corporates and international customers	2 245	2 286	2 083	2 042	2 213	2 570	2 679	2 591	2 690
Other	73	54	50	51	54	40	21	11	50
Net interest income on deposits from customers	852	703	765	463	318	362	475	505	604
Personal customers	465	354	403	185	132	173	257	332	431
Small and medium-sized enterprises	296	263	274	211	157	157	177	207	205
Large corporates and international customers	76	74	74	66	32	32	39	(41)	(42)
Other	15	11	13	1	(2)	(1)	3	8	11
Equity and non-interest bearing items	523	448	482	386	353	361	402	441	450
Personal customers ²⁾	132	79	71	47	33	36	45	55	53
Small and medium-sized enterprises ²⁾	70	42	37	24	19	21	27	33	33
Large corporates and international customers ²⁾	182	113	105	71	60	73	98	110	112
Other	139	213	269	245	242	231	232	243	252
Other	1 033	730	1 016	1 040	599	480	481	293	79
Total net interest income	9 611	9 152	9 052	9 007	8 863	9 007	9 031	8 521	8 372

1.2.2 Average volumes - split by segments

Amounts in NOK million	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17	4Q16
Loans to customers³⁾	1 562 046	1 551 548	1 513 557	1 507 615	1 527 201	1 518 889	1 523 259	1 494 223	1 485 034
Personal customers	767 482	761 467	751 582	745 978	740 219	727 659	715 809	704 976	702 949
Small and medium-sized enterprises	306 150	298 622	293 125	288 815	283 203	273 968	270 755	265 255	260 259
Large corporates and international customers	402 856	406 883	388 794	391 738	415 269	475 011	496 706	482 337	496 949
Other	85 558	84 576	80 056	81 083	88 510	42 252	39 989	41 655	24 877
Deposits from customers³⁾	950 778	1 000 007	971 413	992 909	1 046 040	1 041 670	1 037 930	1 019 124	958 571
Personal customers	407 741	416 265	405 145	400 896	401 850	405 116	398 046	398 290	397 297
Small and medium-sized enterprises	211 580	215 554	210 175	206 881	209 977	208 161	204 904	197 750	185 176
Large corporates and international customers	307 694	315 977	320 904	317 608	337 424	376 811	391 560	392 885	366 617
Other	23 763	52 211	35 190	67 523	96 788	51 583	43 420	30 199	9 482
Equity and non-interest bearing items	181 241	175 423	176 432	177 858	175 273	169 765	171 821	171 311	165 655
Personal customers ²⁾	47 036	46 330	47 392	47 100	39 828	38 921	39 389	40 736	39 587
Small and medium-sized enterprises ²⁾	29 223	28 557	28 149	27 910	26 258	25 913	26 066	26 549	26 836
Large corporates and international customers ²⁾	63 254	65 234	68 280	69 972	73 707	82 379	86 083	83 066	84 826
Other	41 729	35 301	32 611	32 876	35 481	22 551	20 283	20 960	14 406

1.2.3 Interest rate spreads - split by segments⁴⁾

Per cent	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17	4Q16
Total lending - customer segments	1.92	1.95	1.89	2.01	2.08	2.09	2.07	2.03	1.96
Personal customers	1.54	1.58	1.53	1.76	1.87	1.86	1.80	1.73	1.60
Small and medium-sized enterprises	2.46	2.52	2.44	2.50	2.58	2.59	2.62	2.57	2.56
Large corporates and international customers	2.21	2.23	2.15	2.11	2.11	2.15	2.16	2.18	2.15
Total deposits - customer segments	0.36	0.29	0.32	0.20	0.13	0.15	0.19	0.20	0.25
Personal customers	0.45	0.34	0.40	0.19	0.13	0.17	0.26	0.34	0.43
Small and medium-sized enterprises	0.56	0.48	0.52	0.41	0.30	0.30	0.35	0.42	0.44
Large corporates and international customers	0.10	0.09	0.09	0.08	0.04	0.03	0.04	(0.04)	(0.05)
Combined spread - customer segments - weighted total average	1.31	1.30	1.27	1.30	1.31	1.31	1.32	1.29	1.29

1) Excluding impaired loans.

2) Allocated capital.

3) Average nominal amount, excluding impaired loans.

4) Spreads are calculated based on money market rates and do not include additional funding costs related to liquidity measures.

1.2.4 Quarterly development in average interest rate spreads

Customer segments

Per cent



Personal customers

Per cent



1.2.4 Quarterly development in average interest rate spreads (continued)

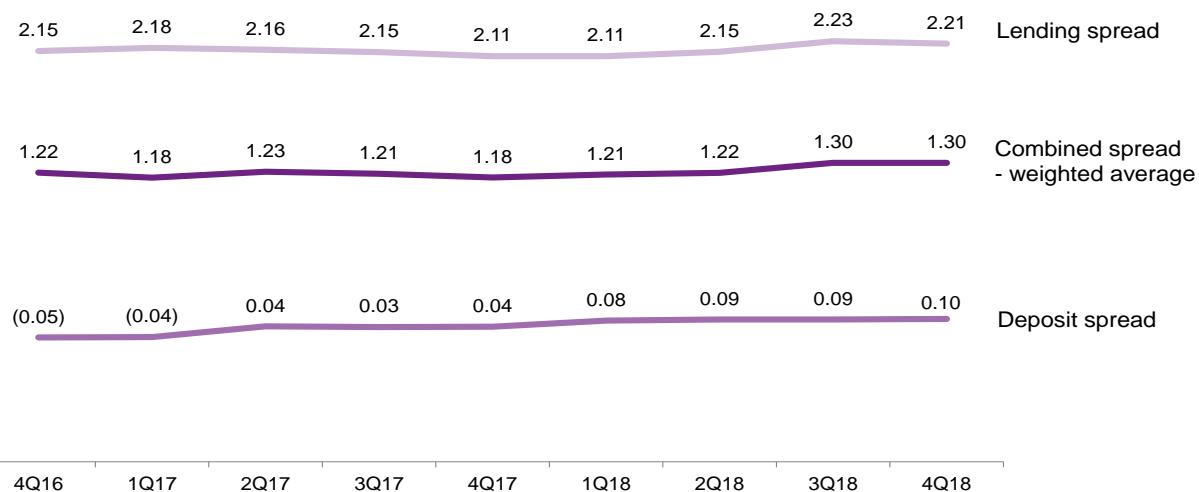
Small and medium-sized enterprises

Per cent



Large corporates and international customers

Per cent



1.2.5 Net interest income

Amounts in NOK million	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17	4Q16
Interest on amounts due from credit institutions	852	1 100	1 011	971	767	767	632	546	432
Interest on loans to customers	12 097	11 357	11 032	10 626	10 922	11 203	11 285	11 036	10 984
Interest on impaired loans and guarantees	351	207	381	221	285	329	291	267	317
Interest on commercial paper and bonds	1 143	1 069	1 069	944	946	955	1 117	1 182	1 185
Front-end fees etc.	84	67	65	68	66	76	84	74	81
Other interest income	715	701	778	748	296	322	299	117	274
Total interest income	15 242	14 503	14 336	13 579	13 283	13 651	13 709	13 223	13 273
Interest on amounts due to credit institutions	(1 112)	(1 038)	(966)	(864)	(711)	(655)	(625)	(474)	(762)
Interest on deposits from customers	(2 149)	(2 123)	(1 969)	(1 905)	(1 931)	(1 928)	(1 872)	(1 787)	(1 665)
Interest on debt securities issued	(3 296)	(3 113)	(3 008)	(2 850)	(2 794)	(2 700)	(2 821)	(2 823)	(2 933)
Interest on subordinated loan capital	(109)	(131)	(133)	(112)	(107)	(105)	(105)	(135)	(131)
Guarantee fund levy ¹⁾	(136)	(124)	(140)	(164)	(113)	(173)	(176)	(175)	(200)
Other interest expenses ²⁾	1 172	1 178	932	1 324	1 237	918	922	692	791
Total interest expenses	(5 631)	(5 350)	(5 284)	(4 572)	(4 420)	(4 644)	(4 677)	(4 702)	(4 901)
Net interest income	9 611	9 152	9 052	9 007	8 863	9 007	9 031	8 521	8 372

Full year figures

Amounts in NOK million	2018	2017	2016	2015	2014
Interest on amounts due from credit institutions	3 935	2 713	1 340	1 608	1 814
Interest on loans to customers	45 112	44 447	44 229	48 728	52 139
Interest on impaired loans and guarantees	1 161	1 172	911	619	643
Interest on commercial paper and bonds	4 227	4 200	4 626	4 655	5 078
Front-end fees etc.	284	300	294	337	316
Other interest income	2 942	1 033	1 024	1 584	1 456
Total interest income	57 660	53 865	52 424	57 532	61 445
Interest on amounts due to credit institutions	(3 981)	(2 465)	(1 705)	(1 365)	(1 755)
Interest on deposits from customers	(8 146)	(7 519)	(6 645)	(9 394)	(13 827)
Interest on debt securities issued	(12 267)	(11 139)	(12 385)	(12 809)	(12 633)
Interest on subordinated loan capital	(484)	(452)	(532)	(569)	(572)
Guarantee fund levy ¹⁾	(564)	(637)	(768)	(845)	(780)
Other interest expenses ²⁾	4 605	3 770	3 720	2 809	608
Total interest expenses	(20 838)	(18 442)	(18 314)	(22 174)	(28 959)
Net interest income	36 822	35 422	34 110	35 358	32 487

1) The amounts represent a proportional share of the estimated annual levy.

2) Other interest expenses include interest rate adjustments resulting from interest swaps.

1.2.6 Changes in net interest income

Amounts in NOK million	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17	4Q16
Net interest income	9 611	9 152	9 052	9 007	8 863	9 007	9 031	8 521	8 372

Changes from previous quarters:	Changes from 3Q18	Changes from 2Q18	Changes from 1Q18	Changes from 4Q17	Changes from 3Q17	Changes from 2Q17	Changes from 1Q17	Changes from 4Q16
Lending volumes	15	142	15	(29)	(8)	58	118	(49)
Deposit volumes	(17)	7	7	(7)	(3)	4	1	21
Lending spreads	(135)	233	(434)	(244)	(1)	70	140	261
Deposit spreads	161	(78)	277	159	(35)	(115)	(33)	(107)
Exchange rate movements	34	32	14	(39)	48	(103)	44	6
Interest days		82	84	(171)		89	86	(148)
Long term funding	3	(11)	8	37	(1)	15	122	36
Amortisation effects and fees	50	(30)	27	50	52	(4)	9	53
Interest income on loans subject to impairment provisions	149	(197)	121	(42)	(24)	21	21	(66)
Other net interest income	199	(80)	(72)	430	(171)	(59)	2	141
Total	458	100	45	144	(144)	(24)	510	149

1.3.1 Net other operating income

Amounts in NOK million	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17	4Q16
Money transfer and interbank transactions	501	461	444	454	409	495	461	445	403
Guarantee commissions ¹⁾	201	193	193	222					
Asset management services	428	332	309	298	379	332	310	276	280
Credit broking	249	100	136	90	123	75	111	132	106
Corporate finance	201	47	244	106	202	151	161	169	319
Real estate broking	284	269	346	244	251	277	354	269	260
Custodial services	30	38	42	35	33	42	57	33	38
Securities broking	181	120	209	115	147	189	132	170	161
Sale of insurance products	529	501	511	501	503	513	513	520	530
Other income from banking services	54	20	18	50	18	75	61	60	40
Net commissions and fees	2 660	2 082	2 453	2 116	2 064	2 150	2 161	2 073	2 136
Net gains on equity investments	(76)	60	77	78	27	66	96	27	108
FX and interest rate instruments	79	472	307	983	1 275	1 677	1 242	1 427	1 500
Basis swaps	(342)	103	(747)	(372)	62	(54)	(60)	(620)	(713)
Exchange rate effects additional Tier 1 capital	768	(18)	497	(527)	330	(624)	(296)	(25)	794
Net gains on financial instruments at fair value	430	616	134	162	1 693	1 065	982	808	1 689
Net financial result, life insurance	361	47	103	63	168	147	372	117	(57)
Net risk result, life insurance	26	167	60	142	98	187	83	123	290
Net financial and risk result, life insurance	387	215	162	205	266	335	454	240	232
Net premium income/insurance claims, non-life insurance	189	127	153	154	164	176	189	155	181
Profit from investments accounted for by the equity method	(10)	94	267	(37)	(74)	(17)	23	(45)	(45)
Net gains on investment properties	(6)	17	9	42	146	(3)	(14)	14	(7)
Other income	243	193	266	225	155	217	187	154	44
Other operating income	226	303	542	230	228	197	196	123	(9)
Net other operating income, total	3 891	3 343	3 445	2 867	4 415	3 922	3 982	3 399	4 230

Full year figures

Amounts in NOK million	2018	2017	2016	2015	2014
Money transfer and interbank transactions	1 861	1 810	1 896	1 893	2 103
Guarantee commissions ¹⁾	809				
Asset management services	1 367	1 298	1 162	1 117	1 033
Credit broking	576	440	465	754	574
Corporate finance	598	684	694	555	740
Real estate broking	1 143	1 150	1 121	1 201	1 095
Custodial services	146	165	143	162	193
Securities broking	625	637	440	363	219
Sale of insurance products	2 042	2 049	2 216	2 482	2 668
Other income from banking services	141	214	142	336	344
Net commissions and fees	9 310	8 448	8 280	8 862	8 969
Net gains on equity investments	139	215	496	123	532
FX and interest rate instruments	1 840	5 621	6 364	5 180	4 391
Basis swaps	(1 358)	(672)	(542)	2 685	394
Exchange rate effects additional Tier 1 capital	721	(616)	195	695	
Net gains on financial instruments at fair value	1 342	4 548	6 513	8 683	5 317
Net financial result, life insurance	574	804	(72)	(1 251)	(79)
Net risk result, life insurance	395	491	736	861	688
Net financial and risk result, life insurance	969	1 295	664	(389)	609
Net premium income/insurance claims, non-life insurance	622	683	648	534	491
Profit from investments accounted for by the equity method	314	(112)	1 189	(72)	226
Net gains on investment properties	62	143	(35)	269	82
Other income	926	713	795	762	1 182
Other operating income	1 302	744	1 948	959	1 490
Net other operating income, total	13 546	15 718	18 053	18 648	16 877

1) With effect from January 2018 Guarantee commissions have been reclassified to Net commissions and fees from Net gains on financial instruments at fair value.

1.3.2 Net gains on financial instruments at fair value

Amounts in NOK million	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17	4Q16
Customer revenues in DNB Markets	452	477	550	525	600	573	587	588	631
Trading revenues in DNB Markets (excl. CVA/DVA/FVA and credit spread effects)	150	98	74	174	551	516	393	503	790
Credit spread effects on bonds in DNB Markets	(170)	(12)	(4)	226	(23)	127	86	185	(24)
Financial guarantees ¹⁾					246	300	192	168	103
Basis swaps	(342)	103	(747)	(372)	62	(54)	(60)	(620)	(713)
CVA/DVA/FVA	(91)	108	14	205	94	128	(0)	48	321
Exchange rate effects on additional Tier 1 capital	768	(18)	497	(527)	330	(624)	(296)	(25)	794
Other mark-to-market adjustments	(339)	(140)	(249)	(69)	(166)	98	80	(39)	(214)
Net gains on financial instruments at fair value	430	616	134	162	1 694	1 065	982	808	1 689

1) Please see footnote to table 1.3.1 Net other operating income.

Full year figures

Amounts in NOK million	2018	2017	2016	2015	2014
Customer revenues in DNB Markets	2 004	2 348	2 441	2 331	1 908
Trading revenues in DNB Markets (excl. CVA/DVA/FVA and credit spread effects)	497	1 963	2 563	2 207	1 282
Credit spread effects on bonds in DNB Markets	40	375	225	(809)	302
Financial guarantees	0	907	595	876	879
Basis swaps	(1 358)	(672)	(542)	2 685	394
CVA/DVA/FVA	236	270	22	181	(597)
Exchange rate effects on additional Tier 1 capital	721	(616)	(624)	197	
Other mark-to-market adjustments	(797)	(25)	1 834	1 016	1 149
Net gains on financial instruments at fair value	1 342	4 549	6 513	8 683	5 317

1.4.1 Operating expenses

Amounts in NOK million	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17	4Q16
Salaries	(2 162)	(2 073)	(2 059)	(2 027)	(2 047)	(2 147)	(2 101)	(2 020)	(2 004)
Employer's national insurance contributions	(390)	(370)	(363)	(381)	(389)	(388)	(367)	(402)	(379)
Pension expenses	(219)	(349)	(367)	(327)	(379)	(325)	(328)	(315)	(81)
Restructuring expenses	(62)	(6)	(35)	(20)	(68)	(31)	(89)	(158)	(203)
Other personnel expenses	(215)	(144)	(151)	(144)	(139)	(165)	(164)	(162)	(174)
Total salaries and other personnel expenses	(3 048)	(2 942)	(2 975)	(2 900)	(3 023)	(3 056)	(3 049)	(3 056)	(2 842)
Fees	(225)	(167)	(146)	(122)	(138)	(124)	(188)	(109)	(147)
IT expenses	(1 115)	(934)	(889)	(838)	(933)	(864)	(918)	(877)	(788)
Postage and telecommunications	(41)	(37)	(47)	(48)	(36)	(63)	(54)	(56)	(59)
Office supplies	(11)	(9)	(11)	(11)	(10)	(17)	(18)	(18)	(21)
Marketing and public relations	(180)	(173)	(224)	(171)	(190)	(163)	(278)	(179)	(215)
Travel expenses	(108)	(48)	(65)	(40)	(113)	(54)	(67)	(50)	(85)
Reimbursement to Norway Post for transactions executed	(45)	(45)	(45)	(45)	(52)	(44)	(44)	(44)	(44)
Training expenses	(23)	(9)	(17)	(18)	(16)	(14)	(17)	(18)	(23)
Operating expenses on properties and premises	(271)	(275)	(276)	(274)	(279)	(298)	(289)	(308)	(291)
Operating expenses on machinery, vehicles and office equipment	(20)	(15)	(20)	(16)	(17)	(23)	(23)	(18)	(23)
Other operating expenses	(151)	(189)	(190)	(186)	(194)	(274)	(193)	(196)	(132)
Total other expenses	(2 189)	(1 901)	(1 931)	(1 768)	(1 977)	(1 938)	(2 088)	(1 874)	(1 828)
Impairment losses for goodwill ¹⁾	(0)				(510)			(35)	(5)
Depreciation and impairment of fixed and intangible assets	(942)	(495)	(478)	(488)	(508)	(525)	(478)	(475)	(518)
Total depreciation and impairment of fixed and intangible assets	(942)	(495)	(478)	(488)	(1 018)	(525)	(478)	(510)	(524)
Total operating expenses	(6 179)	(5 338)	(5 384)	(5 155)	(6 018)	(5 520)	(5 615)	(5 441)	(5 194)

Full year figures

Amounts in NOK million	2018	2017	2016	2015	2014
Salaries	(8 322)	(8 316)	(8 190)	(8 269)	(7 959)
Employer's national insurance contributions	(1 504)	(1 546)	(1 301)	(1 220)	(1 146)
Pension expenses	(1 262)	(1 347)	(1 035)	799	(899)
Restructuring expenses	(123)	(346)	(720)	(390)	(239)
Other personnel expenses	(654)	(629)	(658)	(742)	(628)
Total salaries and other personnel expenses	(11 864)	(12 184)	(11 904)	(9 822)	(10 872)
Fees	(660)	(559)	(514)	(506)	(465)
IT expenses	(3 775)	(3 593)	(3 245)	(3 483)	(3 176)
Postage and telecommunications	(173)	(209)	(238)	(287)	(297)
Office supplies	(43)	(62)	(76)	(89)	(101)
Marketing and public relations	(749)	(810)	(815)	(859)	(863)
Travel expenses	(261)	(284)	(237)	(285)	(258)
Reimbursement to Norway Post for transactions executed	(179)	(183)	(177)	(149)	(204)
Training expenses	(66)	(65)	(62)	(75)	(61)
Operating expenses on properties and premises	(1 096)	(1 174)	(1 191)	(1 114)	(1 284)
Operating expenses on machinery, vehicles and office equipment	(71)	(82)	(93)	(101)	(103)
Other operating expenses	(716)	(857)	(604)	(844)	(834)
Total other expenses	(7 789)	(7 878)	(7 251)	(7 790)	(7 645)
Impairment losses for goodwill ¹⁾	(0)	(545)	(5)		(5)
Depreciation and impairment of fixed and intangible assets	(2 404)	(1 986)	(2 172)	(2 298)	(2 153)
Total depreciation and impairment of fixed and intangible assets	(2 404)	(2 531)	(2 177)	(2 298)	(2 158)
Total operating expenses	(22 057)	(22 593)	(21 333)	(19 910)	(20 675)

1) Impairment losses for goodwill of NOK 502 million relating to Cresco were recorded in the fourth quarter of 2017.

1.4.2 Number of employees - full-time positions based on the operational structure of the DNB Group

	31 Dec. 2018	30 Sept. 2018	30 June 2018	31 March 2018	31 Dec. 2017	30 Sept. 2017	30 June 2017	31 March 2017	31 Dec. 2016
<i>Full-time positions</i>									
Total ordinary operations ¹⁾	9 225	9 172	9 100	9 107	9 144	10 785	10 697	10 924	11 007
<i>) Of which:</i>									
Personal Banking	2 799								
Corporate Banking	1 147								
Large Corporates and International	1 100								
IT	835								
Wealth Management & Insurance	894								
Markets	714								
Other entities	1 736								

1.4.3 IT expenses

<i>Amounts in NOK million</i>	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17	4Q16
IT operating expenses	(695)	(597)	(550)	(569)	(481)	(569)	(578)	(580)	(462)
Depreciation	(60)	(27)	(27)	(26)	(25)	(29)	(30)	(28)	(31)
Impairment	(232)								
Total IT operating expenses	(986)	(623)	(578)	(596)	(506)	(598)	(608)	(608)	(493)
Systems development expenses	(420)	(337)	(339)	(268)	(452)	(295)	(340)	(298)	(326)
Depreciation	(91)	(75)	(74)	(68)	(69)	(52)	(56)	(60)	(74)
Impairment	(146)				(24)	(31)	(8)	(5)	(24)
Total systems development expenses	(657)	(412)	(412)	(337)	(544)	(379)	(405)	(362)	(424)
Total IT expenses ¹⁾	(1 643)	(1 035)	(990)	(932)	(1 051)	(976)	(1 012)	(971)	(917)
Capitalised systems development expenses	1 081	1 242	1 230	1 190	1 203	1 038	993	932	948

1) The figures do not include salaries and indirect expenses.

1.5.1 Loans and financial commitments to customers by industry segment

As at 31 December 2018

<i>Amounts in NOK million</i>	Maximum exposure				Accumulated impairment			Net	
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	
Bank, insurance and portfolio management	87 880	1 672	108	89 660	(16)	(10)	(55)	(82)	89 578
Commercial real estate	190 690	4 598	783	196 071	(11)	(44)	(264)	(320)	195 751
Shipping	54 728	11 817	2 829	69 374	(72)	(139)	(655)	(866)	68 508
Oil, gas and offshore	88 585	30 958	15 604	135 147	(107)	(1 396)	(4 658)	(6 160)	128 987
Power and renewables	58 524	1 602	912	61 037	(13)	(123)	(107)	(242)	60 795
Healthcare	46 249	351	0	46 600	(14)	(9)	(0)	(23)	46 577
Public sector	32 394	620	0	33 014	(1)	(1)	(0)	(2)	33 012
Fishing, fish farming and farming	47 755	1 540	265	49 561	(6)	(13)	(72)	(92)	49 469
Trade	63 610	4 921	2 065	70 596	(23)	(17)	(692)	(733)	69 863
Manufacturing	97 034	2 836	2 436	102 305	(36)	(37)	(344)	(416)	101 889
Technology, media and telecom	45 455	568	112	46 135	(36)	(7)	(32)	(76)	46 059
Services	86 967	3 561	1 279	91 808	(28)	(29)	(557)	(614)	91 195
Residential property	121 779	3 518	505	125 802	(9)	(10)	(224)	(243)	125 559
Personal customers	961 106	37 238	3 743	1 002 087	(106)	(351)	(679)	(1 135)	1 000 952
Other corporate customers	79 561	5 982	1 356	86 899	(22)	(40)	(550)	(613)	86 286
Total	2 062 316	111 783	31 998	2 206 097	(501)	(2 226)	(8 891)	(11 617)	2 194 479

Maximum exposure is the gross carrying amount of loans to customers plus off-balance exposure, which mainly includes guarantees, unutilised credit lines and loan offers.

Stage 1 - loans and financial commitments to customers by industry segment

<i>Amounts in NOK million</i>	Maximum exposure			Accumulated impairment		
	31 Dec. 2018	30 Sept. 2018	30 June 2018	31 Dec. 2018	30 Sept. 2018	30 June 2018
Bank, insurance and portfolio management	87 880	58 177	57 790	(16)	(13)	(11)
Commercial real estate	190 690	182 221	196 158	(11)	(13)	(12)
Shipping	54 728	56 282	58 135	(72)	(132)	(134)
Oil, gas and offshore	88 585	88 266	89 456	(107)	(70)	(100)
Power and renewables	58 524	51 552	48 664	(13)	(10)	(8)
Healthcare	46 249	40 645	42 769	(14)	(11)	(15)
Public sector	32 394	48 277	41 877	(1)	(5)	(4)
Fishing, fish farming and farming	47 755	42 519	41 544	(6)	(6)	(5)
Trade	63 610	61 173	68 840	(23)	(23)	(18)
Manufacturing	97 034	94 031	97 092	(36)	(31)	(32)
Technology, media and telecom	45 455	47 909	50 025	(36)	(34)	(27)
Services	86 967	69 231	73 449	(28)	(15)	(14)
Residential property	121 779	124 099	113 504	(9)	(10)	(6)
Personal customers	961 106	965 403	961 570	(106)	(98)	(96)
Other corporate customers	79 561	111 938	113 413	(22)	(21)	(19)
Total	2 062 316	2 041 720	2 054 286	(501)	(490)	(502)

1.5.1 Loans and financial commitments to customers by industry segment (continued)

Stage 2 - loans and financial commitments to customers by industry segment

<i>Amounts in NOK million</i>	Maximum exposure			Accumulated impairment		
	31 Dec. 2018	30 Sept. 2018	30 June 2018	31 Dec. 2018	30 Sept. 2018	30 June 2018
Bank, insurance and portfolio management	1 672	1 611	479	(10)	(7)	(3)
Commercial real estate	4 598	4 724	4 316	(44)	(53)	(61)
Shipping	11 817	12 042	13 516	(139)	(338)	(253)
Oil, gas and offshore	30 958	26 872	26 425	(1 396)	(1 325)	(1 656)
Power and renewables	1 602	1 554	1 734	(123)	(48)	(48)
Healthcare	351	891	895	(9)	(49)	(50)
Public sector	620	840	469	(1)	(2)	(2)
Fishing, fish farming and farming	1 540	1 639	1 294	(13)	(18)	(10)
Trade	4 921	4 057	3 307	(17)	(14)	(12)
Manufacturing	2 836	2 360	2 752	(37)	(38)	(16)
Technology, media and telecom	568	999	1 123	(7)	(33)	(34)
Services	3 561	3 080	2 639	(29)	(24)	(17)
Residential property	3 518	3 252	2 314	(10)	(13)	(9)
Personal customers	37 238	36 028	32 243	(351)	(319)	(304)
Other corporate customers	5 982	4 030	3 002	(40)	(31)	(24)
Total	111 783	103 979	96 506	(2 226)	(2 311)	(2 498)

Stage 3 - loans and financial commitments to customers by industry segment

<i>Amounts in NOK million</i>	Maximum exposure			Accumulated impairment		
	31 Dec. 2018	30 Sept. 2018	30 June 2018	31 Dec. 2018	30 Sept. 2018	30 June 2018
Bank, insurance and portfolio management	108	336	328	(55)	(68)	(69)
Commercial real estate	783	797	997	(264)	(298)	(335)
Shipping	2 829	3 493	2 052	(655)	(821)	(607)
Oil, gas and offshore	15 604	16 662	17 670	(4 658)	(4 221)	(4 409)
Power and renewables	912	1 213	1 249	(107)	(190)	(243)
Healthcare	0	0	0	(0)	(0)	(0)
Public sector	0	193	309	(0)	(180)	(222)
Fishing, fish farming and farming	265	227	174	(72)	(67)	(67)
Trade	2 065	2 308	3 598	(692)	(756)	(678)
Manufacturing	2 436	2 335	2 455	(344)	(361)	(622)
Technology, media and telecom	112	172	189	(32)	(118)	(120)
Services	1 279	1 011	1 155	(557)	(399)	(427)
Residential property	505	738	475	(224)	(219)	(212)
Personal customers	3 743	3 601	3 519	(679)	(705)	(715)
Other corporate customers	1 356	1 600	1 485	(550)	(620)	(556)
Total	31 998	34 686	35 655	(8 891)	(9 023)	(9 282)

1.5.2 Development in maximum exposure of loans and financial commitments to customers

Amounts in NOK million	4Q18	3Q18	2Q18	1Q18
Maximum exposure at beginning of period	2 180 384	2 186 446	2 159 204	2 175 073
Originated and purchased	194 824	170 845	217 536	122 655
Derecognition	(188 981)	(165 119)	(189 503)	(136 181)
Exchange rate movements	19 861	(10 214)	(2 176)	(2 489)
Other	7	(1 573)	1 385	146
Maximum exposure at end of period	2 206 097	2 180 384	2 186 446	2 159 204

Stage 1 - development in maximum exposure of loans and financial commitments to customers

Amounts in NOK million	4Q18	3Q18	2Q18	1Q18
Maximum exposure at beginning of period	2 041 720	2 054 286	2 023 850	2 027 562
Transfer into Stage 1	20 106	18 387	12 902	20 941
Transfer to Stage 2	(34 365)	(28 718)	(14 739)	(17 574)
Transfer to Stage 3	(1 001)	(2 565)	(996)	(1 084)
Originated and purchased	189 154	168 076	210 773	120 043
Derecognition	(171 484)	(156 713)	(176 577)	(124 210)
Exchange rate movements	18 180	(9 460)	(1 992)	(2 296)
Other	7	(1 573)	1 065	466
Maximum exposure at end of period	2 062 316	2 041 720	2 054 286	2 023 850

Stage 2 - development in maximum exposure of loans and financial commitments to customers

Amounts in NOK million	4Q18	3Q18	2Q18	1Q18
Maximum exposure at beginning of period	103 979	96 506	102 962	118 460
Transfer to Stage 1	(19 333)	(18 150)	(12 508)	(20 719)
Transfer into Stage 2	34 925	29 373	16 297	17 991
Transfer to Stage 3	(3 771)	(668)	(4 715)	(4 298)
Originated and purchased	3 138	1 873	3 900	1 040
Derecognition	(8 475)	(4 430)	(9 545)	(9 098)
Exchange rate movements	1 319	(524)	(135)	(165)
Other			250	(250)
Maximum exposure at end of period	111 783	103 979	96 506	102 962

Stage 3 - development in maximum exposure of loans and financial commitments to customers

Amounts in NOK million	4Q18	3Q18	2Q18	1Q18
Maximum exposure at beginning of period	34 686	35 655	32 393	29 052
Transfer to Stage 1	(774)	(237)	(394)	(222)
Transfer to Stage 2	(559)	(655)	(1 558)	(417)
Transfer into Stage 3	4 772	3 233	5 711	5 381
Originated and purchased	2 533	897	2 864	1 573
Derecognition	(9 022)	(3 977)	(3 383)	(2 874)
Exchange rate movements	362	(230)	(49)	(29)
Other			70	(70)
Maximum exposure at end of period	31 998	34 686	35 655	32 393

DNB has made a change in presentation of development in gross carrying amount and maximum exposure. From the second quarter the assessment of originated or purchased during the period and derecognition are presented net per customer instead of per financial instrument. The first quarter figures have been adjusted to reflect the changes in presentation.

Maximum exposure is the gross carrying amount of loans to customers plus off-balance exposure, which mainly includes guarantees, unutilised credit lines and loan offers.

1.5.3 Development in accumulated impairment of loans and financial commitments to customers

Amounts in NOK million	4Q18	3Q18	2Q18	1Q18
Accumulated impairment at beginning of period	(11 823)	(12 282)	(13 936)	(14 984)
Originated and purchased	(191)	(146)	(392)	(80)
Increased expected credit loss	(1 980)	(2 235)	(1 573)	(2 421)
Decreased (reversed) expected credit loss	1 788	2 303	2 011	2 886
Write-offs	640	324	1 476	471
Derecognition (including repayments)	140	95	111	182
Exchange rate movements	(190)	118	20	10
Other			(0)	1
Accumulated impairment at end of period	(11 617)	(11 823)	(12 282)	(13 936)

Stage 1 - development in accumulated impairment of loans and financial commitments to customers

Amounts in NOK million	4Q18	3Q18	2Q18	1Q18
Accumulated impairment at beginning of period	(490)	(502)	(505)	(554)
Changes due to significant change in credit risk	(105)	(56)	(142)	(238)
Originated and purchased	(82)	(96)	(75)	(58)
Increased expected credit loss	(64)	(58)	(34)	(54)
Decreased (reversed) expected credit loss	247	189	242	561
Write-offs	0		(0)	(0)
Derecognition (including repayments)	6	26	11	(163)
Exchange rate movements	(12)	6	1	1
Other				
Accumulated impairment at end of period	(501)	(490)	(502)	(505)

Stage 2 - development in accumulated impairment of loans and financial commitments to customers

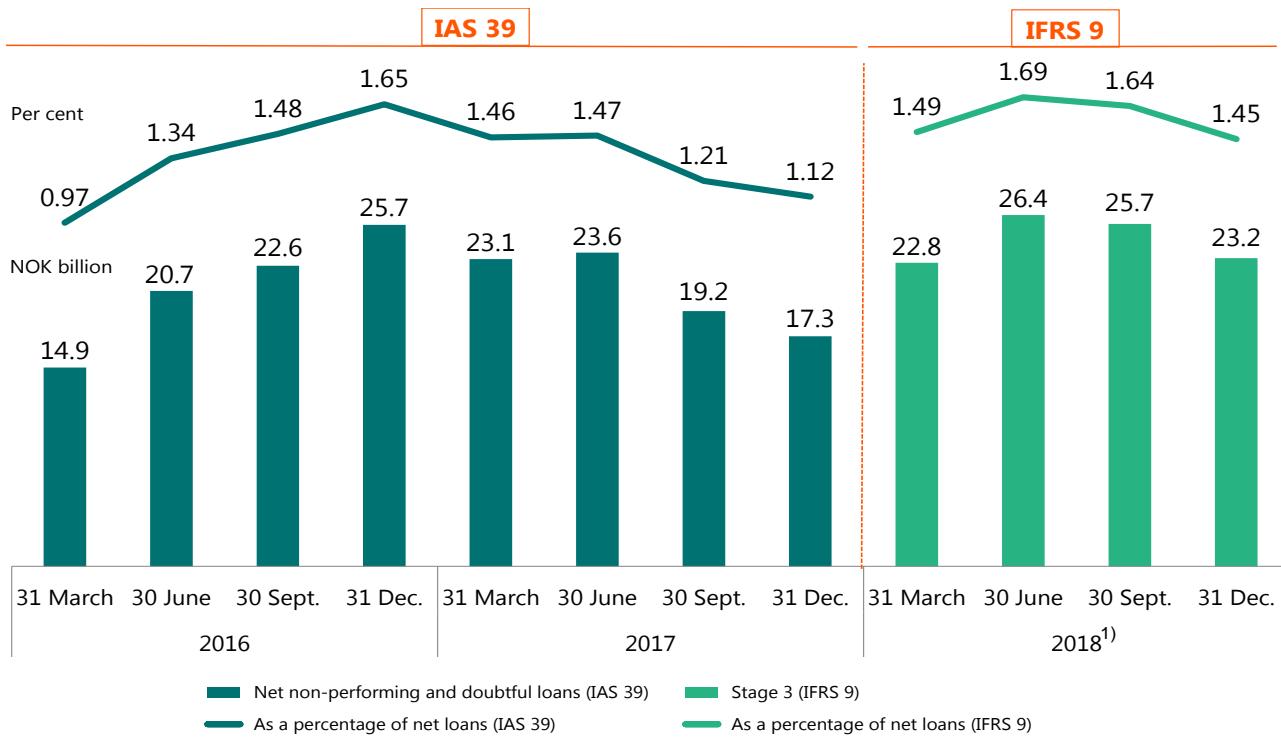
Amounts in NOK million	4Q18	3Q18	2Q18	1Q18
Accumulated impairment at beginning of period	(2 311)	(2 498)	(3 768)	(5 210)
Changes due to significant change in credit risk	219	34	817	1 175
Originated and purchased	(109)	(49)	(317)	(22)
Increased expected credit loss	(348)	(387)	(244)	(546)
Decreased (reversed) expected credit loss	256	501	913	488
Write-offs	1		(0)	(0)
Derecognition (including repayments)	131	66	100	345
Exchange rate movements	(65)	23	1	1
Other				
Accumulated impairment at end of period	(2 226)	(2 311)	(2 498)	(3 768)

Stage 3 - development in accumulated impairment of loans and financial commitments to customers

Amounts in NOK million	4Q18	3Q18	2Q18	1Q18
Accumulated impairment at beginning of period	(9 023)	(9 282)	(9 663)	(9 220)
Changes due to significant change in credit risk	(114)	21	(675)	(938)
Originated and purchased	0	(1)		
Increased expected credit loss	(1 568)	(1 790)	(1 294)	(1 821)
Decreased (reversed) expected credit loss	1 285	1 613	856	1 837
Write-offs	639	324	1 459	471
Derecognition (including repayments)	3	3	17	0
Exchange rate movements	(113)	89	18	7
Other			(0)	1
Accumulated impairment at end of period	(8 891)	(9 023)	(9 282)	(9 663)

DNB has made a change in presentation of development in accumulated impairment of financial instruments. From the second quarter the assessment of increased and decreased expected credit loss are presented net per customer instead of per financial instrument. The first quarter figures have been adjusted to reflect the changes in presentation.

1.5.4 Stage 3 - development in net loans and financial commitments to customers



1) As a result of the transition to IFRS 9 from 1 January 2018, unutilised credit lines and other financial commitments have been included.

1.5.5 Impairment of financial instruments

Amounts in NOK million	4Q18	3Q18	2Q18	1Q18
Personal customers	(6)	(2)	4	30
Small and medium-sized enterprises	(8)	(2)	3	(1)
Large corporates and international customers	(31)	63	(5)	53
Other	(1)	(1)	(0)	0
Stage 1	(47)	58	3	82
Personal customers	(20)	(8)	(8)	(3)
Small and medium-sized enterprises	(15)	(31)	6	1
Large corporates and international customers	230	184	1 311	1 339
Other	0	1	(0)	
Stage 2	196	147	1 309	1 337
Personal customers	(62)	(65)	(97)	(80)
Small and medium-sized enterprises	(77)	(184)	(42)	(215)
Large corporates and international customers	(244)	34	(1 118)	(794)
Other	0	(0)	(0)	(0)
Stage 3	(384)	(215)	(1 257)	(1 089)
Total	(235)	(11)	54	330

1.6.1 DNB Group

Exposure at default by industry segment^{*)}

Exposure at default, EAD, is the share of the approved credit that is expected to be drawn at the time of any future default at the same time as there is a downturn in the market. Exposures at default are based on full implementation of IRB.

<i>Amounts in NOK billion</i>	31 Dec. 2018	30 Sept. 2018	30 June 2018	31 March 2018	31 Dec. 2017	30 Sept. 2017	30 June 2017	31 March 2017	31 Dec. 2016
Commercial real estate ¹⁾	176.5	173.9	186.6	180.7	183.4	187.4	196.8	205.0	202.3
Shipping ¹⁾	70.6	71.5	72.8	76.6	87.9	90.8	101.0	106.8	108.7
Oil, gas and offshore ¹⁾	101.9	100.2	103.8	99.8	108.9	114.5	122.9	131.1	138.1
Power and renewables	48.2	41.8	39.0	38.3	40.1	39.8	47.6	45.7	46.0
Healthcare	37.8	33.5	35.6	32.4	32.7	34.2	33.3	34.0	33.2
Public sector	10.6	11.7	10.6	9.1	10.4	32.4	33.9	35.4	34.6
Fishing, fish farming and farming	41.0	35.9	35.1	35.7	35.8	39.6	37.3	37.1	39.1
Trade	50.2	49.6	51.2	49.6	47.5	53.9	53.8	52.1	48.6
Manufacturing	76.2	74.6	78.7	78.3	78.4	80.7	87.0	83.6	85.1
Technology, media and telecom	38.4	42.3	44.0	33.8	39.6	37.6	42.4	41.3	38.6
Services	59.0	55.6	52.0	47.2	52.5	38.9	40.3	40.5	35.6
Residential property	108.7	104.0	95.0	91.9	91.0	91.3	80.1	64.4	62.7
Personal customers ^{**) (}	999.3	997.0	978.8	971.5	960.7	978.9	975.2	963.0	944.4
Other corporate customers	71.6	76.2	80.6	81.0	72.6	74.6	80.2	82.6	80.4
Total customers	1 890.0	1 867.7	1 863.8	1 825.8	1 841.6	1 894.5	1 931.7	1 922.7	1 897.5
Credit institutions	49.9	47.7	47.8	42.4	35.7	35.4	34.7	31.1	25.3
Total net exposure at default, DNB Group	1 939.9	1 915.4	1 911.6	1 868.2	1 877.4	1 929.9	1 966.4	1 953.8	1 922.8
<i>) Of which international portfolio</i>	415.6	395.9	388.2	373.7	389.3	438.2	470.2	475.0	466.3
<i>**) Of which:</i>									
Mortgages	865.4	865.3	852.6	832.1	829.3	848.2	835.4	825.5	808.6
Other exposures	133.8	131.6	126.2	139.4	131.4	130.6	139.9	137.5	135.9

1) For a breakdown, see tables 1.6.3 - 1.6.5.

Includes volumes in the Baltics up to and including 30 September 2017.

1.6.1 DNB Group (continued)

Risk classification of portfolio^{1) *)}

Amounts in NOK billion	31 Dec. 2018	30 Sept. 2018	30 June 2018	31 March 2018	31 Dec. 2017	30 Sept. 2017	30 June 2017	31 March 2017	31 Dec. 2016
PD 0.01% -	1 414.8	1 391.8	1 399.1	1 354.8	1 354.9	1 373.1	1 391.1	1 377.2	1 339.4
PD 0.75% -	424.4	414.8	409.3	408.0	407.8	424.2	435.8	432.1	431.5
PD 3.00% -	76.7	81.9	76.6	80.0	92.2	107.6	110.1	116.4	121.2
Net commitments in stage 3	23.9	26.8	26.5	25.3	22.6	25.0	29.4	28.1	30.7
Total portfolio	1 939.9	1 915.4	1 911.6	1 868.2	1 877.4	1 929.9	1 966.4	1 953.8	1 922.8

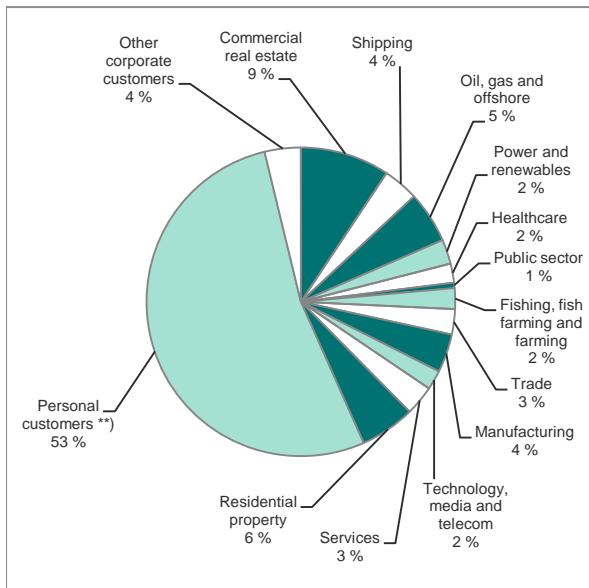
*) Of which international portfolio:

PD 0.01% -	288.6	278.0	271.5	250.8	258.6	281.5	298.2	294.9	282.6
PD 0.75% -	94.4	82.3	84.5	85.7	87.5	104.4	113.5	118.3	120.3
PD 3.00% -	23.1	24.2	22.6	27.6	33.5	39.3	43.1	48.4	47.9
Net commitments in stage 3	9.5	11.4	9.7	9.6	9.8	12.9	15.2	13.4	15.5
Total international portfolio	415.6	395.9	388.2	373.7	389.3	438.2	470.2	475.0	466.3

1) For a breakdown of commercial real estate, shipping and oil, gas and offshore, see tables 1.6.3 - 1.6.5.

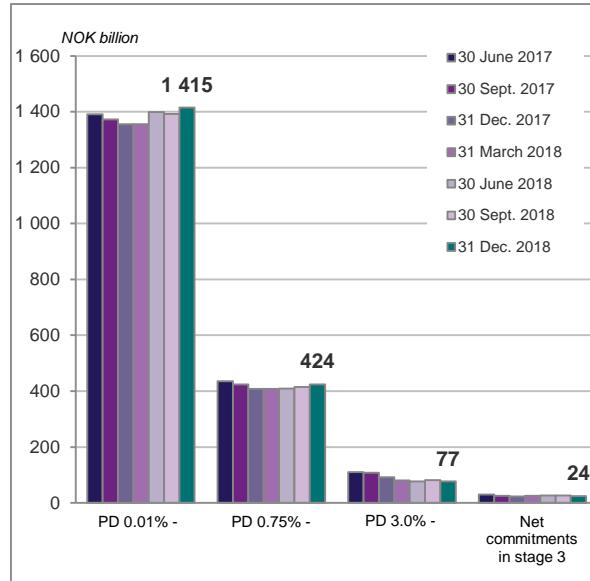
Based on DNB's risk classification system. The volumes represent the expected outstanding amount in the event of default. PD = probability of default.

Exposure at default by industry segment



**) Of which mortgages 46 per cent of total exposure at default.

Risk classification of portfolio



1.6.2 Customer segments

Exposure at default by industry segment

Personal customers

Amounts in NOK billion	31 Dec. 2018	30 Sept. 2018	30 June 2018	31 March 2018	31 Dec. 2017	30 Sept. 2017	30 June 2017	31 March 2017	31 Dec. 2016
Mortgages	864.6	864.5	851.7	831.2	828.4	817.4	804.1	795.5	778.8
Other exposures	90.8	90.9	91.2	99.6	92.7	99.5	110.7	109.6	109.0
Total customers	955.4	955.4	942.9	930.8	921.1	916.9	914.7	905.1	887.8
Credit institutions									
Total net exposure at default	955.4	955.4	942.9	930.8	921.1	916.9	914.7	905.1	887.8

Small and medium-sized enterprises

Amounts in NOK billion	31 Dec. 2018	30 Sept. 2018	30 June 2018	31 March 2018	31 Dec. 2017	30 Sept. 2017	30 June 2017	31 March 2017	31 Dec. 2016
Commercial real estate	108.5	106.5	110.0	105.7	105.0	102.5	112.0	112.5	109.5
Shipping	0.5	0.5	0.6	0.6	0.6	0.8	0.9	0.9	1.2
Oil, gas and offshore	0.6	0.8	0.6	0.6	0.4	0.3	0.4	0.6	0.5
Power and renewables	11.6	10.3	9.8	9.8	10.1	8.7	8.6	8.7	8.6
Healthcare	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1
Public sector	2.7	3.1	3.3	2.6	3.5	14.2	14.8	13.8	12.7
Fishing, fish farming and farming	18.8	16.9	16.7	16.0	15.6	15.1	14.6	15.0	15.2
Trade	19.3	18.8	19.2	19.2	18.8	17.5	17.3	17.0	16.0
Manufacturing	18.8	18.9	18.7	18.5	18.7	18.6	16.7	17.6	18.5
Technology, media and telecom	2.7	2.6	2.4	2.3	2.4	2.1	2.1	2.0	1.6
Services	21.8	20.6	19.4	18.7	21.1	13.1	13.1	12.8	10.4
Residential property	73.7	68.2	67.7	63.2	62.5	59.7	47.5	43.7	43.2
Personal customers	36.6	34.6	28.6	32.9	31.6	29.1	27.3	26.3	24.5
Other corporate customers	32.3	34.7	33.9	34.2	29.2	28.8	28.7	29.8	26.2
Total customers	347.9	336.2	330.9	324.4	319.6	310.7	303.9	300.7	288.1
Credit institutions									
Total net exposure at default	353.5	344.8	339.5	327.6	324.6	314.2	307.8	304.7	292.1

Large corporates and international customers

Amounts in NOK billion	31 Dec. 2018	30 Sept. 2018	30 June 2018	31 March 2018	31 Dec. 2017	30 Sept. 2017	30 June 2017	31 March 2017	31 Dec. 2016
Commercial real estate	68.0	67.4	76.5	75.0	78.4	84.9	84.8	92.4	92.8
Shipping	70.1	71.0	72.2	76.0	87.3	90.0	100.1	105.9	107.5
Oil, gas and offshore	101.4	99.5	103.2	99.2	108.5	114.1	122.5	130.6	137.6
Power and renewables	36.6	31.5	29.2	28.5	30.0	31.1	39.0	37.0	37.4
Healthcare	37.8	33.5	35.6	32.3	32.7	34.2	33.3	34.0	33.1
Public sector	7.8	8.6	7.3	6.5	6.9	18.1	19.1	21.6	21.9
Fishing, fish farming and farming	22.2	19.1	18.4	19.7	20.2	24.5	22.7	22.1	23.9
Trade	30.8	30.8	31.9	30.4	28.7	36.4	36.5	35.1	32.7
Manufacturing	57.4	55.7	60.0	59.8	59.8	62.1	70.3	66.0	66.6
Technology, media and telecom	35.7	39.7	41.6	31.5	37.2	35.5	40.3	39.3	37.0
Services	37.2	35.0	32.6	28.5	31.5	25.8	27.2	27.7	25.2
Residential property	35.0	35.8	27.3	28.7	28.5	31.6	32.6	20.7	19.5
Personal customers	7.4	7.2	7.4	7.7	8.0	32.9	33.2	31.6	32.1
Other corporate customers	39.2	41.5	46.7	46.8	43.4	45.8	51.5	52.9	54.3
Total customers	586.6	576.1	589.9	570.6	600.9	666.9	713.0	716.9	721.6
Credit institutions									
Total net exposure at default	630.9	615.2	629.1	609.7	631.6	698.8	743.9	744.0	742.9

1.6.2 Customer segments (continued)

Risk classification of portfolio

<i>Amounts in NOK billion</i>	31 Dec. 2018	30 Sept. 2018	30 June 2018	31 March 2018	31 Dec. 2017	30 Sept. 2017	30 June 2017	31 March 2017	31 Dec. 2016
<i>PD 0.01% -</i>									
Personal customers	763.9	762.8	756.2	739.8	736.9	726.2	722.0	726.7	709.1
Small and medium-sized enterprises	220.6	214.7	212.3	205.4	202.7	194.0	190.4	187.6	178.4
Large corporates and international customers	430.3	414.4	430.6	409.6	415.2	452.9	478.7	462.9	451.8
Total DNB Group	1 414.8	1 391.8	1 399.1	1 354.8	1 354.9	1 373.1	1 391.1	1 377.2	1 339.4
<i>PD 0.75% -</i>									
Personal customers	174.5	175.2	169.4	174.4	167.4	172.8	175.3	160.7	160.4
Small and medium-sized enterprises	107.1	103.9	103.4	98.2	97.5	94.4	92.5	93.8	88.3
Large corporates and international customers	142.9	135.6	136.5	135.3	142.9	157.0	168.0	177.5	182.8
Total DNB Group	424.4	414.8	409.3	408.0	407.8	424.2	435.8	432.1	431.5
<i>PD 3.00% -</i>									
Personal customers	14.6	14.7	14.5	14.1	14.4	15.6	14.8	15.4	15.8
Small and medium-sized enterprises	21.6	21.7	19.7	19.7	20.7	21.8	20.0	19.2	21.3
Large corporates and international customers	40.5	45.5	42.5	46.2	57.0	70.2	75.3	81.8	84.1
Total DNB Group	76.7	81.9	76.6	80.0	92.2	107.6	110.1	116.4	121.2
<i>Net commitments in stage 3</i>									
Personal customers	2.5	2.7	2.8	2.5	2.4	2.3	2.6	2.4	2.4
Small and medium-sized enterprises	4.2	4.4	4.1	4.2	3.8	3.9	4.9	4.1	4.0
Large corporates and international customers	17.2	19.7	19.5	18.6	16.4	18.7	21.9	21.7	24.3
Total DNB Group	23.9	26.8	26.5	25.3	22.6	25.0	29.4	28.1	30.7
Total Personal customers	955.4	955.4	942.9	930.8	921.1	916.9	914.7	905.1	887.8
Total Small and medium-sized enterprises	353.5	344.8	339.5	327.6	324.6	314.2	307.8	304.7	292.1
Large corporates and international customers	630.9	615.2	629.1	609.7	631.6	698.8	743.9	744.0	742.9
Total risk classification of portfolio - DNB Group	1 939.9	1 915.4	1 911.6	1 868.2	1 877.4	1 929.9	1 966.4	1 953.8	1 922.8

Based on DNB's risk classification system. The volumes represent the expected outstanding amount in the event of default. PD = probability of default.

1.6.3 Breakdown of commercial real estate

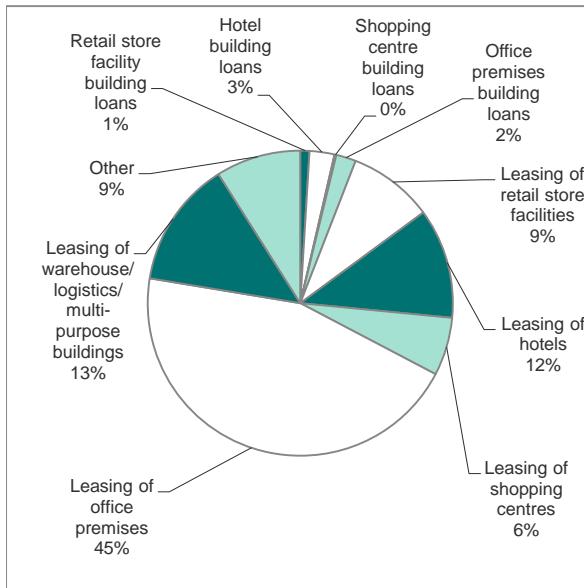
Exposure at default by segment

Amounts in NOK billion	31 Dec. 2018	30 Sept. 2018	30 June 2018	31 March 2018	31 Dec. 2017	30 Sept. 2017	30 June 2017	31 March 2017	31 Dec. 2016
Retail store facility building loans	1.7	1.9	1.7	1.7	1.7	1.7	1.5	1.8	1.6
Hotel building loans	4.7	3.7	4.3	3.8	3.5	2.6	2.2	9.3	9.2
Shopping centre building loans	0.3	0.3	0.2	0.1	0.3	0.3	0.3	2.2	2.2
Office premises building loans	3.7	3.0	3.4	3.0	2.9	3.1	3.2	4.6	5.3
Leasing of retail store facilities	15.8	16.2	13.1	13.1	13.5	13.2	9.0	8.9	8.9
Leasing of hotels	20.6	21.1	20.2	22.9	23.7	23.7	22.2	14.3	13.6
Leasing of shopping centres	10.9	10.5	10.3	10.2	11.7	12.7	11.8	9.6	10.0
Leasing of office premises	79.3	80.8	80.9	82.6	84.8	89.4	88.0	95.0	93.0
Leasing of warehouse/ logistics/ multi-purpose buildings	23.6	23.4	20.4	20.0	20.0	18.8	14.3	14.7	16.8
Other	15.9	13.0	31.9	23.1	21.3	22.0	44.2	44.6	41.7
Total	176.5	173.9	186.6	180.7	183.4	187.4	196.8	205.0	202.3

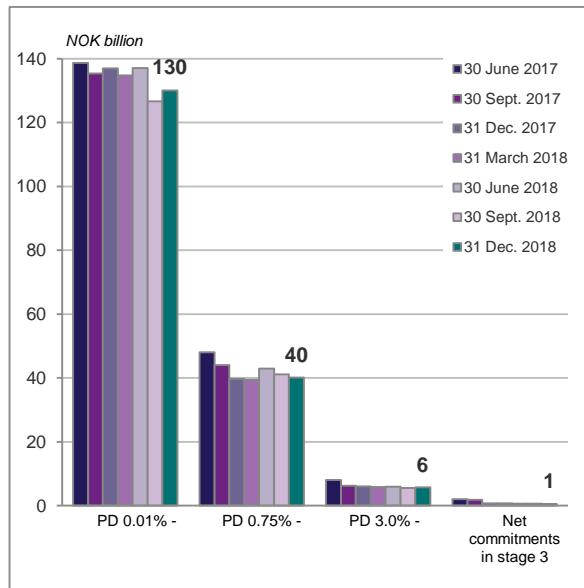
Risk classification of portfolio

Amounts in NOK billion	31 Dec. 2018	30 Sept. 2018	30 June 2018	31 March 2018	31 Dec. 2017	30 Sept. 2017	30 June 2017	31 March 2017	31 Dec. 2016
PD 0.01% -	130.1	126.6	137.1	134.7	137.0	135.3	138.6	144.9	141.7
PD 0.75% -	40.1	41.1	42.9	39.4	39.7	44.0	48.1	49.9	49.2
PD 3.00% -	5.7	5.5	6.0	5.8	6.1	6.3	8.0	8.1	9.3
Net commitments in stage 3	0.5	0.7	0.6	0.7	0.7	1.8	2.1	2.0	2.1
Total	176.5	173.9	186.6	180.7	183.4	187.4	196.8	205.0	202.3

Exposure at default by segment



Risk classification of portfolio



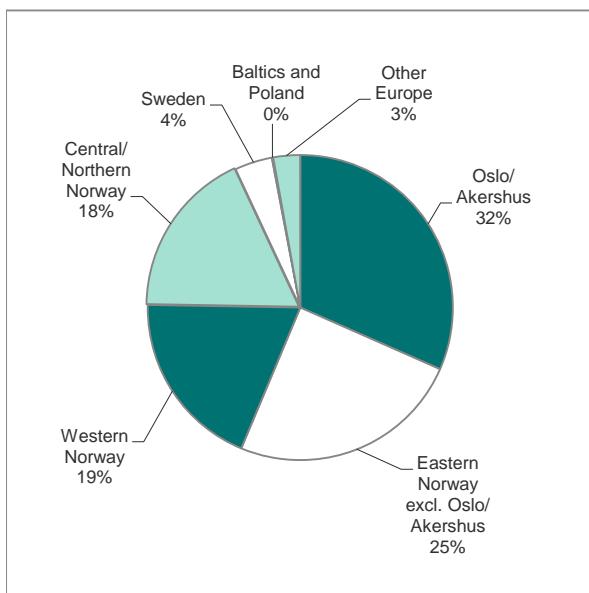
Based on DNB's risk classification system. The volumes represent the expected outstanding amount in the event of default. PD = probability of default.

1.6.3 Breakdown of commercial real estate (continued)

Exposure at default by geographic distribution

Amounts in NOK billion	31 Dec. 2018	30 Sept. 2018	30 June 2018	31 March 2018	31 Dec. 2017	30 Sept. 2017	30 June 2017	31 March 2017	31 Dec. 2016
Oslo/ Akershus	55.8	53.6	58.3	58.5	62.5	59.0	61.5	68.4	52.7
Eastern Norway excl. Oslo/ Akershus	43.6	43.4	43.2	43.2	43.1	43.3	45.6	45.5	57.3
Western Norway	33.4	32.4	32.5	31.5	32.5	31.8	34.2	35.0	42.2
Central/ Northern Norway	31.4	31.0	33.5	30.7	28.6	32.5	34.4	34.9	34.5
Sweden	7.0	7.0	12.6	10.5	9.9	9.0	9.5	9.7	4.3
Baltics and Poland	0.2	0.3	0.4	0.4	0.4	9.2	8.9	8.6	8.4
Other Europe	5.0	6.2	6.0	5.8	6.4	2.7	2.7	2.9	2.9
Total	176.5	173.9	186.6	180.7	183.4	187.4	196.8	205.0	202.3

Exposure at default by geographic distribution



1.6.4 Breakdown of shipping

Exposure at default by segment

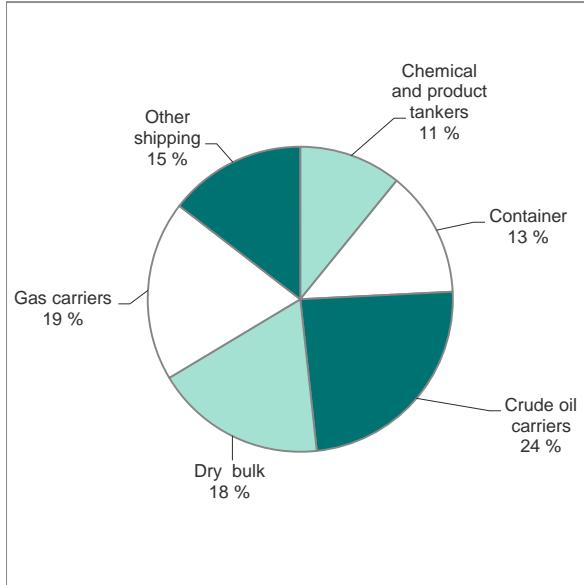
Amounts in NOK billion	31 Dec. 2018	30 Sept. 2018	30 June 2018	31 March 2018	31 Dec. 2017	30 Sept. 2017	30 June 2017	31 March 2017	31 Dec. 2016
Chemical and product tankers	7.7	8.1	8.8	10.6	11.6	11.9	13.3	13.6	14.7
Container	9.4	11.2	12.0	11.9	13.2	14.1	16.7	18.7	16.9
Crude oil carriers	17.0	17.0	16.5	16.7	20.0	20.0	23.1	23.3	23.9
Dry bulk	12.8	13.3	13.8	13.4	16.2	16.6	18.4	20.3	21.6
Gas carriers	13.5	12.5	12.3	13.3	15.9	15.7	16.4	18.4	19.9
Other shipping	10.3	9.4	9.3	10.8	11.0	12.4	13.1	12.4	11.6
Total	70.6	71.5	72.8	76.6	87.9	90.8	101.0	106.8	108.7

Risk classification of portfolio

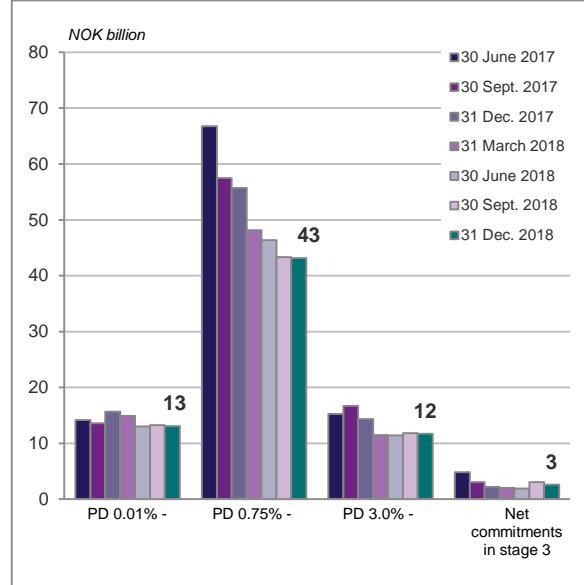
Amounts in NOK billion	31 Dec. 2018	30 Sept. 2018	30 June 2018	31 March 2018	31 Dec. 2017	30 Sept. 2017	30 June 2017	31 March 2017	31 Dec. 2016
PD 0.01% -	13.1	13.2	13.1	14.9	15.7	13.6	14.1	18.5	17.1
PD 0.75% -	43.2	43.4	46.4	48.1	55.7	57.5	66.8	65.8	70.4
PD 3.00% -	11.7	11.8	11.4	11.5	14.4	16.7	15.3	19.9	18.5
Net commitments in stage 3	2.6	3.1	1.9	2.0	2.2	3.1	4.8	2.6	2.8
Total¹⁾	70.6	71.5	72.8	76.6	87.9	90.8	101.0	106.8	108.7

1) For a breakdown into sub-segments, see next page.

Exposure at default by segment



Risk classification of portfolio



Based on DNB's risk classification system. The volumes represent the expected outstanding amount in the event of default. PD = probability of default.

1.6.4 Breakdown of shipping (continued)

Breakdown into sub-segments

Amounts in NOK billion	31 Dec. 2018	30 Sept. 2018	30 June 2018	31 March 2018	31 Dec. 2017	30 Sept. 2017	30 June 2017	31 March 2017	31 Dec. 2016
<i>PD 0.01% -</i>									
Crude oil sector	2.0	1.3	1.3	1.3	0.4	0.4	0.4	1.5	1.6
Dry bulk sector	0.4	0.4	0.3	0.3	0.2	0.1	0.1	0.6	0.5
Container sector	3.3	3.9	4.5	3.7	4.1	3.5	4.1	5.5	2.7
Other	7.4	7.7	6.9	9.6	11.0	9.6	9.5	10.9	12.3
Total	13.1	13.2	13.1	14.9	15.7	13.6	14.1	18.5	17.1
<i>PD 0.75% -</i>									
Crude oil sector	10.6	11.6	10.7	10.8	14.0	13.9	17.1	17.7	18.9
Dry bulk sector	8.4	8.7	9.2	8.1	10.4	9.7	11.1	11.7	13.1
Container sector	5.0	5.1	6.6	7.3	8.1	9.1	10.8	9.4	10.2
Other	19.1	18.0	19.8	21.9	23.2	24.8	27.8	27.0	28.1
Total	43.2	43.4	46.4	48.1	55.7	57.5	66.8	65.8	70.4
<i>PD 3.00% -</i>									
Crude oil sector	4.2	4.0	4.5	4.6	5.7	5.7	5.6	4.1	3.4
Dry bulk sector	2.2	3.2	3.0	3.4	3.8	5.1	5.0	6.9	6.8
Container sector	0.8	0.8	0.6	0.6	0.6	0.7	0.8	3.2	3.3
Other	4.5	3.8	3.4	3.0	4.2	5.3	3.9	5.8	5.0
Total	11.7	11.8	11.4	11.5	14.4	16.7	15.3	19.9	18.5
<i>Net commitments in stage 3</i>									
Crude oil sector	0.2	0.2	-	-	-	-	-	-	0.0
Dry bulk sector	1.7	1.1	1.3	1.6	1.7	1.8	2.3	1.2	1.2
Container sector	0.3	1.4	0.3	0.3	0.4	0.8	0.9	0.6	0.7
Other	0.4	0.4	0.2	0.2	0.1	0.4	1.6	0.8	0.8
Total	2.6	3.1	1.9	2.0	2.2	3.1	4.8	2.6	2.8
Total shipping	70.6	71.5	72.8	76.6	87.9	90.8	101.0	106.8	108.7

Based on DNB's risk classification system. The volumes represent the expected outstanding amount in the event of default. PD = probability of default.

1.6.5 Breakdown of oil, gas and offshore

Exposure at default by segment

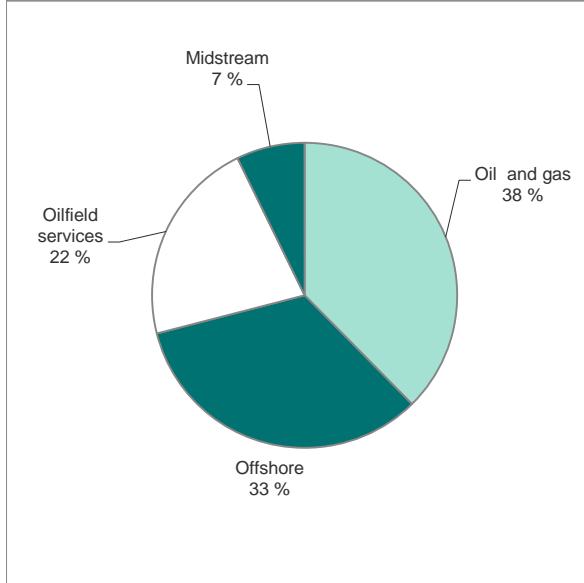
Amounts in NOK billion	31 Dec. 2018	30 Sept. 2018	30 June 2018	31 March 2018	31 Dec. 2017	30 Sept. 2017	30 June 2017	31 March 2017	31 Dec. 2016
Oil and gas	38.3	39.9	40.3	39.5	41.1	39.2	41.4	43.2	44.4
Offshore	34.0	35.4	35.7	34.6	40.2	41.8	42.6	45.6	49.2
Oilfield services	22.2	17.7	18.7	16.8	17.6	19.5	23.5	25.8	25.8
Midstream	7.4	7.2	9.1	8.8	10.0	13.9	15.5	16.6	18.7
Total	101.9	100.2	103.8	99.8	108.9	114.5	122.9	131.1	138.1

Risk classification of portfolio

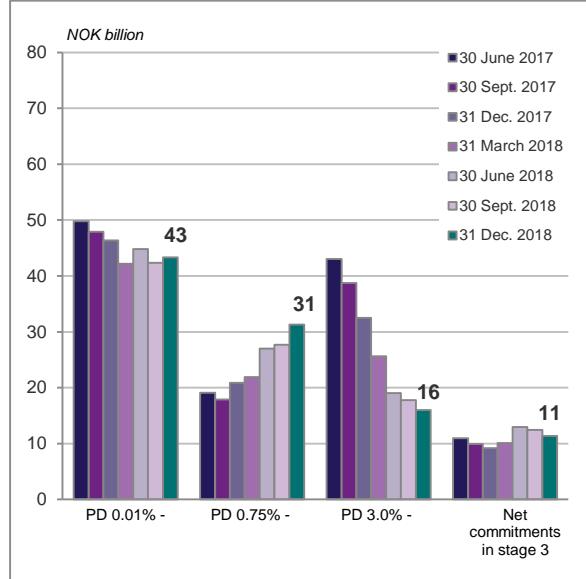
Amounts in NOK billion	31 Dec. 2018	30 Sept. 2018	30 June 2018	31 March 2018	31 Dec. 2017	30 Sept. 2017	30 June 2017	31 March 2017	31 Dec. 2016
PD 0.01% -	43.3	42.4	44.8	42.2	46.4	47.9	49.8	52.9	56.3
PD 0.75% -	31.3	27.7	27.0	21.9	20.9	17.9	19.1	23.4	21.9
PD 3.00% -	16.0	17.8	19.0	25.6	32.5	38.7	43.0	41.3	44.0
Net commitments in stage 3	11.4	12.4	13.0	10.1	9.2	10.0	11.0	13.5	15.9
Total¹⁾	101.9	100.2	103.8	99.8	108.9	114.5	122.9	131.1	138.1

1) For a breakdown into sub-segments, see next page.

Exposure at default by segment



Risk classification of portfolio



Based on DNB's risk classification system. The volumes represent the expected outstanding amount in the event of default. PD = probability of default.

1.6.5 Breakdown of oil, gas and offshore (continued)

Breakdown into sub-segments

Amounts in NOK billion	31 Dec. 2018	30 Sept. 2018	30 June 2018	31 March 2018	31 Dec. 2017	30 Sept. 2017	30 June 2017	31 March 2017	31 Dec. 2016
<i>PD 0.01%</i> -									
Oil and gas sector	32.1	33.0	35.0	33.9	36.3	36.5	37.9	40.0	40.8
Offshore sector	1.6	1.9	2.0	1.9	2.6	1.7	1.8	1.9	2.6
Oilfield services sector	9.5	7.5	7.8	6.5	7.5	9.6	10.1	11.0	12.8
Total	43.3	42.4	44.8	42.2	46.4	47.9	49.8	52.9	56.3
<i>PD 0.75%</i> -									
Oil and gas sector	10.2	9.5	9.5	7.5	6.5	9.0	9.8	10.5	11.1
Offshore sector	12.1	11.4	10.5	7.7	7.9	3.3	3.9	6.2	5.8
Oilfield services sector	9.1	6.7	7.0	6.7	6.5	5.5	5.3	6.6	4.9
Total	31.3	27.7	27.0	21.9	20.9	17.9	19.1	23.4	21.9
<i>PD 3.00%</i> -									
Oil and gas sector	2.5	3.8	4.0	6.2	7.4	6.9	7.3	7.8	9.0
Offshore sector	10.5	11.0	11.7	16.4	22.0	28.2	28.4	26.2	29.1
Oilfield services sector	3.1	2.9	3.3	3.0	3.0	3.6	7.3	7.3	5.9
Total	16.0	17.8	19.0	25.6	32.5	38.7	43.0	41.3	44.0
<i>Net commitments in stage 3</i>									
Oil and gas sector	0.9	0.8	0.8	0.8	0.9	0.7	1.8	1.4	2.1
Offshore sector	9.9	11.1	11.6	8.6	7.7	8.6	8.4	11.3	11.6
Oilfield services sector	0.6	0.6	0.6	0.7	0.7	0.7	0.8	0.9	2.2
Total	11.4	12.4	13.0	10.1	9.2	10.0	11.0	13.5	15.9
Total oil, gas and offshore	101.9	100.2	103.8	99.8	108.9	114.5	122.9	131.1	138.1

Based on DNB's risk classification system. The volumes represent the expected outstanding amount in the event of default. PD = probability of default.

1.6.6 DNB's risk classification

Risk class	Probability of default (per cent)		External rating	
	As from	Up to	Moody's	Standard & Poor's
1	0.01	0.10	Aaa – A3	AAA – A-
2	0.10	0.25	Baa1 – Baa2	BBB+ – BBB
3	0.25	0.50	Baa3	BBB-
4	0.50	0.75	Ba1	BB+
5	0.75	1.25	Ba2	BB
6	1.25	2.00		
7	2.00	3.00	Ba3	BB-
8	3.00	5.00	B1	B+
9	5.00	8.00	B2	B
10	8.00	Impaired	B3, Caa/C	B-, CCC/C

DNB's risk classification system, where 1 represents the lowest risk and 10 the highest risk.

1.7.1 Development in volumes - deposits from customers

Amounts in NOK billion	31 Dec. 2018	30 Sept. 2018	30 June 2018	31 March 2018	31 Dec. 2017	30 Sept. 2017	30 June 2017	31 March 2017	31 Dec. 2016
Deposits at end of period	927	985	1 030	955	971	1 010	1 009	1 017	935
Deposits adjusted for exchange rate movements	919	985	1 034	964	971	1 018	1 004	1 020	935
Deposits adjusted for short-term money market investments	917	941	971	911	935	949	963	969	925
Deposits adjusted for short-term money market investments and exchange rate movements	909	941	976	920	935	957	958	973	925

1.7.2 Deposits per customer group

Amounts in NOK billion	31 Dec. 2018	30 Sept. 2018	30 June 2018	31 March 2018	31 Dec. 2017	30 Sept. 2017	30 June 2017	31 March 2017	31 Dec. 2016
Households	387	389	398	411	374	374	379	361	361
Non-financial corporates	433	448	472	429	458	470	468	488	449
Other financial corporates	77	101	115	68	94	124	111	110	79
Other	49	60	62	55	55	60	67	77	58
Credit institutions	182	240	292	243	222	240	212	264	212
Total deposits	1 128	1 238	1 338	1 206	1 204	1 267	1 237	1 300	1 158
<i>Of which repo trading volumes</i>		40.7	45.0	79.3	46.8	32.5	13.8	17.8	23.5
									21.6

The above table shows the split of deposits for the CRD IV reporting according to EU regulations and does not include non-financial companies in the DNB Group.

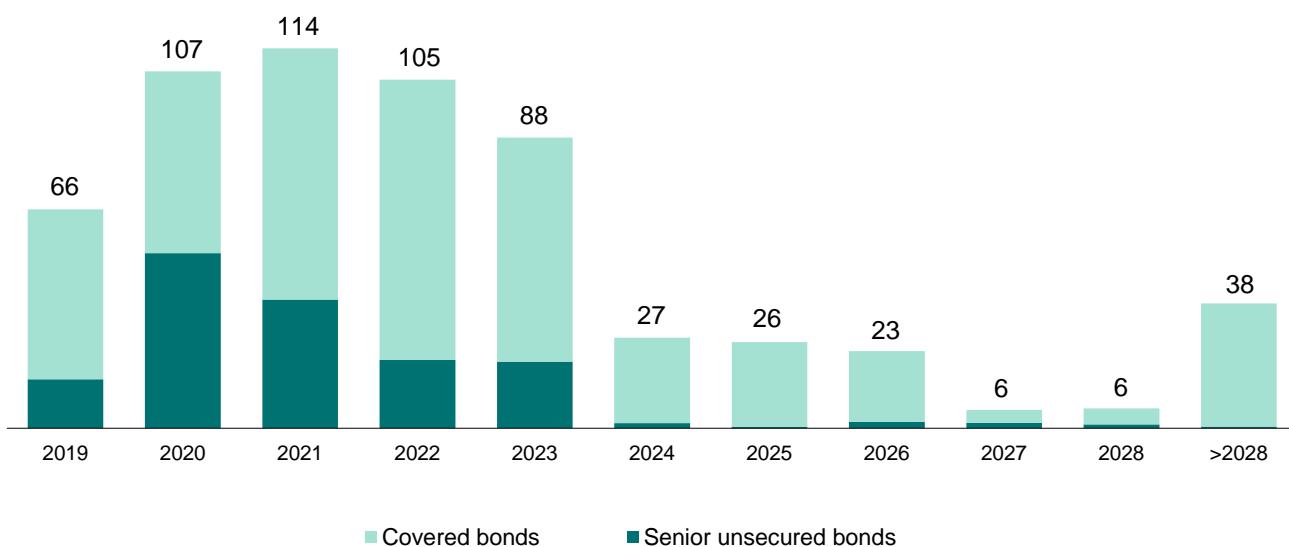
1.7.3 Funding

DNB Bank ASA issues senior debt and subordinated debt. DNB Boligkredit AS, which is a wholly owned subsidiary of DNB Bank ASA, issues covered bonds. DNB issues bonds through large public transactions and private placements.

		NOK billion	Maturity (years)
2018	Covered bonds	78.1	7.3
	Senior bonds	11.2	4.9
	Total	89.3	7.0
	Additional Tier 1 capital and Tier 2 loans	9.7	5.0
	Total including Tier 1 capital and Tier 2 loans	98.9	6.8
2017	Covered bonds	73.4	8.0
	Senior bonds	16.0	3.0
	Total	89.4	7.1
	Additional Tier 1 capital and Tier 2 loans	10.6	5.0
	Total including Tier 1 capital and Tier 2 loans	99.9	6.8
2016	Covered bonds	63.5	7.7
	Senior bonds	25.2	5.7
	Total	88.7	7.1
	Additional Tier 1 capital and Tier 2 loans	8.3	5.3
	Total including Tier 1 capital and Tier 2 loans	97.0	7.0

1.7.4 Redemption profile as at 31 December 2018

Amounts in NOK billion	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	>2028
Senior unsecured bonds	14.7	52.8	38.7	20.7	20.0	1.6	0.4	1.9	1.6	1.2	0.5
Covered bonds	51.2	54.7	75.7	84.3	67.5	25.7	25.5	21.3	3.9	4.8	37.1
Total	65.9	107.4	114.4	105.0	87.5	27.3	26.0	23.3	5.5	6.0	37.6



A total overview of subordinated loans as at 31 December 2018 can be found in the appendix on page 83-87.

1.7.5 Asset encumbrance as at 31 December 2018

Distribution by type of liability (rows) and encumbered asset (columns)

Market value in NOK million	Government/ guaranteed debt instruments	Supra- national debt instru- ments	Covered bonds	Debt issued by credit institu- tions	Debt issued by corporate and other issuers	Home mortgages	Commercial real estate loans	Asset- backed securities (ABS)	Total ¹⁾
Due to central banks									0
Repurchase agreements	10 179			2 431					12 610
Derivatives				5 590					5 590
Covered bonds issued						466 020			466 020
Total	10 179	0	8 021	0	0	466 020	0	0	484 220

¹⁾ Total figures per quarter

Market value in NOK million	31 Dec. 2018	30 Sept. 2018	30 June 2018	31 March 2018	31 Dec. 2017	30 Sept. 2017	30 June 2017	31 Dec. 2016	30 Sept. 2016
Due to central banks					3 976	3 807	3 837	3 624	
Repurchase agreements	12 610	25 255	22 792	43 338	16 763	5 448	13 233	14 067	3 368
Derivatives	5 590		325	8 484	18 070	2 856	7 773		2 735
Covered bonds issued	466 020	465 812	442 674	442 653	461 876	430 743	455 131	437 326	455 062
Total	484 220	491 067	465 791	494 474	496 708	443 023	479 944	455 230	464 788

1.7.6 Additional assets available for secured funding as at 31 December 2018

Market value in NOK million	Government/ guaranteed debt instruments	Supra- national debt instru- ments	Covered bonds	Debt issued by credit institu- tions	Debt issued by corporate and other issuers	Home mortgages	Commercial real estate loans	Asset- backed securities (ABS)	Total ¹⁾
Securities ¹⁾	203 681	10 858	108 003	9 183	697				332 422
Retained covered bonds						9 684			9 684
Cover pool overcollateralisation ²⁾						191 080	16 073		207 153
Cover pool eligible assets ³⁾									0
Total	203 681	10 858	108 003	9 183	697	200 764	16 073	0	549 259

¹⁾ Total figures per quarter

Market value in NOK million	31 Dec. 2018	30 Sept. 2018	30 June 2018	31 March 2018	31 Dec. 2017	30 Sept. 2017	30 June 2017	31 March 2017	31 Dec. 2016
Securities	332 422	334 497	344 413	295 642	439 684	320 731	343 149	406 517	224 790
Retained covered bonds	9 684	5 622	3 500	7 869	11 942	11 012	7 259	9 008	8 755
Cover pool overcollateralisation ²⁾	207 153	206 970	223 637	220 880	216 942	226 706	215 217	165 122	190 687
Cover pool eligible assets ³⁾			15 000	15 000	15 000	15 000	15 000	15 000	15 000
Total	549 259	547 089	586 550	539 391	683 568	573 449	580 625	595 648	439 232

1) Including available repo collateral.

2) Collateralisation in excess of the regulatory minimum. Uncommitted, rating-supportive overcollateralisation forms part of this volume.

3) Estimate.

1.7.7 Liquid assets as at 31 December 2018

Amounts in NOK million	NOK	EUR	USD	Other	Total *)
Cash and deposits with central banks	6 853	106 494	2 283	7 431	123 061
Deposits with other banks ¹⁾	42 409	(1 242)	73 413	84	114 664
Securities issued or guaranteed by sovereigns, central banks or multilateral development banks	54 612	6 080	31 754	41 362	133 808
Securities issued or guaranteed by municipalities or public sector entities	2 594	833	8 328	2 979	14 734
Covered bonds					
- issued by other institutions	57 885	6 791	11 038	10 604	86 318
- own issued	9 684				9 684
Securities issued by non-financial corporates	331	2	155	37	525
Securities issued by financial corporates and ABS	6 304	230	2	599	7 135
Total	180 672	119 188	126 973	63 096	489 929

***) Total figures per quarter**

Amounts in NOK million	31 Dec. 2018	30 Sept. 2018	30 June 2018	31 March 2018	31 Dec. 2017	30 Sept. 2017	30 June 2017	31 March 2017	31 Dec. 2016
Cash and deposits with central banks	123 061	287 208	378 164	269 251	146 312	315 004	261 020	365 700	201 176
Deposits with other banks ¹⁾	114 664	97 638	138 616	79 226	211 896	157 176	157 018	198 747	191 145
Securities issued or guaranteed by sovereigns, central banks or multilateral development banks	133 808	123 871	121 402	111 012	154 619	95 933	99 029	119 016	115 165
Securities issued or guaranteed by municipalities or public sector entities	14 734	16 797	15 143	13 435	13 921	13 412	13 778	12 068	11 425
Covered bonds									
- issued by other institutions	86 318	82 080	74 406	67 579	66 656	63 865	67 834	72 938	78 626
- own issued	9 684	5 622	3 500	7 869	11 942	11 012	7 259	9 008	8 755
Securities issued by non-financial corporates	525	469	507	755	778	1 240	615	616	858
Securities issued by financial corporates and ABS	7 135	4 616	2 701	3 331	15 341	15 183	14 045	19 007	18 717
Total	489 929	618 301	734 440	552 458	621 465	672 826	620 598	797 100	625 867

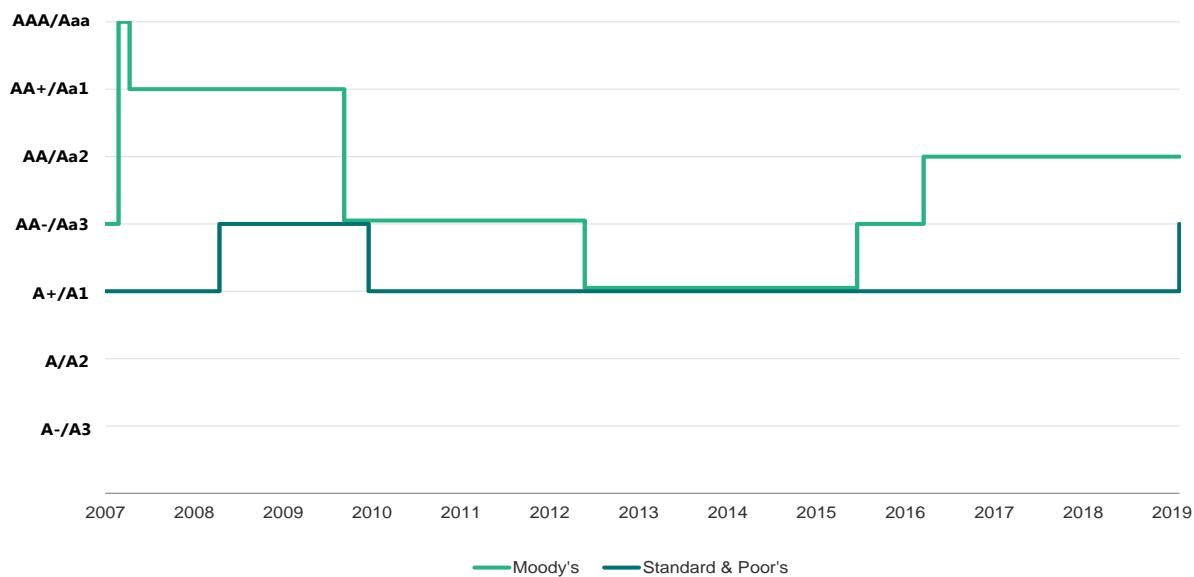
1) Including netting of repo transactions.

Excluding assets in DNB Livsforsikring and encumbered securities. Including trading portfolio.

1.7.8 Liquidity Coverage Ratio

Per cent	31 Dec. 2018	30 Sept. 2018	30 June 2018	31 March 2018	31 Dec. 2017	30 Sept. 2017	30 June 2017	31 March 2017	31 Dec. 2016
EUR	190	201	282	208	191	247	591	455	562
USD	243	175	136	153	137	112	147	137	190
NOK	65	70	78	62	93	87	76	82	59
Total	117	129	131	110	117	118	123	135	138

1.7.9 DNB Bank ASA - credit ratings from international rating agencies



	Moody's		Standard & Poor's	
	Long-term		Short-term	Long-term
	Bank deposits	Senior unsecured debt		Short-term
As at 22 January 2019	Aa2¹⁾	Aa2¹⁾	P-1	AA⁻³⁾
As at 31 December 2018	Aa2 ¹⁾	Aa2 ¹⁾	P-1	A+ ²⁾
As at 30 September 2018	Aa2 ¹⁾	Aa2 ¹⁾	P-1	A+
As at 30 June 2018	Aa2 ¹⁾	Aa2 ¹⁾	P-1	A+
As at 31 March 2018	Aa2 ¹⁾	Aa2 ¹⁾	P-1	A+
As at 31 December 2017	Aa2 ¹⁾	Aa2 ¹⁾	P-1	A+
As at 30 September 2017	Aa2 ¹⁾	Aa2 ¹⁾	P-1	A+
As at 30 June 2017	Aa2 ¹⁾	Aa2 ¹⁾	P-1	A+

1) Negative outlook.

2) Positive outlook.

3) Stable outlook.

Covered bonds issued by DNB Boligkredit are rated Aaa by Moody's and AAA by Standard & Poor's, both with a stable outlook.

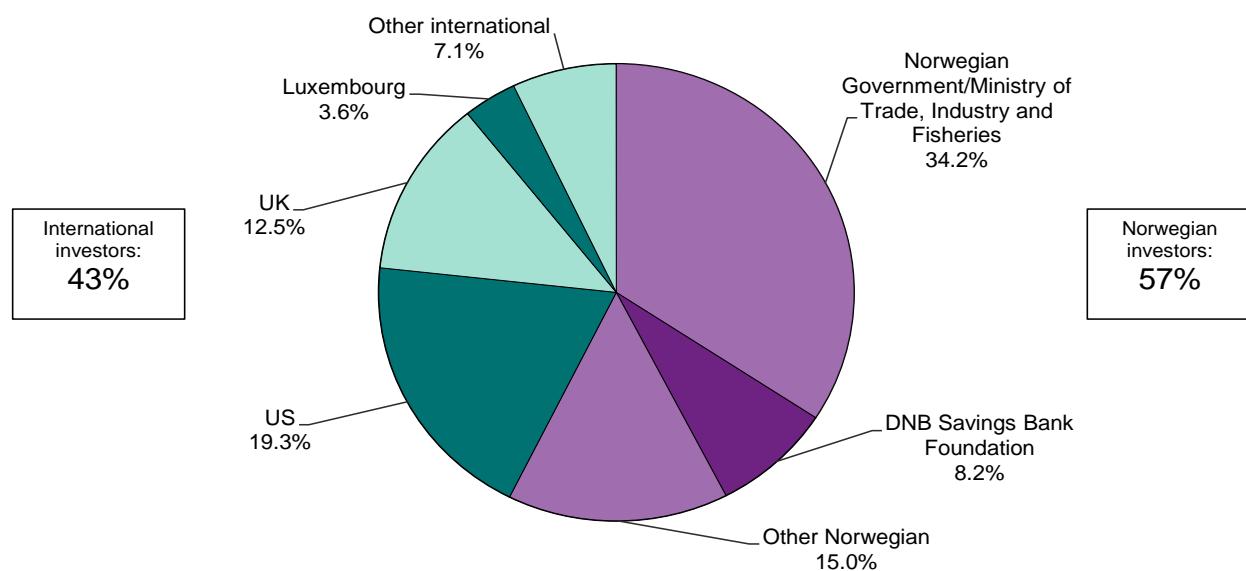
1.7.10 Major shareholders as at 31 December 2018

	Shares in 1 000	Ownership in per cent
Norwegian Government/Ministry of Trade, Industry and Fisheries	545 485	34.2
DNB Savings Bank Foundation	130 001	8.2
Folketrygdfondet	96 989	6.1
Fidelity International	30 680	1.9
The Vanguard Group, Inc.	30 011	1.9
BlackRock Institutional Trust Company, N.A.	29 814	1.9
DWS Investment GmbH	24 788	1.6
Schroder Investment Management Ltd. (SIM)	20 452	1.3
Capital World Investors	18 601	1.2
Storebrand Kapitalforvaltning AS	16 483	1.0
T. Rowe Price Associates, Inc.	16 475	1.0
Davis Selected Advisers, L.P.	14 873	0.9
KLP Forsikring	14 404	0.9
DNB Asset Management AS	12 900	0.8
Nordea Funds Oy	12 428	0.8
SAFE Investment Company Limited	12 248	0.8
State Street Global Advisors (US)	12 080	0.8
Newton Investment Management Ltd.	10 962	0.7
MFS Investment Management	10 245	0.6
Danske Capital (Norway)	9 671	0.6
Total largest shareholders	1 069 590	67.1
Other shareholders	524 762	32.9
Total	1 594 352	100.0

The owners of shares in nominee accounts are determined on the basis of third-party analyses.

For information related to the share buy-back programmes and redemption of shares, refer to table 1.7.12.

1.7.11 Ownership according to nationality as at 31 December 2018



1.7.12 Share buy-back programmes

The annual general meeting (AGM) held in April 2018 authorised DNB ASA to repurchase up to 3.5 per cent of the company's share capital after the completion of the reduction in capital in connection with the share buy-back programme initiated in 2017. The authorisation is valid up to the AGM in 2019. Initially, DNB has applied and received approval for a 2 per cent repurchase limit from Finanstilsynet (the Financial Supervisory Authority of Norway). DNB may at any time apply to Finanstilsynet for the remaining 1.5 per cent authorised by the AGM.

DNB ASA has signed an agreement with the Norwegian government, represented by the Ministry of Trade, Industry and Fisheries, to ensure that the government maintains its 34 per cent ownership interest in DNB ASA after completion of the buy-back programme.

DNB ASA will cancel the repurchased shares and redeem the proportionate number of shares owned by the Norwegian government. The shares owned by the Norwegian government will be redeemed against a payment corresponding to the average volume-weighted price of the shares repurchased by DNB ASA in the open market as part of the buy-back programme, in addition to an interest compensation and an agreed adjustment for dividends paid on the redeemed shares during the buy-back period (if any). Once this transaction has been completed, a stock exchange statement will be published, specifying the updated number of shares after completion of the share buy-back programme and cancellation of the shares.

The first programme, announced on 6 June, comprises up to 1.5 per cent of the shares, and at end-December, DNB had repurchased 10 015 000 shares corresponding to 0.62 per cent of the share capital. In addition, 0.32 per cent of the shares owned by the Norwegian government will be redeemed after the Annual General Meeting in 2019, bringing total buy-backs to 0.95 per cent.

Buy-back programmes

<i>Number of shares</i>	31 Dec. 2018	30 Sept. 2018	30 June 2018
The Group's portfolio of own shares acquired under the share buy-back programme	10 015 000	10 015 000	4 113 000
Redemption of shares from the state of Norway	5 159 242	5 159 242	2 118 817
Total purchased shares	15 174 242	15 174 242	6 231 817
Total price of repurchased shares (NOK)	1 607 572 829	1 607 572 829	642 965 613
Average price of repurchased shares (NOK)	160.52	160.52	156.33
	Announced	Completed	
1.5 per cent ¹⁾	6 June 2018		

1) Including redemption of government shares.

1.8.1 Primary capital - DNB Group

Capital adequacy is calculated and reported in accordance with the EU capital requirements regulations for banks and investment firms (CRD IV/CRR). 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. DNB Livsforsikring and DNB Forsikring are thus not included in the calculations. Associated companies are consolidated pro rata.

Amounts in NOK million	31 Dec. 2018	30 Sept. 2018	30 June 2018	31 March 2018	31 Dec. 2017	30 Sept. 2017	30 June 2017	31 March 2017	31 Dec. 2016
Total equity excluding interim profits	223 966	198 683	199 515	212 707	216 897	195 945	197 765	206 403	206 423
50 per cent of interim profits for the year to date		8 150	5 755	2 790		7 164	4 425	1 959	
Effect from regulatory consolidation	(5 595)	(4 823)	(4 942)	(6 496)	(6 328)	(4 705)	(4 705)	(5 795)	(5 795)
Net additional Tier 1 capital instruments included in total equity	(16 039)	(15 870)	(15 730)	(15 589)	(16 013)	(15 863)	(15 734)	(15 589)	(15 858)
Total equity for capital adequacy purpose	202 333	186 140	184 597	193 412	194 557	182 541	181 752	186 978	184 770
Deductions	(25 501)	(13 243)	(13 622)	(21 131)	(23 218)	(11 247)	(9 720)	(16 802)	(16 555)
Common equity Tier 1 capital	176 831	172 896	170 975	172 281	171 339	171 295	172 031	170 176	168 214
Additional Tier 1 capital instruments, net	14 054	15 272	15 508	15 420	15 517	15 019	15 504	15 556	17 295
Tier 1 capital	190 886	188 169	186 483	187 701	186 856	186 314	187 536	185 732	185 509
Tier 2 capital, net	23 117	21 204	26 928	27 998	21 696	20 217	21 608	21 218	19 661
Total eligible capital	214 003	209 372	213 411	215 699	208 552	206 531	209 144	206 950	205 170
Risk-weighted assets, basis for transitional rules, Basel I	1 347 417	1 311 288	1 317 589	1 300 082	1 303 251	1 317 091	1 358 902	1 347 240	1 314 372
Risk-weighted assets, transitional rules ¹⁾	1 077 934	1 049 030	1 054 071	1 040 066	1 042 601	1 053 673	1 087 122	1 077 792	1 051 498
Minimum capital requirement, transitional rules	86 235	83 922	84 326	83 205	83 408	84 294	86 970	86 223	84 120
Common equity Tier 1 capital ratio, transitional rules (%)	16.4	16.5	16.2	16.6	16.4	16.3	15.8	15.8	16.0
Tier 1 capital ratio, transitional rules (%)	17.7	17.9	17.7	18.0	17.9	17.7	17.3	17.2	17.6
Capital ratio, transitional rules (%)	19.9	20.0	20.2	20.7	20.0	19.6	19.2	19.2	19.5

Basel III without transitional rules:

Risk-weighted assets, Basel III	1 028 904	1 010 799	1 011 060	994 223	1 027 585	1 027 137	1 072 158	977 995	957 726
Minimum capital requirement, Basel III	82 312	80 864	80 885	79 538	82 207	82 171	85 773	78 240	76 618
Common equity Tier 1 capital ratio, Basel III (%)	17.2	17.1	16.9	17.3	16.7	16.7	16.0	17.4	17.6
Tier 1 capital ratio, Basel III (%)	18.6	18.6	18.4	18.9	18.2	18.1	17.5	19.0	19.4
Capital ratio, Basel III (%)	20.8	20.7	21.1	21.7	20.3	20.1	19.5	21.2	21.4
Leverage ratio, Basel III (%)	7.5	7.1	6.8	7.2	7.2	7.1	7.2	6.7	7.3

1) Due to transitional rules, the minimum capital adequacy requirements cannot be reduced below 80 per cent of the corresponding figure calculated according to the Basel I regulations.

Capital adequacy figures include 50 per cent of interim profits in all quarters. Annual figures are exclusive of dividend payments.

Basel III

The majority of the credit portfolios are reported according to the IRB approach. The portfolios "central governments" and "institutions" are, however, reported according to the standardised approach.

1.8.2 Leverage ratio

Amounts in NOK million	31 Dec. 2018	30 Sept. 2018	30 June 2018	31 March 2018	31 Dec. 2017	30 Sept. 2017	30 June 2017	31 March 2017	31 Dec. 2016
Tier 1 capital	190 866	188 169	186 483	187 701	186 863	186 314	187 536	185 732	185 509
Leverage exposure									
Securities financing transactions (SFTs)	167 354	162 437	195 448	176 485	251 939	183 235	184 491	229 475	196 891
Derivatives market value	51 141	34 615	42 710	43 293	47 840	40 949	59 352	55 576	54 155
Potential future exposure on derivatives	29 507	29 748	27 911	29 257	37 363	29 653	23 891	34 063	32 079
Eligible cash variation margin	(22 642)	(13 519)	(17 463)	(15 758)	(28 744)	(17 526)	(18 697)	(15 486)	(15 383)
Off balance sheet commitments	236 929	233 316	236 550	231 676	235 576	235 491	246 002	248 029	242 183
Loans and advances and other assets	2 099 388	2 200 297	2 285 934	2 141 391	2 071 592	2 179 955	2 129 861	2 230 569	2 043 384
Deductions	(10 168)	(11 062)	(10 717)	(8 749)	(9 699)	(9 405)	(8 347)	(6 366)	(6 644)
Total exposure	2 551 508	2 635 832	2 760 372	2 597 595	2 605 867	2 642 352	2 616 552	2 775 860	2 546 664
Leverage ratio, Basel III (%)	7.5	7.1	6.8	7.2	7.2	7.1	7.2	6.7	7.3

1.8.3 Specification of capital requirements

Amounts in NOK million	31 Dec. 2018	30 Sept. 2018	30 June 2018	31 March 2018	31 Dec. 2017	30 Sept. 2017	30 June 2017	31 March 2017	31 Dec. 2016
IRB approach									
Corporate	33 716	33 360	33 684	32 984	35 197	36 439	39 659	33 291	32 619
Specialised lending (SL)	526	524	449	441	454	461	497	384	356
Retail - mortgages	13 617	13 485	13 162	13 415	13 220	12 975	12 630	12 590	12 465
Retail - other exposures	1 727	1 744	1 740	1 791	1 745	1 730	1 866	1 867	1 901
Securitisation		1	1	140	626	671	818	838	937
Total credit risk, IRB approach	49 587	49 115	49 036	48 770	51 241	52 276	55 470	48 970	48 279
Standardised approach									
Central government	12	11	11	8	6	5	5	6	7
Institutions	2 859	3 349	3 200	3 368	2 989	2 729	2 419	2 182	1 989
Corporate	11 824	10 600	10 469	9 649	9 796	9 588	9 770	9 445	8 767
Retail - mortgages	2 539	2 406	2 499	2 201	2 207	1 939	1 863	1 839	1 805
Retail - other exposures	2 958	2 941	3 153	2 909	2 941	3 060	3 664	3 116	2 939
Equity positions	3 753	3 574	3 641	3 716	3 742	3 727	3 685	3 607	3 584
Securitisation						22	24	40	41
Other assets	540	561	581	478	568	742	803	725	848
Total credit risk, standardised approach	24 484	23 441	23 553	22 328	22 249	21 812	22 232	20 960	19 979
Total credit risk ¹⁾	74 070	72 556	72 589	71 099	73 490	74 088	77 702	69 930	68 258
Market risk									
Position risk, debt instruments	927	806	782	877	1 120	957	899	1 043	1 169
Position risk, equity instruments	16	25	22	21	21	24	19	17	25
Currency risk									
Commodity risk	1	1	2	1	2	2	2	2	6
Credit value adjustment risk (CVA)	311	399	413	463	468	430	481	505	490
Total market risk	1 254	1 231	1 219	1 362	1 611	1 413	1 401	1 566	1 690
Operational risk	7 040	7 077	7 077	7 077	7 077	6 670	6 670	6 744	6 670
Total capital requirements according to Basel III	82 365	80 864	80 885	79 538	82 178	82 171	85 773	78 240	76 618
Additional capital requirements according to transitional rules	3 870	3 058	3 441	3 667	1 230	2 123	1 197	7 984	7 502
Total capital requirements according to transitional rules	86 235	83 922	84 326	83 205	83 408	84 294	86 970	86 223	84 120

1) See next page for further details.

1.8.4 Specification of capital requirements for credit risk

As at 31 December 2018

<i>Amounts in NOK million</i>	Nominal exposure	EAD, exposure at default	Average risk weights (per cent)	Risk-weighted assets	Capital requirements
IRB approach					
Corporate	955 626	789 415	53.4	421 452	33 716
Specialised Lending (SL)	12 445	11 990	54.9	6 579	526
Retail - mortgages	773 419	773 419	22.0	170 213	13 617
Retail - other exposures	102 012	87 560	24.7	21 589	1 727
Securitisation					
Total credit risk, IRB approach	1 843 502	1 662 385	37.3	619 833	49 587
Standardised approach					
Central government	273 420	256 743	0.1	148	12
Institutions	244 919	128 361	27.8	35 737	2 859
Corporate	225 851	166 450	88.8	147 794	11 824
Retail - mortgages	67 981	64 835	48.9	31 733	2 539
Retail - other exposures	124 556	49 276	75.0	36 973	2 958
Equity positions	21 317	21 235	220.9	46 916	3 753
Other assets	13 691	13 691	49.3	6 744	540
Total credit risk, standardised approach	971 735	700 592	43.7	306 045	24 484
Total credit risk	2 815 238	2 362 977	39.2	925 877	74 070

As at 30 September 2018

<i>Amounts in NOK million</i>	Nominal exposure	EAD, exposure at default	Average risk weights (per cent)	Risk-weighted assets	Capital requirements
IRB approach					
Corporate	934 371	774 091	53.9	417 003	33 360
Specialised Lending (SL)	12 169	11 748	55.8	6 555	524
Retail - mortgages	771 678	771 678	21.8	168 565	13 485
Retail - other exposures	102 830	87 951	24.8	21 806	1 744
Securitisation	63	63	10.2	6	1
Total credit risk, IRB approach	1 821 110	1 645 531	37.3	613 936	49 115
Standardised approach					
Central government	410 826	385 920	0.0	133	11
Institutions	239 450	129 503	32.3	41 863	3 349
Corporate	190 120	151 208	87.6	132 495	10 600
Retail - mortgages	63 771	60 572	49.7	30 077	2 406
Retail - other exposures	131 879	48 973	75.1	36 757	2 941
Equity positions	20 860	20 858	214.2	44 672	3 574
Other assets	14 709	14 709	47.7	7 016	561
Total credit risk, standardised approach	1 071 614	811 744	36.1	293 013	23 441
Total credit risk	2 892 725	2 457 275	36.9	906 949	72 556

1.8.5 Primary capital - including DNB Bank ASA and DNB Bank Group

Capital adequacy is calculated and reported in accordance with the EU capital requirements regulations for banks and investment firms (CRR/CRD IV). The regulatory consolidation deviates from consolidation in the accounts and comprises the parent company, subsidiaries and associated companies within the financial sector, excluding insurance companies. DNB Livsforsikring and DNB Forsikring are thus not included in the calculations. Associated companies are consolidated pro rata.

	DNB Bank ASA			DNB Bank Group			DNB Group		
	31 Dec. 2018	30 Sept. 2018	31 Dec. 2017	31 Dec. 2018	30 Sept. 2018	31 Dec. 2017	31 Dec. 2018	30 Sept. 2018	31 Dec. 2017
<i>Amounts in NOK million</i>									
Total equity excluding profit for the period	176 562	168 465	169 720	207 933	184 812	203 685	223 966	198 683	216 897
Effect from regulatory consolidation				(234)	(262)	183	(5 595)	(4 823)	(6 328)
Additional Tier 1 capital instruments included in total equity	(15 574)	(15 574)	(15 574)	(15 574)	(15 574)	(15 574)	(15 574)	(15 574)	(15 574)
Net accrued interest on additional Tier 1 capital instruments	(465)	(297)	(439)	(465)	(297)	(439)	(465)	(297)	(439)
Total equity	160 523	152 595	153 708	191 660	168 679	187 856	202 333	177 990	194 557
Deductions									
Pension funds above pension commitments		(6)			(6)			(6)	
Goodwill	(2 389)	(2 362)	(2 404)	(2 929)	(2 942)	(2 559)	(4 634)	(4 647)	(4 264)
Deferred tax assets that are not due to temporary differences	(562)	(574)	(584)	(524)	(441)	(454)	(524)	(441)	(454)
Other intangible assets	(1 040)	(1 109)	(1 110)	(1 712)	(1 698)	(1 984)	(1 712)	(1 698)	(1 984)
Dividends payable etc.				(10 758)		(15 804)	(15 360)	(2 406)	(13 529)
Significant investments in financial sector entities ¹⁾							(693)	(1 792)	(363)
Expected losses exceeding actual losses, IRB portfolios	(1 286)	(1 380)	(951)	(1 719)	(1 684)	(1 915)	(1 719)	(1 684)	(1 915)
Value adjustments due to the requirements for prudent valuation (AVA)	(467)	(374)	(449)	(886)	(794)	(720)	(886)	(794)	(720)
Adjustments for unrealised losses/(gains) on debt measured at fair value	63	98	123	176	357	123	176	357	123
Adjustments for unrealised losses/(gains) arising from the institution's own credit risk related to derivative liabilities	(596)	(521)	(481)	(149)	(133)	(113)	(149)	(133)	(113)
Common Equity Tier 1 capital	154 247	146 368	147 851	173 159	161 339	164 431	176 831	164 747	171 339
Common Equity Tier 1 capital incl. 50 per cent of profit for the period		152 316			169 295			172 896	
Additional Tier 1 capital instruments	15 574	15 574	15 574	15 574	15 574	15 574	15 574	15 574	15 574
Deduction of holdings of Tier 1 instruments in DNB Livsforsikring ²⁾							(1 500)		
Non-eligible Tier 1 capital, DNB Group ³⁾							(19)	(302)	(56)
Tier 1 capital	169 820	161 941	163 425	188 733	176 913	180 005	190 886	180 019	186 856
Tier 1 capital incl. 50 per cent of profit for the period		167 890			184 869			188 169	
Perpetual subordinated loan capital	5 693	5 334	5 361	5 693	5 334	5 361	5 693	5 334	5 361
Term subordinated loan capital	25 110	23 827	23 897	25 110	23 827	23 897	25 110	23 827	23 897
Deduction of holdings of Tier 2 instruments in DNB Livsforsikring and DNB Forsikring ²⁾							(5 750)	(5 750)	(5 750)
Non-eligible Tier 2 capital, DNB Group ³⁾							(1 936)	(2 207)	(1 813)
Tier 2 capital	30 804	29 160	29 258	30 804	29 160	29 258	23 117	21 204	21 696
Total eligible capital	200 624	191 102	192 683	219 537	206 073	209 263	214 003	201 223	208 552
Total eligible capital incl. 50 per cent of profit for the period		197 051			214 029			209 372	
Risk-weighted assets, transitional rules	852 363	859 788	835 986	1 051 159	1 023 552	1 014 683	1 077 934	1 049 030	1 042 601
Minimum capital requirement	68 189	68 783	66 879	84 093	81 884	81 175	86 235	83 922	83 408
Common equity Tier 1 capital ratio, transitional rules (%)	18.1	17.7	17.7	16.5	16.5	16.2	16.4	16.5	16.4
Tier 1 capital ratio, transitional rules (%)	19.9	19.5	19.5	18.0	18.1	17.7	17.7	17.9	17.9
Capital ratio, transitional rules (%)	23.5	22.9	23.0	20.9	20.9	20.6	19.9	20.0	20.0
Common equity Tier 1 capital ratio, transitional rules, excluding 50 per cent of profit for the period (%)		17.0			15.8			15.7	
Tier 1 capital ratio, transitional rules, excluding 50 per cent of profit for the period (%)		18.8			17.3			17.2	
Capital ratio, transitional rules, excluding 50 per cent of profit for the period (%)		22.2			20.1			19.2	

1) Deductions are made for significant investments in financial sector entities if they each exceed 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 DNB Livsforsikring and DNB Forsikring are deducted from the Group's Tier 1 and Tier 2 capital.

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

Due to transitional rules, the minimum capital adequacy requirements cannot be reduced below 80 per cent of the corresponding figure calculated according to the Basel I regulations.

1.8.6 Cross-sectoral financial group

Financial groups that consist of both a credit institution and an insurance undertaking and have been defined by the authorities as a "financial conglomerate" or cross-sectoral financial group, have to report capital adequacy on a consolidated basis. The cross-sectoral calculation tests that the DNB Group complies with the sectoral requirements, the "capital adequacy requirement in accordance with CRD IV" and "the Solvency II requirement", excluding the capital that is transferred from one sector to the other.

<i>Amounts in NOK million</i>	31 Dec. 2018	30 Sept. 2018	30 June 2018	31 March 2018	31 Dec. 2017
Capital requirements for the CRD IV group	197 536	190 083	190 549	187 809	188 198
Solvency capital requirements for the insurance companies	18 204	17 667	18 122	18 336	18 496
Total capital requirements	215 740	207 750	208 670	206 145	206 694
Net primary capital for entities included in the CRD IV report	214 003	201 223	207 657	212 909	208 559
Intercompany	(17 752)	(16 654)	(16 697)	(17 465)	(17 639)
Net primary capital for the insurance companies	33 758	33 739	34 334	33 958	35 194
Total net primary capital	230 009	218 308	225 294	229 403	226 114
Overfunding	14 269	10 558	16 624	23 257	19 420

Chapter 2 - Segmental reporting

- Financial performance
- Market shares
- Personal customers
- Small and medium-sized enterprises
- Large corporates and international customers
- Other operations
- Main subsidiaries and product units

2.1.1 Extracts from income statement

	Personal customers		Small and medium-sized enterprises		Large corporates and international customers		Other operations		Eliminations		DNB Group	
	4Q18	4Q17	4Q18	4Q17	4Q18	4Q17	4Q18	4Q17	4Q18	4Q17	4Q18	4Q17
<i>Amounts in NOK million</i>												
Net interest income	3 465	3 518	2 474	2 281	3 141	3 041	531	22			9 611	8 863
Net other operating income	1 313	1 154	527	501	1 515	1 226	1 406	2 489	(871)	(955)	3 891	4 415
Total income	4 778	4 672	3 001	2 782	4 657	4 267	1 938	2 512	(871)	(955)	13 502	13 278
Operating expenses	(2 281)	(1 978)	(1 111)	(1 109)	(1 894)	(1 741)	(1 764)	(2 144)	871	955	(6 179)	(6 018)
Pre-tax operating profit before impairment	2 497	2 693	1 890	1 673	2 763	2 526	173	367			7 322	7 260
Net gains on fixed and intangible assets	49			(1)				(35)			49	(35)
Impairment of financial instruments	(89)	(137)	(101)	(150)	(45)	(99)		(16)			(235)	(402)
Profit from repossessed operations			4	11	(151)	(13)	147	2				
Pre-tax operating profit	2 457	2 557	1 794	1 534	2 567	2 414	320	319			7 136	6 823
Tax expense	(614)	(639)	(448)	(383)	(590)	(676)	1 529	1 252			(124)	(446)
Profit from operations held for sale, after taxes					1		(142)	(3)			(141)	(3)
Profit for the period	1 843	1 917	1 345	1 150	1 978	1 738	1 707	1 568			6 871	6 374

2.1.2 Main balance sheet items and key figures

Average balance sheet items

	Personal customers		Small and medium-sized enterprises		Large corporates and international customers		Other operations		Eliminations		DNB Group	
	4Q18	4Q17	4Q18	4Q17	4Q18	4Q17	4Q18	4Q17	4Q18	4Q17	4Q18	4Q17
<i>Amounts in NOK billion</i>												
Loans to customers ¹⁾	770.8	743.6	310.5	286.4	415.8	422.7	113.8	116.8	(27.7)	(26.9)	1 583.2	1 542.6
Deposits from customers ¹⁾	410.0	404.0	212.1	210.5	308.2	337.8	39.7	112.8	(16.0)	(15.9)	954.0	1 049.1
Assets under management	88.3	86.1	108.1	95.2	206.1	213.7	234.7	232.3			637.2	627.3
Allocated capital ²⁾	47.0	39.8	29.2	26.3	63.3	73.7	35.0	34.2				

Key figures

	Personal customers		Small and medium-sized enterprises		Large corporates and international customers		Other operations		Eliminations		DNB Group	
	4Q18	4Q17	4Q18	4Q17	4Q18	4Q17	4Q18	4Q17	4Q18	4Q17	4Q18	4Q17
<i>Per cent</i>												
Cost/income ratio	47.7	42.3	37.0	39.9	40.7	40.8					45.8	45.3
Ratio of deposits to loans ¹⁾⁽³⁾	53.2	54.3	68.3	73.5	74.1	79.9					60.3	68.0
Return on allocated capital, annualised ²⁾	15.5	19.1	18.3	17.4	12.4	9.4					12.9	12.3

Balance sheet items

	Personal customers		Small and medium-sized enterprises		Large corporates and international customers		Other operations		Eliminations		DNB Group	
	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December
2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2017
<i>Amounts in NOK billion</i>												
Loans to customers	772.0	747.2	312.8	291.1	424.0	409.6	120.6	124.1	(31.7)	(26.7)	1 597.8	1 545.4
Deposits from customers	412.2	403.4	210.5	206.5	295.7	325.5	23.0	51.0	(14.3)	(15.4)	927.1	971.1

1) Loans to customers include accrued interest, impairment and value adjustments. Correspondingly, deposits from customers include accrued interest and value adjustments.

2) Allocated capital for the segments is calculated based on the external capital adequacy requirement (Basel III/Solvency II) which must be met by the Group. The capital allocated in 2018 corresponds to a common equity Tier 1 capital ratio of 16.1 per cent compared to 18.0 per cent in 2017. Recorded capital is used for the Group.

3) Deposits from customers relative to loans to customers. Calculated on the basis of average balance sheet items.

2.1.3 Key figures - Norwegian and international units

Norwegian units

Per cent	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17	4Q16
Share of group income	81.9	81.1	78.1	79.4	82.5	78.4	78.7	77.2	78.3
Cost/income ratio	46.5	43.7	45.6	45.0	45.6	42.8	43.5	47.0	40.9
Share of net group loans to customers	87.1	87.6	87.5	87.2	87.0	86.9	85.9	85.8	85.6
Net loans and financial commitments in stage 3, per cent of net loans to customers ¹⁾	1.3	1.5	1.6	1.3	0.8	0.8	1.0	0.9	1.1
Provision ratio (per cent) ²⁾	34.6	30.8	30.5	39.0	43.0	45.8	41.0	42.2	41.9
Impairment in stage 3, relative to net loans, annualised	(0.13)	(0.06)	(0.33)	(0.34)	(0.16)	(0.08)	(0.04)	(0.19)	(0.20)

International units

Per cent	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17	4Q16
Share of group income	18.1	18.9	21.9	20.6	17.5	21.6	21.3	22.8	21.7
Cost/income ratio	42.7	38.5	34.2	37.4	43.9	42.4	41.8	41.1	42.5
Share of net group loans to customers	12.9	12.4	12.5	12.8	13.0	13.1	14.1	14.2	14.5
Net loans and financial commitments in stage 3, per cent of net loans to customers ¹⁾³⁾	2.5	2.7	2.5	2.7	2.2	2.4	3.3	3.3	3.7
Provision ratio (per cent) ²⁾³⁾	42.3	45.8	50.1	54.0	56.0	62.6	50.8	52.8	44.2
Impairment in stage 3, relative to net loans, annualised ³⁾	0.12	(0.02)	(0.44)	(0.04)	(0.66)	(0.10)	(0.10)	0.07	(0.14)

1) As a result of IFRS 9, unutilized creditlines and other financial commitments have been included.

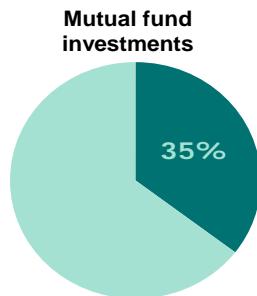
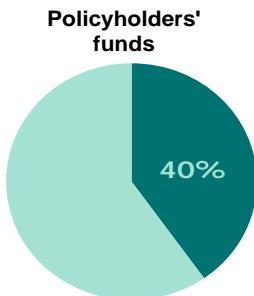
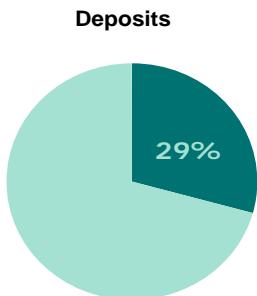
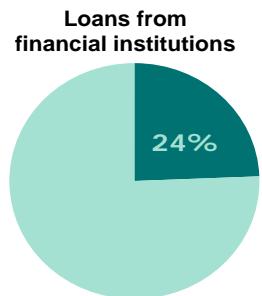
2) The provision ratio includes impairment on loans and financial commitments as a percentage of gross loans and financial commitments in stage 3.

3) Volumes in the Baltics have been excluded in all periods.

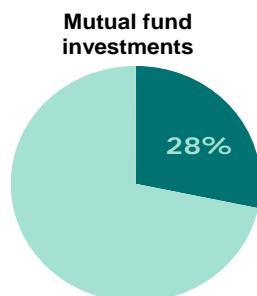
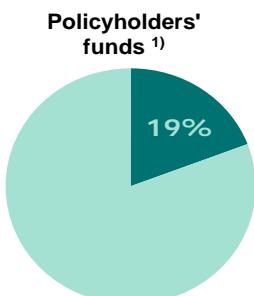
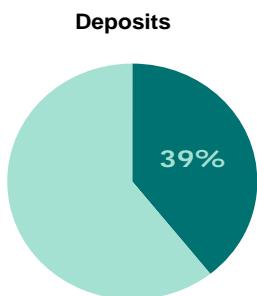
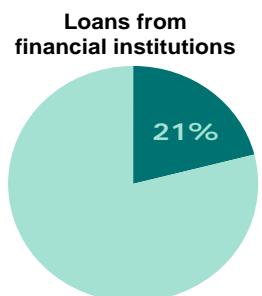
The figures are based on the financial accounts.

2.2.1 DNB's market shares in Norway as at 30 September 2018

Retail market



Corporate market



DNB's market shares

1) Includes the public sector.

Source: Statistics Norway and Finance Norway

2.2.2 Development in market shares, loans and deposits

Retail customers

Per cent	30 Sept. 2018	30 June 2018	31 March 2018	31 Dec. 2017	30 Sept. 2017	30 June 2017	31 March 2017	31 Dec. 2016	30 Sept. 2016
Total loans to households ^{1) 2)}	24.2	24.4	24.5	24.7	24.7	24.8	24.9	25.0	25.1
Bank deposits from households ^{1) 3)}	29.1	29.3	29.3	29.5	29.4	29.6	29.8	30.0	30.0

Corporate customers

Per cent	30 Sept. 2018	30 June 2018	31 March 2018	31 Dec. 2017	30 Sept. 2017	30 June 2017	31 March 2017	31 Dec. 2016	30 Sept. 2016
Total loans to corporate customers ⁴⁾	11.2	11.1	10.9	11.0	11.2	11.4	11.3	10.8	10.6
Deposits from corporate customers ⁵⁾	38.5	39.3	37.7	37.2	37.7	38.2	38.0	37.6	37.9

Based on nominal values.

1) Households are defined as employees, recipients of property income, pensions and social contributions, students etc., housing cooperatives etc., unincorporated enterprises within households and non-profit institutions serving households.

2) Total loans include all credits extended to Norwegian customers by domestic commercial and savings banks, state banks, insurance companies and finance companies.

3) Domestic commercial and savings banks.

4) Total loans include all credits extended to Norwegian customers by domestic commercial and savings banks, state banks, insurance companies, finance companies and foreign institutions, as well as bonds and commercial paper. Excluding loans to financial institutions, central government and social security services.

5) Excluding deposits from financial institutions, central government and social security services.

Source: Statistics Norway and DNB

2.2.3 DNB Livsforsikring - market shares

Per cent	30 Sept. 2018	30 June 2018	31 March 2018	31 Dec. 2017	30 Sept. 2017	30 June 2017	31 March 2017	31 Dec. 2016	30 Sept. 2016
Insurance funds including products with a choice of investment profile	21.3	21.3	21.6	22.0	22.1	22.3	22.4	22.4	22.5
Corporate market - defined benefit	41.3	41.2	41.6	41.6	41.7	42.0	41.5	41.5	40.4
Corporate market - defined contribution	27.1	26.9	26.8	28.1	28.0	28.0	28.1	27.5	27.3
Retail market	40.7	41.6	41.9	41.6	43.8	44.4	45.0	45.4	47.5

Source: Finance Norway

2.2.4 DNB Asset Management - market shares retail market

Per cent	31 Dec. 2018	30 Sept. 2018	30 June 2018	31 March 2018	31 Dec. 2017	30 Sept. 2017	30 June 2017	31 March 2017	31 Dec. 2016
Equity funds	32.5	32.1	32.1	30.9	31.2	30.8	30.4	30.9	28.8
Balanced funds ¹⁾	41.0	41.0	40.3	40.1	38.1	38.0	38.7	39.7	39.6
Fixed-income funds	26.4	25.2	25.0	23.8	26.6	25.7	25.4	24.7	24.6
Total mutual funds	31.5	31.1	31.0	29.8	30.7	30.1	29.9	30.2	29.0

1) Include hedge funds.

Source: Norwegian Mutual Fund Association

2.3.1 Personal customers (PC) - Financial performance

Amounts in NOK million	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17	4Q16
Net interest income	3 465	3 336	3 249	3 402	3 518	3 429	3 306	3 114	3 117
Net other operating income	1 313	1 269	1 337	1 198	1 154	1 376	1 392	1 192	1 160
Total income	4 778	4 605	4 586	4 600	4 672	4 805	4 698	4 305	4 277
Operating expenses	(2 281)	(1 997)	(2 114)	(1 993)	(1 978)	(2 086)	(2 111)	(2 103)	(1 979)
Pre-tax operating profit before impairment	2 497	2 608	2 472	2 606	2 693	2 719	2 587	2 203	2 298
Net gains on fixed and intangible assets	49				(0)		(0)		
Impairment of financial instruments	(89)	(75)	(101)	(53)	(137)	(80)	(100)	110	107
Pre-tax operating profit	2 457	2 533	2 371	2 553	2 557	2 639	2 486	2 313	2 406
Tax expense	(614)	(633)	(593)	(638)	(639)	(660)	(622)	(578)	(601)
Profit from operations held for sale, after taxes									0
Profit for the period	1 843	1 900	1 778	1 915	1 917	1 979	1 865	1 735	1 804
Average balance sheet items in NOK billion:									
Loans to customers ¹⁾	770.8	764.4	755.4	749.2	743.6	730.9	719.1	708.3	705.9
Deposits from customers ¹⁾	410.0	418.0	406.2	401.3	404.0	406.8	399.1	398.7	399.4
Assets under management	88.3	90.8	88.0	87.0	86.1	83.8	82.4	80.6	78.0
Allocated capital ²⁾	47.0	46.3	47.4	47.1	39.8	38.9	39.4	40.7	39.6
Key figures in per cent:									
Cost/income ratio	47.7	43.4	46.1	43.3	42.3	43.4	44.9	48.8	46.3
Ratio of deposits to loans	53.2	54.7	53.8	53.6	54.3	55.6	55.5	56.3	56.6
Return on allocated capital, annualised ²⁾	15.5	16.3	15.0	16.5	19.1	20.2	19.0	17.3	18.1

Loans to personal customers including loans transferred to DNB Livsforsikring

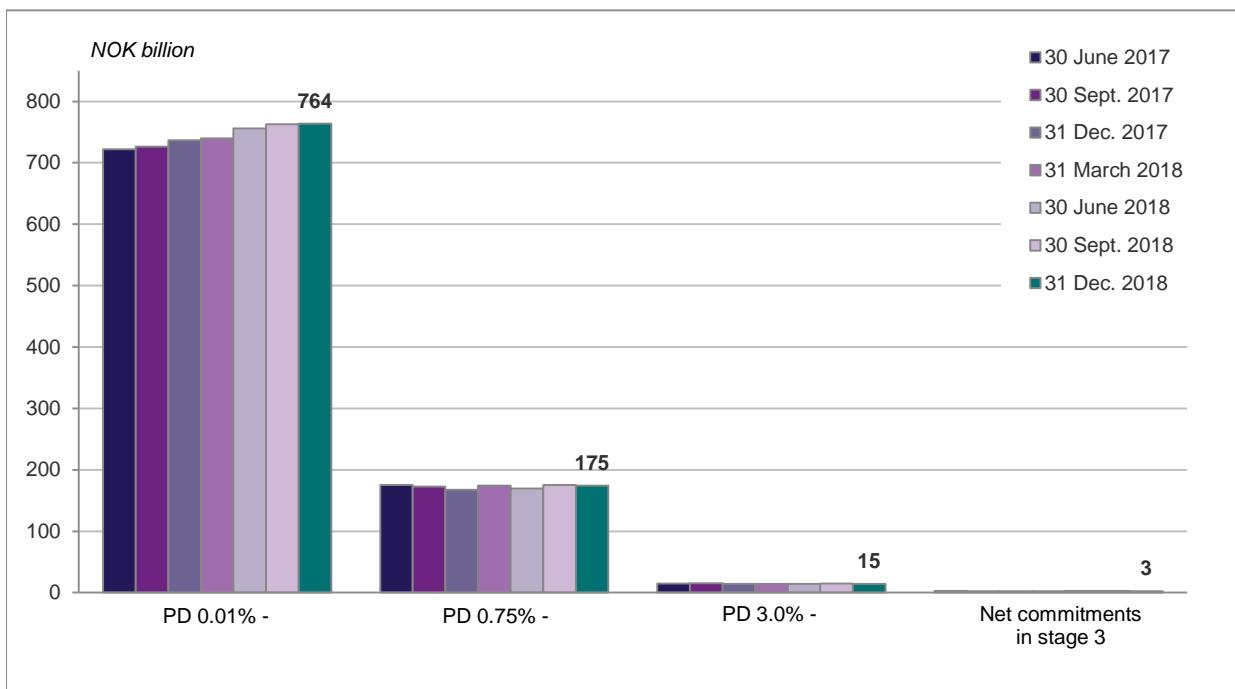
Personal Banking Norway will continue to manage the portfolio on behalf of DNB Livsforsikring. See specification of the effects of the transfer on net interest income and loans to customers in the table below:

Amounts in NOK billion	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17	4Q16
Loans to customers ¹⁾	770.8	764.4	755.4	749.2	743.6	730.9	719.1	708.3	705.9
Home mortgages transferred to DNB Livsforsikring - assets under management	15.3	16.0	16.7	17.5	18.3	19.9	21.1	21.8	19.6
Loans to personal customers	786.1	780.3	772.1	766.7	761.9	750.9	740.2	730.1	725.5
Net interest income on the transferred portfolio (NOK million)	28	27	27	29	30	37	36	36	32

1) Loans to customers include accrued interest and impairment. Correspondingly, deposits from customers include accrued interest.

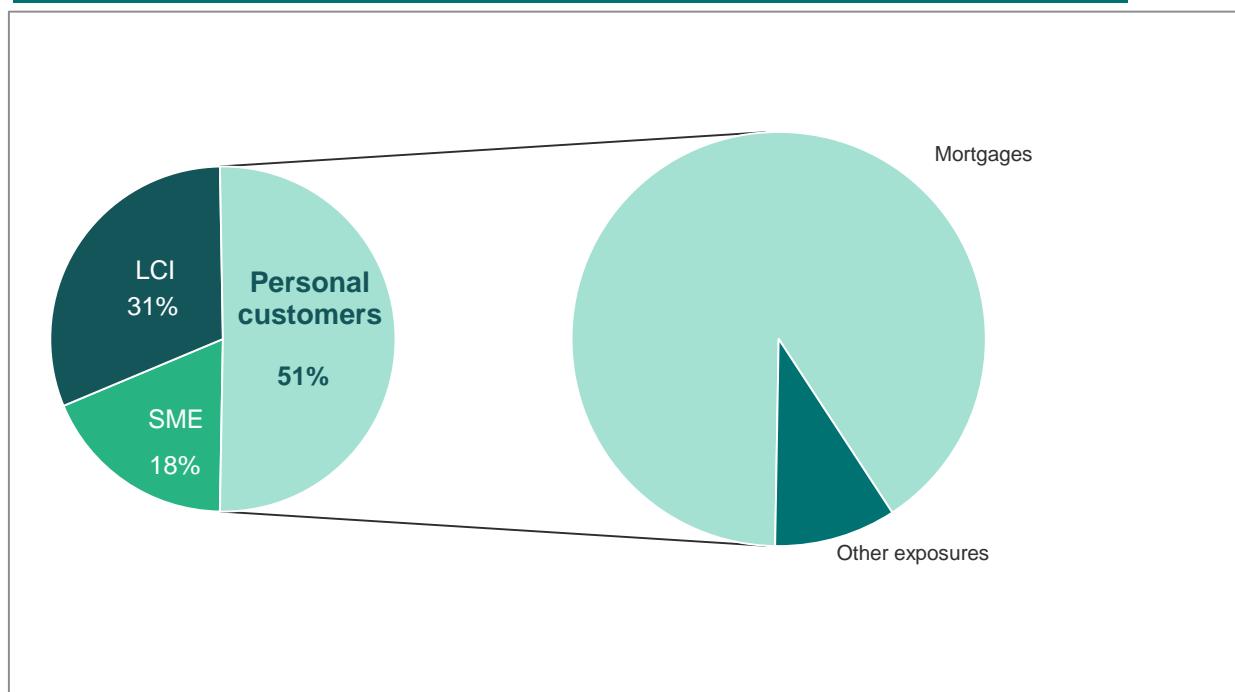
2) Allocated capital corresponds to the external capital adequacy requirement (Basel III) which must be met by the Group.

2.3.2 PC - Risk classification of portfolio



Based on DNB's risk classification system. The volumes represent the expected outstanding amount in the event of default. PD = probability of default.

2.3.3 PC - Exposure at default by industry segment as at 31 December 2018



2.3.4 PC - Distribution of loan to value

Loan to value per risk grade as at 31 December 2018

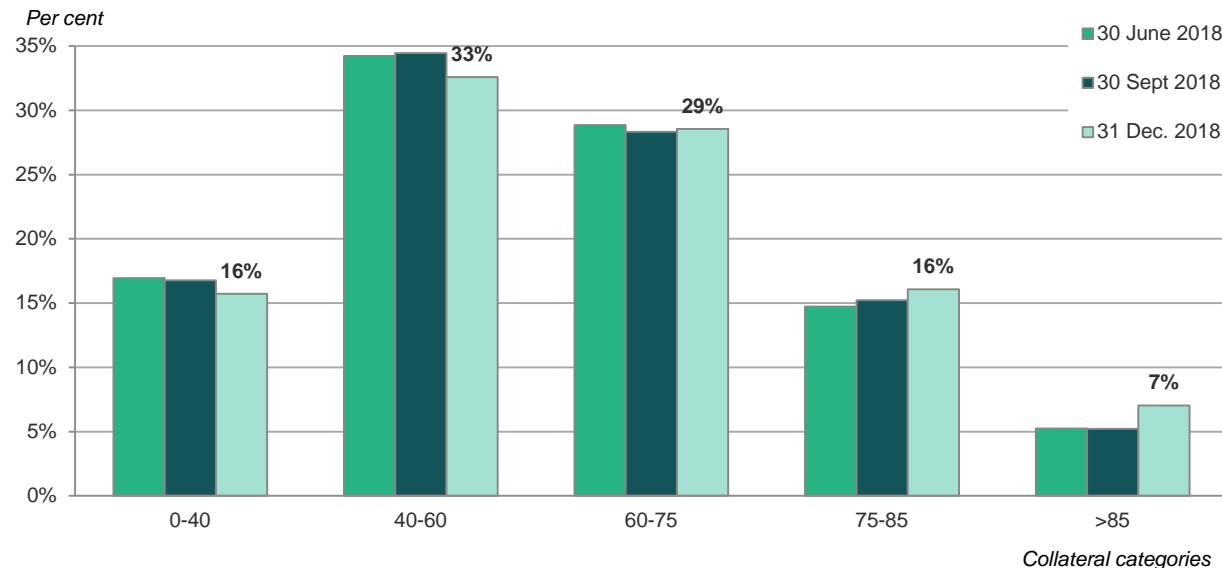
	Risk grade			Total	Share of loan to value in per cent ¹⁾
	Low	Moderate	High		
Loan to value in NOK billion ¹⁾					
0-40	108	18	1	126	15.7 %
40-60	214	45	2	262	32.6 %
60-75	181	45	3	229	28.5 %
75-85	96	31	2	129	16.1 %
>85	41	14	1	57	7.0 %
Total exposure at default	640	154	9	803	100.0 %

*) Development in loan to value	31 Dec.	30 Sept.	30 June	31 March	31 Dec.	30 Sept.	30 June	31 March	31 Dec.
	2018	2018	2018	2018	2017	2017	2017	2017	2016
Loan to value in per cent ¹⁾									
0-40	15.7 %	16.8 %	16.9 %	15.4 %	16.4 %	17.5 %	18.1 %	17.7 %	16.8 %
40-60	32.6 %	34.4 %	34.2 %	30.8 %	32.2 %	33.8 %	34.8 %	33.5 %	31.4 %
60-75	28.5 %	28.3 %	28.9 %	30.7 %	30.8 %	30.0 %	30.5 %	32.1 %	33.6 %
75-85	16.1 %	15.2 %	14.7 %	15.4 %	14.1 %	12.6 %	12.2 %	12.1 %	12.8 %
>85	7.0 %	5.2 %	5.2 %	7.7 %	6.5 %	6.0 %	4.3 %	4.6 %	5.5 %
Total	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Average loan to value	60.3 %	59.1 %	58.9 %	60.8 %	59.6 %	58.5 %	57.7 %	58.1 %	59.2 %
Total exposure at default (NOK billion)	803	799	790	779	771	762	750	735	726
Total drawn amount (NOK billion)	724	722	715	705	699	690	680	666	659

1) The total exposure (EAD) is included in the actual collateral category.

Distribution of home mortgages in the personal customers segment within actual collateral categories. The volumes represent the IRB-approved mortgage portfolio and are the expected outstanding amount in the event of default.

Development in loan to value



2.3.5 DNB Boligkreditt - Average mortgage lending - volumes and spreads

Amounts in NOK billion	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17	4Q16
Average loans to customers	627	623	619	620	619	615	611	604	600
Spreads measured against actual funding costs (per cent)	0.73	0.68	0.65	0.87	0.91	0.90	0.81	0.66	0.53

2.3.6 DNB Eiendom - Residential real estate broking in Norway

	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17	4Q16
Number of properties sold	5 155	5 810	7 233	5 365	4 945	5 727	7 077	5 780	5 325
Fees on real estate broking (NOK million)	248	272	350	255	233	270	344	269	242
Market shares (per cent) ¹⁾	17.9	17.9	19.0	19.9	19.0	19.7	19.9	19.5	19.2

1) Management's estimates.

2.4.1 Small and medium-sized enterprises (SME) - Financial performance

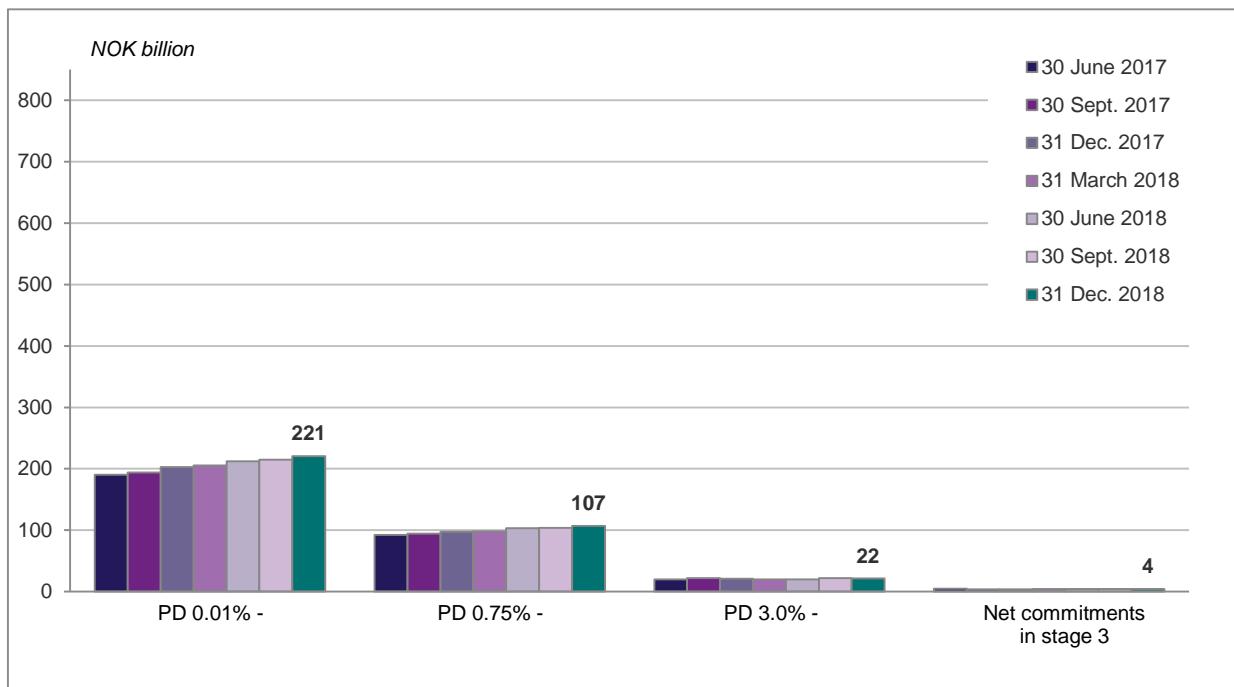
Amounts in NOK million	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17	4Q16
Net interest income	2 474	2 387	2 364	2 306	2 281	2 141	2 121	2 035	2 120
Net other operating income	527	527	558	545	501	527	515	557	572
Total income	3 001	2 914	2 922	2 851	2 782	2 668	2 636	2 593	2 692
Operating expenses	(1 111)	(1 001)	(1 054)	(1 063)	(1 109)	(1 053)	(1 053)	(1 164)	(1 095)
Pre-tax operating profit before impairment	1 890	1 913	1 868	1 788	1 673	1 614	1 582	1 429	1 597
Net gains on fixed and intangible assets		2	1	0	(1)		(0)	(0)	(0)
Impairment of financial instruments	(101)	(217)	(33)	(215)	(150)	(146)	(127)	10	(281)
Profit from repossessed operations ¹⁾	4	(1)	(1)	5	11	30	(17)	(10)	40
Pre-tax operating profit	1 794	1 698	1 835	1 578	1 534	1 498	1 438	1 429	1 355
Tax expense	(448)	(424)	(459)	(395)	(383)	(375)	(359)	(357)	(339)
Profit for the period	1 345	1 273	1 376	1 184	1 150	1 124	1 078	1 072	1 016
Average balance sheet items in NOK billion:									
Loans to customers ²⁾	310.5	302.7	297.1	293.4	286.4	277.9	274.3	268.5	263.9
Deposits from customers ²⁾	212.1	215.9	210.4	207.0	210.5	208.6	205.2	197.9	185.7
Assets under management	108.1	106.5	101.6	99.4	95.2	89.6	86.3	82.2	77.0
Allocated capital ³⁾	29.2	28.6	28.1	27.9	26.3	25.9	26.1	26.5	26.8
Key figures in per cent:									
Cost/income ratio	37.0	34.3	36.1	37.3	39.9	39.5	40.0	44.9	40.7
Ratio of deposits to loans	68.3	71.3	70.8	70.5	73.5	75.0	74.8	73.7	70.3
Return on allocated capital, annualised ³⁾	18.3	17.7	19.6	17.2	17.4	17.2	16.6	16.4	15.1

1) Profits from repossessed operations which are fully consolidated in the DNB Group are presented net under "Profit from repossessed operations" under the various segments.

2) Loans to customers include accrued interest and impairment. Correspondingly, deposits from customers include accrued interest.

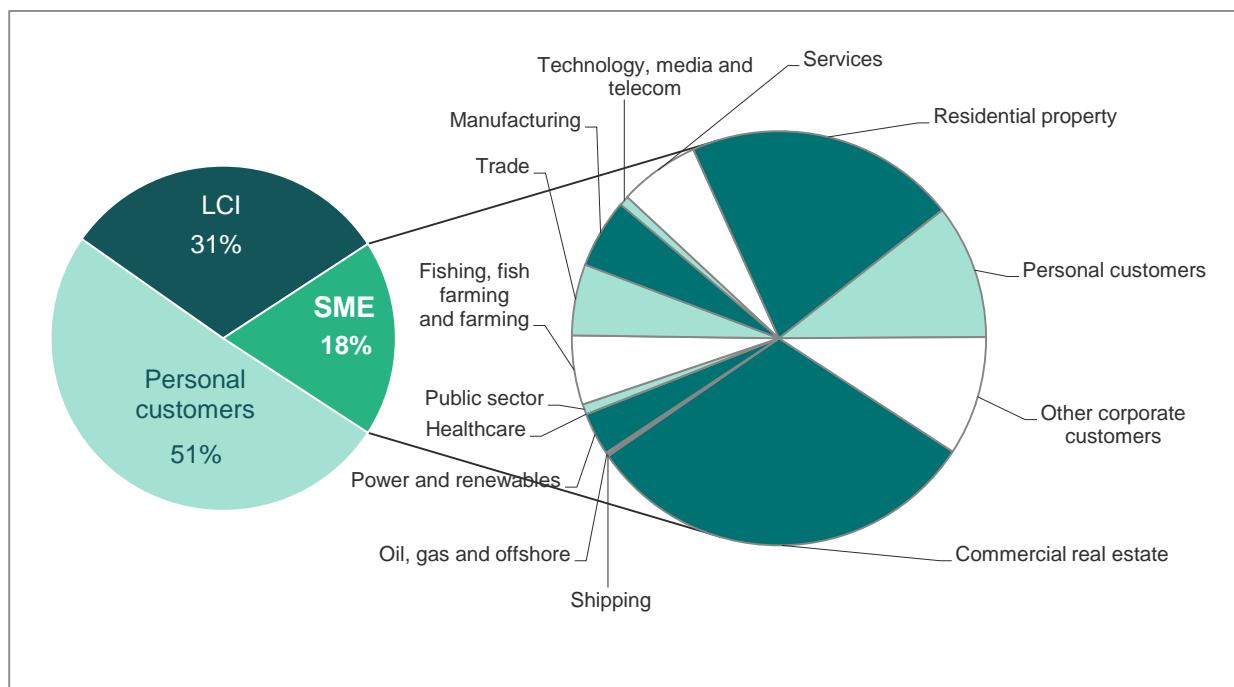
3) Allocated capital corresponds to the external capital adequacy requirement (Basel III) which must be met by the Group.

2.4.2 SME - Risk classification of portfolio



Based on DNB's risk classification system. The volumes represent the expected outstanding amount in the event of default. PD = probability of default.

2.4.3 SME - Exposure at default by industry segment as at 31 December 2018



2.5.1 Large corporates and international customers (LCI) - Financial performance

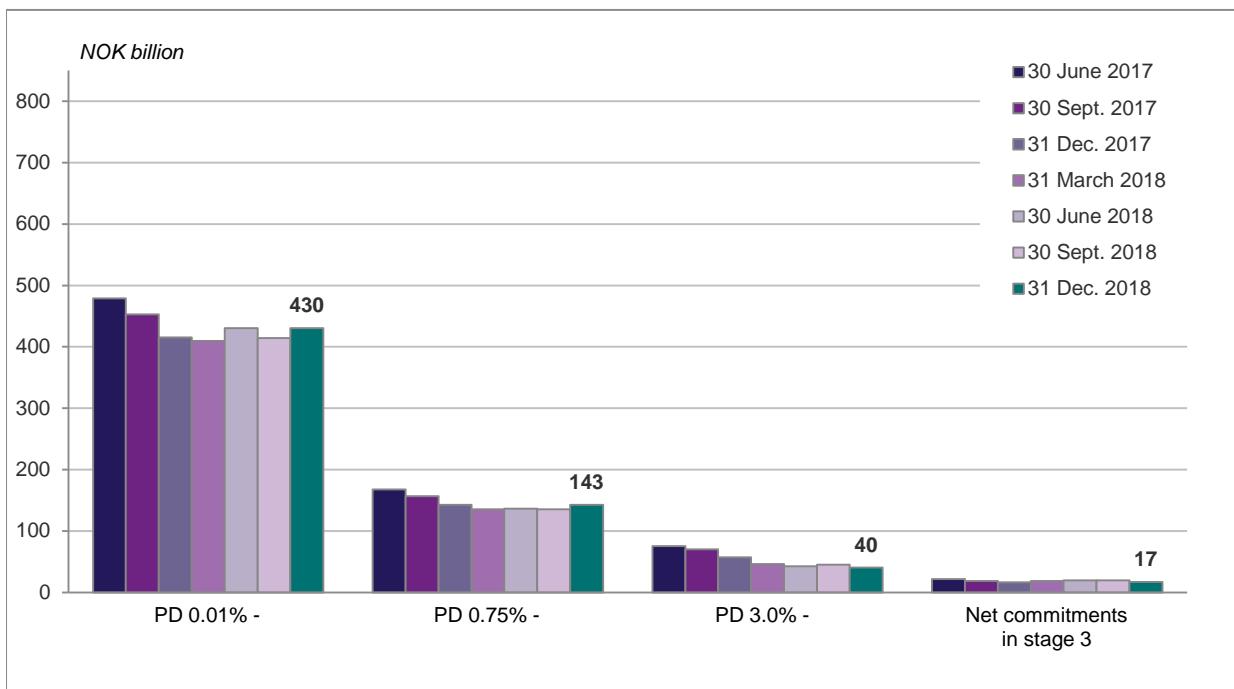
Amounts in NOK million	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17	4Q16
Net interest income	3 141	3 020	3 099	2 851	3 041	3 211	3 330	3 100	3 297
Net other operating income	1 515	1 156	1 481	1 289	1 226	1 531	1 524	1 449	1 488
Total income	4 657	4 176	4 580	4 140	4 267	4 742	4 854	4 550	4 785
Operating expenses	(1 894)	(1 648)	(1 646)	(1 702)	(1 741)	(1 896)	(2 027)	(1 907)	(1 823)
Pre-tax operating profit before impairment	2 763	2 528	2 934	2 438	2 526	2 846	2 827	2 642	2 962
Net gains on fixed and intangible assets	(0)	0	0	0	0	(3)	18	6	(4)
Impairment of financial instruments	(45)	281	189	598	(99)	(642)	(362)	(697)	(1 572)
Profit from repossessed operations ¹⁾	(151)	(98)	(17)	2	(13)	(2)	(4)	(0)	7
Pre-tax operating profit	2 567	2 711	3 106	3 039	2 414	2 199	2 479	1 951	1 393
Tax expense	(590)	(624)	(714)	(699)	(676)	(616)	(694)	(546)	(376)
Profit from operations held for sale, after taxes	1	(11)			(0)		(0)	(0)	
Profit for the period	1 978	2 076	2 392	2 340	1 738	1 583	1 785	1 405	1 017
Average balance sheet items in NOK billion:									
Loans to customers ²⁾	415.8	413.7	403.8	402.6	422.7	485.8	508.4	497.0	511.3
Deposits from customers ²⁾	308.2	316.4	321.3	317.9	337.8	377.2	391.9	393.2	367.0
Assets under management	206.1	210.6	209.4	213.6	213.7	207.8	202.9	189.1	180.9
Allocated capital ³⁾	63.3	65.2	68.3	70.0	73.7	82.4	86.1	83.1	84.8
Key figures in per cent:									
Cost/income ratio	40.7	39.5	35.9	41.1	40.8	40.0	41.8	41.9	38.1
Ratio of deposits to loans	74.1	76.5	79.5	79.0	79.9	77.6	77.1	79.1	71.8
Return on allocated capital, annualised ³⁾	12.4	12.6	14.0	13.6	9.4	7.6	8.3	6.9	4.8

1) Profits from repossessed operations which are fully consolidated in the DNB Group are presented net under "Profit from repossessed operations" under the various segments.

2) Loans to customers include accrued interest and impairment. Correspondingly, deposits from customers include accrued interest.

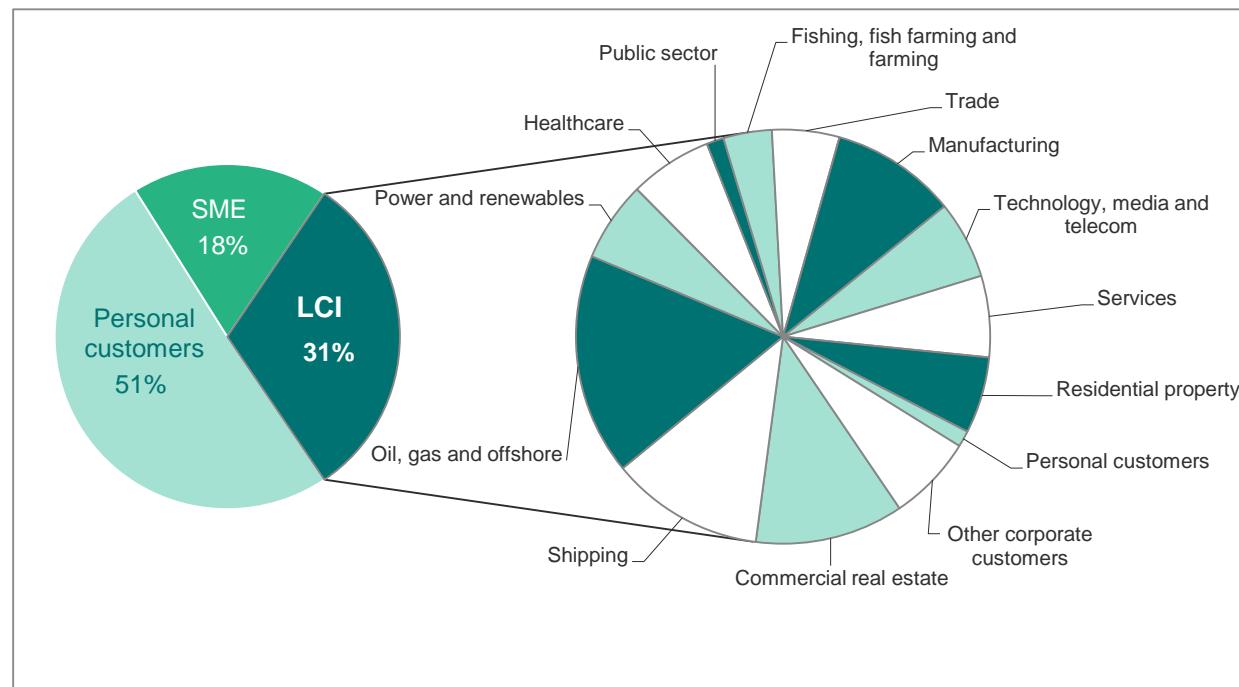
3) Allocated capital corresponds to the external capital adequacy requirement (Basel III) which must be met by the Group.

2.5.2 LCI - Risk classification of portfolio



Based on DNB's risk classification system. The volumes represent the expected outstanding amount in the event of default. PD = probability of default.

2.5.3 LCI - Exposure at default by industry segment as at 31 December 2018



2.6.1 Other operations - Financial performance

Amounts in NOK million	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17	4Q16
Net interest income	531	409	340	449	22	226	274	271	(162)
Net other operating income	1 406	1 047	637	692	2 489	1 465	1 470	864	1 937
Total income	1 938	1 455	977	1 141	2 512	1 691	1 744	1 135	1 775
Operating expenses	(1 764)	(1 349)	(1 139)	(1 254)	(2 144)	(1 461)	(1 341)	(930)	(1 223)
Pre-tax operating profit before impairment	173	107	(162)	(113)	367	230	403	205	552
Net gains on fixed and intangible assets	0	(5)	464	17	(35)	754	(0)	0	(8)
Impairment of financial instruments	(0)	0	(0)	0	(16)	1	(7)	15	(6)
Profit from repossessed operations ¹⁾	147	99	18	(7)	2	(28)	21	10	(47)
Pre-tax operating profit	320	201	320	(103)	319	956	416	230	490
Tax expense	5 988	253	239	318	1 252	(27)	107	120	1 027
Profit from operations held for sale, after taxes	(142)	(30)	(21)		(3)	33	(14)	(17)	26
Profit for the period	6 166	423	538	215	1 568	962	509	332	1 543
<u>Average balance sheet items in NOK billion:</u>									
Loans to customers	113.8	113.3	108.0	108.9	116.8	69.4	63.9	64.2	47.5
Deposits from customers	39.7	69.0	56.8	81.6	112.8	67.1	59.8	45.7	25.0

1) Profits from repossessed operations which are fully consolidated in the DNB Group are presented net under "Profit from repossessed operations" under the relevant segments, with an opposing entry in Other operations. The repossessed operations are fully consolidated in Other operations.

2.7.1 Total DNB Markets activity - Financial performance

Amounts in NOK million	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17	4Q16
Net interest income	262	235	217	266	(34)	22	54	63	41
Net fees and commissions	719	327	641	390	570	458	550	517	691
Net financial items	384	621	608	1 148	1 200	1 264	1 035	1 315	1 418
Total income	1 365	1 182	1 466	1 804	1 735	1 744	1 639	1 894	2 149
Operating expenses	(746)	(728)	(756)	(758)	(789)	(660)	(745)	(737)	(734)
Pre-tax operating profit before impairment	619	454	710	1 045	946	1 084	894	1 158	1 416
Impairment of financial instruments									
Pre-tax operating profit	619	454	710	1 045	946	1 084	894	1 158	1 416
Tax expense	(149)	(109)	(170)	(251)	(218)	(249)	(206)	(266)	(354)
Profit for the period	470	345	540	795	728	835	689	891	1 062
<u>Average balance sheet items in NOK billion:</u>									
Allocated capital ¹⁾	9.0	9.7	10.9	12.3	12.2	13.0	14.0	15.2	15.3
<u>Key figures in per cent:</u>									
Cost/income ratio	54.6	61.6	51.6	42.0	45.5	37.9	45.4	38.9	34.1
Return on allocated capital, annualised ¹⁾	20.8	14.1	19.8	26.2	23.6	25.5	19.8	23.8	27.5

1) Allocated capital corresponds to the external capital adequacy requirement (Basel III) which must be met by the Group.

2.7.2 Total DNB Markets activity - Break down of revenues

Amounts in NOK million	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
Fixed income, currencies and commodities	584	468	519	495	584	558	558	572
Equities	197	179	244	186	204	148	210	203
IBD	507	157	390	288	416	289	338	318
Securities services	57	49	58	51	43	52	71	41
Interest income on allocated capital	15	10	9	6	5	7	8	11
Total customer revenues	1 360	864	1 220	1 027	1 252	1 053	1 186	1 145
Fixed income, currencies and commodities	(25)	309	247	751	461	659	434	702
Equities	17	1	(9)	19	16	26	11	36
Interest income on allocated capital	13	8	9	7	5	6	9	12
Total risk management revenues	5	318	246	777	483	691	454	749
Total income	1 365	1 182	1 466	1 804	1 735	1 744	1 639	1 894

2.7.3 Total DNB Markets activity - Value-at-Risk

Amounts in NOK thousand	31 Dec. 2018 Actual	Fourth quarter 2018		
		Average	Maximum	Minimum
Currency risk	12 510	12 122	15 830	2 300
Interest rate risk	16 190	19 682	28 990	15 600
Equities	6 189	5 254	10 208	1 655
Diversification effects ¹⁾	(8 130)	(5 524)		
Total	26 759	31 535		

1) Diversification effects refer to currency and interest rate risk only.

Value-at-Risk is the maximum loss that could be incurred on trading positions from one day to the next at a 99 per cent confidence level.

2.7.4 DNB Livsforsikring Group - Financial performance

Amounts in NOK million	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17	4Q16
Value-adjusted financial result ¹⁾	(757)	2 224	2 283	1 074	1 944	2 215	2 429	2 467	1 874
Guaranteed return on policyholders' funds	(1 489)	(1 485)	(1 498)	(1 487)	(1 513)	(1 496)	(1 512)	(1 481)	(1 480)
Financial result after guaranteed returns	(2 247)	738	786	(413)	430	719	917	986	395
+ From market value adjustment reserve	2 327	(812)	(892)	991	(492)	630	(298)	(545)	241
Recorded interest result before the application of/(transfers to) additional allocations	81	(74)	(106)	578	(62)	1 349	619	442	636
Application of/(transfers to) additional allocations	(14)	28	7	6	(1 010)		(38)	38	(753)
Recorded interest result	67	(46)	(100)	584	(1 072)	1 349	581	480	(117)
Risk result	72	58	35	100	117	79	34	78	179
Administration result	37	79	86	67	70	67	77	82	76
Upfront pricing of risk and guaranteed rate of return	31	35	30	36	25	33	34	38	56
Provisions for higher life expectancy, group pension ²⁾					(239)	(111)	(242)	(28)	(433)
Allocations to policyholders, products with guaranteed rates of return	(74)	31	53	(650)	1 263	(1 205)	(386)	(507)	307
Return on corporate portfolio	289	15	106	82	204	65	349	118	116
I Pre-tax operating profit - pensions with guarantees	423	172	211	219	368	277	447	259	184
Recorded interest result	114	1	1	87	(36)	328	75	111	(160)
Risk result	(39)	82	61	19	(24)	88	33	22	68
Administration result	75	76	68	66	71	50	50	42	42
Upfront pricing of risk and guaranteed rate of return	25	25	26	25	27	26	27	28	31
Allocations to policyholders, products with guaranteed rates of return	(97)	16	14	(70)	14	(308)	(54)	(90)	184
Interest on allocated capital	20	1	7	6	16	8	29	13	10
II Pre-tax operating profit - new pension products	97	200	178	133	69	193	161	125	175
Recorded interest result	4	5	4	5	5	4	5	5	6
Risk result	(7)	28	(36)	23	4	20	16	23	43
Administration result	5	3	2	0	4	(1)	1	(1)	(0)
Interest on allocated capital	1	0	0	0	1	0	2	1	1
III Pre-tax operating profit - risk products	4	36	(30)	28	13	24	23	28	48
Pre-tax operating profit (I + II + III)	525	408	359	381	450	494	631	413	408
Tax expense	692	(83)	(65)	(67)	96	(97)	(51)	(65)	3
Profit	1 216	325	294	314	546	397	580	348	410

1) Excluding unrealised gains on long-term securities.

2) At year-end 2017, the required increase in reserves due to new life expectancy assumptions were fully financed.

2.7.4 DNB Livsforsikring Group - Financial performance (continued)

Full year figures

<i>Amounts in NOK million</i>	2018	2017	2016	2015	2014
Value-adjusted financial result ¹⁾	4 824	9 055	7 973	8 749	10 826
Guaranteed return on policyholders' funds	(5 960)	(6 002)	(6 044)	(6 268)	(6 710)
Financial result after guaranteed returns	(1 136)	3 053	1 929	2 481	4 116
+ From market value adjustment reserve	1 614	(705)	8	537	(235)
Recorded interest result before the application of/(transfers to) additional allocations	478	2 348	1 937	3 018	3 882
Application of/(transfers to) additional allocations	28	(1 010)	(753)	(855)	(844)
Recorded interest result	506	1 338	1 185	2 163	3 038
Risk result	266	308	448	599	468
Administration result	269	295	327	291	228
Upfront pricing of risk and guaranteed rate of return	132	130	288	535	647
Provisions for higher life expectancy, group pension		(621)	(1 452)	(3 141)	(2 909)
Allocations to policyholders, products with guaranteed rates of return	(640)	(834)	(455)	(802)	(913)
Return on corporate portfolio	492	736	439	500	652
I Pre-tax operating profit - pensions with guarantees	1 025	1 351	779	145	1 212
Recorded interest result	204	478	110	303	568
Risk result	122	120	165	148	186
Administration result	285	214	141	167	123
Upfront pricing of risk and guaranteed rate of return	101	108	126	123	104
Transferred from/(to) security reserve					(16)
Allocations to policyholders, products with guaranteed rates of return	(137)	(438)	(38)	(207)	(442)
Interest on allocated capital	34	67	38	45	52
II Pre-tax operating profit - new pension products	609	548	543	579	575
Recorded interest result	19	18	16	26	31
Risk result	7	63	123	114	51
Administration result	11	3	(9)	(23)	(27)
Transferred from/(to) security reserve					(2)
Allocations to policyholders, products with guaranteed rates of return	(0)				
Interest on allocated capital	2	4	2	3	4
III Pre-tax operating profit - risk products	39	88	133	119	57
Pre-tax operating profit (I + II + III)	1 672	1 987	1 455	843	1 844
Tax expense	477	(116)	(144)	692	(252)
Profit	2 150	1 870	1 311	1 535	1 592

1) Excluding unrealised gains on long-term securities.

2.7.5 Reconciliation of the DNB Livsforsikring Group's and the DNB Group's financial statements

Amounts in NOK million	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17	4Q16
DNB Group:									
Net financial result, DNB Livsforsikring	331	27	92	51	156	133	361	97	(83)
Net risk result, DNB Livsforsikring	26	167	60	142	98	187	83	123	290
Net financial and risk result in DNB Livsforsikring Group	357	195	152	192	254	320	444	220	206
Eliminations in the group accounts	30	20	11	13	12	14	10	20	26
Net financial and risk result from DNB Livsforsikring Group	387	215	162	205	266	306	454	240	232
DNB Livsforsikring Group:									
Recorded interest result	185	(40)	(94)	677	(1 103)	1 681	660	595	(272)
Return on corporate portfolio	310	16	114	88	221	73	380	133	127
- Administration result - corporate portfolio	(6)	(5)	(5)	(5)	(1)	(2)	(3)	5	(4)
Provisions for higher life expectancy, group pension					(239)	(111)	(242)	(28)	(433)
Allocations to policyholders, products with guaranteed rates of return	(171)	47	67	(719)	1 277	(1 512)	(440)	(597)	491
Risk result	26	167	60	142	98	187	83	123	290
Net financial and risk result in DNB Livsforsikring Group	357	195	152	192	254	320	444	220	206
Eliminations in the group accounts	30	20	11	13	12	14	10	20	26
Net financial and risk result from DNB Livsforsikring Group	387	215	162	205	266	335	454	240	232
DNB Group:									
Commission and fee income etc. ¹⁾	522	515	519	508	496	491	502	511	522
Commission and fee expenses etc. ²⁾	(95)	(92)	(95)	(91)	(94)	(89)	(92)	(86)	(87)
Other income	5	4	2	4	8	3	6	16	5
Operating expenses	(264)	(214)	(219)	(232)	(215)	(233)	(229)	(247)	(240)
Administration result including upfront pricing of risk and guaranteed rate of return	168	213	207	188	196	173	187	193	201
DNB Livsforsikring Group:									
Upfront pricing of risk and guaranteed rate of return	56	60	56	61	52	59	61	66	87
Administration result	118	158	156	132	145	117	128	122	118
+ Administration result - corporate portfolio	(6)	(5)	(5)	(5)	(1)	(2)	(3)	5	(4)
Administration result including upfront pricing of risk and guaranteed rate of return	168	213	207	189	196	173	187	193	201

2.7.5 Reconciliation of the DNB Livsforsikring Group's and the DNB Group's financial statements (continued)

****) Details on commissions and fee income etc. for product groups***

<i>Amounts in NOK million</i>	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17	4Q16
New pension products									
- administration income	240	227	229	226	219	207	210	207	205
- upfront pricing	25	25	26	25	27	26	27	28	31
Risk products									
- administration income	38	32	32	32	32	30	30	30	29
Pensions with guarantees									
Defined benefit:									
- administration income	41	43	43	45	49	47	49	67	60
- upfront pricing	31	35	30	36	25	33	34	38	57
Paid-up policies:									
- administration income	89	89	92	81	85	82	84	76	79
Previously established individual products:									
- administration income	59	63	66	61	59	65	67	65	63
Public market:									
- administration income									(2)
- upfront pricing									(1)
Commissions and fee income etc. excl. DNB Pensjonstjenester	522	515	519	508	496	491	502	511	522

*****) Details on commissions and fee expenses etc. for product groups***

<i>Amounts in NOK million</i>	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17	4Q16
New pension products	(43)	(47)	(48)	(44)	(46)	(43)	(45)	(43)	(43)
Risk products	(9)	(8)	(9)	(9)	(10)	(8)	(9)	(8)	(8)
Pensions with guarantees									
Defined benefit	(4)	(6)	(5)	(5)	(5)	(5)	(4)	(5)	(9)
Paid-up policies	(24)	(18)	(20)	(20)	(20)	(19)	(20)	(17)	(14)
Previously established individual products	(10)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(10)
Corporate portfolio	(5)	(4)	(4)	(4)	(4)	(5)	(4)	(4)	(2)
Total commission and fee expenses etc.	(95)	(92)	(95)	(91)	(94)	(89)	(92)	(86)	(87)

2.7.6 DNB Livsforsikring Group - Value-adjusted return on assets

Per cent	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17	4Q16
Return - common portfolio ¹⁾									
Financial assets									
Norwegian equities	(16.76)	4.52	10.86	(1.42)	3.30	10.88	0.92	0.56	9.66
International equities ²⁾	(12.32)	2.68	2.90	(1.27)	5.80	4.24	3.02	5.49	3.00
Norwegian bonds	0.61	0.04	0.88	(0.30)	0.32	0.75	0.67	1.23	(0.36)
International bonds	(0.33)	0.44	(0.22)	(0.86)	1.02	0.97	1.44	0.69	(1.14)
Money market instruments	0.24	0.29	0.38	0.28	0.26	0.35	0.39	0.56	0.32
Bonds	1.14	1.12	1.12	1.11	1.34	0.74	1.24	1.10	1.00
Investment properties	2.23	1.18	1.45	1.99	1.74	1.89	2.47	2.40	3.30
Value-adjusted return on assets I ³⁾	(0.45)	1.18	1.21	0.54	1.04	1.18	1.29	1.32	0.99
Recorded return on assets ⁴⁾ ^{a)}	0.87	0.73	0.72	1.09	0.76	1.59	1.12	1.03	1.12
Value-adjusted return on assets I, annualised ³⁾	(1.77)	4.81	4.96	2.19	4.24	4.84	5.29	5.42	4.05
Return - corporate portfolio									
Value-adjusted return on assets I ³⁾	1.17	0.21	0.52	0.42	0.73	0.39	1.42	0.58	0.60

^{a)}) Recorded return broken down on sub-portfolios in the common portfolio:

Previously established individual products	0.95	0.84	0.79	0.99	0.70	2.05	1.01	1.17	1.22
Paid-up policies 1	0.88	0.74	0.74	1.35	0.60	1.45	0.82	1.11	1.05
Paid-up policies 2	0.88	0.74	0.74	0.99	1.27	1.22	2.07	0.77	1.22
Common portfolio	0.57	0.77	0.75	0.60	0.69	1.69	0.94	1.05	
- with low risk									0.92
- with moderate risk									1.08
Guaranteed products for retail customers	1.20	0.37	0.39	0.95	0.48	2.46	0.77	0.95	0.89
Risk products - defined contribution	0.78	0.53	0.49	0.76	0.46	1.04	0.70	0.91	0.67
Risk products	0.71	0.71	0.71	0.71	0.70	0.73	0.74	0.74	0.77
Recorded return on assets	0.87	0.73	0.72	1.09	0.76	1.59	1.12	1.03	1.12

1) Returns are calculated on a quarterly basis.

2) International equities include DNB Livsforsikring Group's exposure in hedge funds, private equities and real estate funds.

3) Excluding changes in value of commercial paper and bonds held to maturity.

4) Excluding unrealised gains on financial instruments.

Based on IAS 39 classification. IFRS 9 has not been implemented for insurance companies.

2.7.7 DNB Livsforsikring Group - Financial exposure per sub-portfolio as at 31 December 2018

Amounts in NOK million	Equities, Norwegian	Equities, international ¹⁾	Bonds, Norwegian	Bonds, international	Money market instruments	Bonds held to maturity	Loans and receivables	Real estate	Other	Total
Common portfolio	441	2 457	2 300	615	1 591	7 272	5 875	2 282	109	22 943
Guaranteed products for retail customers	297	2 207	1 427	567	871	3 901	2 295	1 697	31	13 294
Paid-up policies 1	946	9 058	9 114	2 437	10 685	33 967	16 372	7 897	431	90 907
Paid-up policies 2	436	4 175	4 201	1 123	4 925	11 997	11 205	3 640	199	41 899
Risk products - defined contribution	22	190	257	108	1 111	741	312	165	3	2 909
Risk products					831	738	327	71	1	1 968
Previously established individual products	499	4 107	3 525	1 751	828	10 931	3 610	5 117	93	30 460
Total common portfolio	2 640	22 193	20 824	6 601	20 842	69 548	39 996	20 868	867	204 380
Corporate portfolio	1 363	3			26 001	2 167	1 824	7	4 562	35 927
Total	4 004	22 196	20 824	6 601	46 843	71 714	41 821	20 875	5 429	240 307

2.7.8 DNB Livsforsikring Group - Financial exposure - common portfolio

Amounts in NOK million	31 Dec. 2018	30 Sept. 2018	30 June 2018	31 March 2018	31 Dec. 2017	30 Sept. 2017	30 June 2017	31 March 2017	31 Dec. 2016
Equities, Norwegian ¹⁾	2 640	3 174	3 028	2 543	2 197	2 133	2 263	2 590	1 228
Equities, international ^{1) 2)}	22 193	22 147	20 913	19 625	15 855	16 992	18 076	19 449	13 463
Bonds, Norwegian	20 824	21 581	21 965	22 421	22 211	22 302	22 217	21 733	21 684
Bonds, international	6 601	6 629	6 607	6 628	6 983	6 919	7 309	7 173	7 131
Money market instruments	20 842	24 550	26 408	27 247	29 688	29 483	25 246	22 803	28 802
Bonds held to maturity	69 548	73 487	71 242	71 479	73 921	75 812	77 173	80 058	79 537
Loans and receivables	39 996	34 420	35 888	36 319	36 730	33 828	35 298	34 192	35 423
Real estate	20 868	20 439	20 352	20 285	20 244	19 943	19 923	19 593	19 575
Other	867	1 486	1 091	1 520	1 171	2 030	2 017	2 048	1 438
Total	204 380	207 913	207 493	208 067	208 998	209 442	209 522	209 638	208 282

Per cent

Equities, Norwegian ¹⁾	1.3	1.5	1.5	1.2	1.1	1.0	1.1	1.2	0.6
Equities, international ^{1) 2)}	10.9	10.7	10.1	9.4	7.6	8.1	8.6	9.3	6.5
Bonds, Norwegian	10.2	10.4	10.6	10.8	10.6	10.6	10.6	10.4	10.4
Bonds, international	3.2	3.2	3.2	3.2	3.3	3.3	3.5	3.4	3.4
Money market instruments	10.2	11.8	12.7	13.1	14.2	14.1	12.0	10.9	13.8
Bonds held to maturity	34.0	35.3	34.3	34.4	35.4	36.2	36.8	38.2	38.2
Loans and receivables	19.6	16.6	17.3	17.5	17.6	16.2	16.8	16.3	17.0
Real estate	10.2	9.8	9.8	9.7	9.7	9.5	9.5	9.3	9.4
Other	0.4	0.7	0.5	0.7	0.6	1.0	1.0	1.0	0.7
Total	100.0								

1) Equity exposure per sub-portfolio in the common portfolio, see table above.

2) International equities include DNB Livsforsikring Group's exposure in hedge funds, private equities and real estate funds.

The figures represent net exposure after derivative contracts.

2.7.9 DNB Livsforsikring Group - Balance sheets

Amounts in NOK million	31 Dec. 2018	30 Sept. 2018	30 June 2018	31 March 2018	31 Dec. 2017	30 Sept. 2017	30 June 2017	31 March 2017	31 Dec. 2016
Due from credit institutions	3 704	2 807	3 455	2 863	4 238	3 383	4 112	4 193	3 549
Loans to customers	27 156	28 390	29 940	30 668	39 902	37 128	38 646	38 371	38 909
Commercial paper and bonds	153 481	154 796	157 164	159 913	155 624	160 211	156 952	156 372	159 584
Shareholdings	31 573	32 085	27 962	26 003	20 304	19 332	20 154	20 894	15 992
Financial assets, customers bearing the risk	77 241	82 380	78 277	74 630	75 206	70 690	67 680	64 688	60 220
Financial derivatives	29	391	127	250	53	204	212	271	334
Investment properties	16 844	16 249	16 131	16 098	16 106	15 816	15 923	15 674	15 565
Investments in associated companies	4 554	4 511	4 461	4 483	4 433	4 312	4 242	4 269	4 198
Intangible assets	10	19	23	27	31	36	43	50	57
Deferred tax assets									
Fixed assets	3	3	3	3	2	3	3	4	4
Other assets	1 221	1 037	1 139	1 222	980	923	923	898	991
Total assets	315 815	322 669	318 684	316 161	316 880	312 035	308 890	305 684	299 403
Financial derivatives	743	69	164	86	322	206	294	210	255
Insurance liabilities, customers bearing the risk	77 241	82 380	78 277	74 630	75 206	70 690	67 680	64 688	60 220
Liabilities to life insurance policyholders	204 280	207 527	207 685	207 753	208 500	208 844	209 230	209 354	208 160
Payable taxes	457	23	21	3	9	11	9	3	5
Deferred taxes	767	1 899	1 805	1 612	1 527	1 592	1 502	1 456	1 382
Other liabilities	2 056	1 712	1 999	2 144	1 696	1 624	1 503	1 883	1 649
Pension commitments	187	191	187	183	184	183	180	178	170
Subordinated loan capital	7 010	5 505	5 505	5 505	5 505	5 504	5 504	5 505	5 505
Total liabilities	292 740	299 305	295 645	291 916	292 949	288 654	285 905	283 279	277 347
Share capital	1 750	1 750	1 750	1 750	1 750	1 750	1 750	1 750	1 750
Share premium reserve	6 016	6 016	6 016	6 016	6 016	6 016	6 016	6 016	6 016
Other equity	15 309	15 598	15 273	16 479	16 165	15 615	15 219	14 639	14 291
Total equity	23 075	23 364	23 039	24 245	23 931	23 381	22 985	22 405	22 057
Total liabilities and equity	315 815	322 669	318 684	316 161	316 880	312 035	308 890	305 684	299 403
Insurance liabilities sub-portfolio:									
New pension products	94 305	99 912	96 134	92 785	93 348	90 958	88 358	85 624	80 911
Risk products	950	967	953	904	856	875	872	875	842
Pensions with guarantees	186 273	189 034	188 881	188 712	189 502	187 701	187 681	187 544	186 627
Total insurance liabilities	281 528	289 913	285 967	282 402	283 706	279 534	276 910	274 042	268 380

The figures encompass DNB Livsforsikring AS including subsidiaries as included in the DNB Group accounts before eliminations of intra-group transactions and balances.

2.7.10 DNB Livsforsikring Group - Solvency II margin

Amounts in NOK million	31 Dec. 2018	30 Sept. 2018	30 June 2018	31 March 2018	31 Dec. 2017	30 Sept. 2017	30 June 2017	31 March 2017	31 Dec. 2016
Share capital	1 750	1 750	1 750	1 750	1 750	1 750	1 750	1 750	1 750
Share premium	6 016	6 016	6 016	6 016	6 016	6 016	6 016	6 016	6 016
Reconciliation reserve ¹⁾	17 431	19 064	19 659	19 284	20 520	21 446	21 312	20 765	21 106
<i>Including effect of transitional rules ²⁾</i>	5 200	2 083	4 069	3 685	7 162	8 066	8 298	8 419	8 868
Subordinated loans (Tier 1 restricted)	1 500								
Total Tier 1 capital	26 697	26 829	27 425	27 050	28 286	29 212	29 078	28 531	28 872
Subordinated loans	5 500	5 500	5 500	5 500	5 500	5 500	5 500	5 500	5 500
Risk equalisation fund	601	516	516	516	516	407	407	407	407
Total Tier 2 capital	6 101	6 016	6 016	6 016	6 016	5 907	5 907	5 907	5 907
Total Tier 3 capital ⁵⁾	0	0	0	0	0	0	0	0	0
Total capital	32 797	32 846	33 441	33 066	34 302	35 119	34 985	34 438	34 779
Total capital without transitional rules	27 598	30 763	29 371	29 381	27 140	27 105	26 775	26 120	25 931
Market and counterparty risk	30 613	30 457	31 085	30 583	29 554	29 674	29 757	29 974	27 638
Life, health and non-life risk	10 973	11 274	11 155	11 294	11 328	11 179	11 516	11 344	11 220
Operational risk	1 123	1 112	1 129	1 123	1 123	1 106	1 113	1 116	1 095
Diversification ³⁾	(7 322)	(7 479)	(7 377)	(7 455)	(7 423)	(7 327)	(7 505)	(7 362)	(7 174)
Risk absorbing deferred tax	(5 007)	(4 856)	(5 011)	(5 068)	(5 126)	(4 813)	(4 849)	(4 985)	(4 637)
Risk-absorbing technical provisions ⁴⁾	(12 603)	(13 981)	(13 323)	(12 588)	(11 376)	(11 978)	(12 094)	(12 582)	(11 625)
Solvency capital requirement (SCR)	17 777	17 196	17 657	17 889	18 079	17 841	17 937	17 505	16 518
Minimum capital requirement (MCR)	7 332	7 312	7 681	7 590	7 908	7 468	7 469	7 422	7 356
Solvency margin with transitional rules (%)	184	191	189	185	190	197	195	197	211
Solvency margin without transitional rules (%)	152	174	164	160	146	147	144	144	152

1) Profit earned that is included as equity in the financial statements must be replaced by the reconciliation reserve in the solvency balance. The reconciliation reserve includes profit earned, but is based on the valuation of assets and liabilities in the solvency balance. The reconciliation reserve includes the present value of future profits. The value of future profits is implicitly included as a consequence of the valuation of insurance liabilities.

2) The transitional rules imply that technical insurance reserves in solvency capital calculations are carried at book value, whereby insurance liabilities are calculated based on the contracts' guaranteed rate of return. There will be a 16-year linear phase-in period for technical insurance reserves measured at fair value up to 2032. In addition, the transitional rules imply that the stress factor for equities acquired prior to 1 January 2016 will be increased from 22 to 39 per cent over a seven-year period. No spread risk charge is calculated for Government bonds issued in their domestic currency. During a transitional period, this also applies to issues in other EEA (European Economic Area) currencies. The exemption applies up to and including 2018, whereafter there will be an escalation period up to year-end 2019.

3) Diversification between market and counterparty risk and Insurance risk.

4) Future discretionary bonus (FDB) is included in technical provisions and is risk absorbing when calculating the solvency capital requirement.

5) Deferred tax assets.

2.7.11 DNB Asset Management - Financial performance

Amounts in NOK million	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17	4Q16
Net interest income	2	1	1	2	0	1	1	1	1
Net commission income									
- from retail customers	102	105	102	92	91	90	89	83	80
- from institutional clients	279	152	142	139	228	170	153	124	130
Other income	0	3	1	1	1	2	8	3	(9)
Total income	383	261	246	234	320	263	251	211	202
Operating expenses	(179)	(129)	(125)	(114)	(148)	(121)	(116)	(97)	(87)
Pre-tax operating profit	204	132	120	120	173	142	134	113	114
Tax expense	(32)	(39)	(40)	(31)	(33)	(35)	(34)	(28)	(27)
Profit for the period	172	93	80	89	139	106	101	85	87
Assets under management (NOK billion)¹⁾									
Institutional	499	517	508	504	512	497	488	481	462
- of which DNB Livsforsikring Group ²⁾	266	273	269	265	265	264	259	258	251
Retail	86	92	88	82	84	79	76	72	68
Total	584	609	596	586	596	576	564	553	531
Key figures									
Cost/income ratio (%)	46.8	49.3	51.0	48.8	46.1	46.1	46.4	46.2	43.3
Assets under management - net inflow³⁾									
Changes from previous quarters (NOK million)									
Retail market	(184)	1 592	1 511	1 130	4 878	1 535	1 136	1 149	1 256
Institutional clients	267	1 120	(7 652)	2 149	2 971	1 937	(777)	7 136	(15 055)
Total	82	2 711	(6 141)	3 280	7 848	3 472	359	8 286	(13 798)
*) Excluding dividends:									
Retail market	-	-	-	245	-	-	-	216	-
Institutional clients	-	-	-	2 657	-	-	-	2 693	-
Total	-	-	-	2 902	-	-	-	2 909	-
Performance fee	112	11	13	(1)	70	41	27	17	25

1) Assets under management and assets under operation at end of period.

2) Managed on behalf of the DNB Livsforsikring Group.

2.7.12 DNB Forsikring - Financial performance

Amounts in NOK million	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17	4Q16
Premium income for own account	526	597	554	552	549	550	536	526	533
Cost of claims for own account	(371)	(465)	(406)	(403)	(391)	(373)	(355)	(378)	(360)
Insurance-related operating expenses for own account	(104)	(135)	(102)	(109)	(96)	(104)	(102)	(121)	(98)
Technical insurance profits	52	(3)	46	39	62	72	79	27	75
Net investment income	(8)	15	25	1	16	20	17	20	6
Other income and costs	3	12	(3)	(1)	5	(8)	(2)	2	(6)
Pre-tax profit	47	24	68	39	83	85	94	48	75
Tax expense	(9)	(6)	(17)	(10)	(18)	(21)	(24)	(12)	(17)
Profit for the period	38	18	51	30	65	63	71	36	58
Balance sheets									
Financial assets	2 659	2 682	2 687	2 752	2 577	2 490	2 425	2 543	2 383
Reinsurance assets	49	28	28	40	9	14	22	33	28
Insurance receivables	928	1 048	1 111	1 215	848	876	1 002	1 006	752
Reinsurance receivables	33	28	28	28	25	24	22	89	105
Total assets	3 669	3 786	3 854	4 035	3 459	3 404	3 471	3 672	3 268
Equity	960	925	907	857	827	874	811	740	704
Premium reserve	936	1 053	1 192	1 275	900	1 016	1 139	1 200	847
Claims reserve	1 137	1 140	1 081	1 088	1 091	988	1 001	975	990
Reinsurance liabilities	2	2	22	21	2	2	17	15	0
Other liabilities	633	666	650	794	639	524	504	741	727
Total equity and liabilities	3 669	3 786	3 854	4 035	3 459	3 404	3 471	3 672	3 268
Key figures									
Claims ratio for own account ¹⁾	70.5	77.9	73.3	73.0	71.3	67.9	66.2	72.0	67.5
Cost ratio for own account ²⁾	19.8	22.7	18.3	19.8	17.4	19.0	19.0	22.9	18.4
Combined ratio for own account (per cent) ³⁾	90.2	100.5	91.6	92.9	88.7	86.8	85.2	94.9	86.0

1) The ratio of losses paid and reserved (i.e., incurred) to premiums earned, after deduction of reinsurance.

2) The percentage of premium used to pay all the costs of acquiring, writing, and servicing insurance and reinsurance.

3) The total of 1) and 2).

At end-December 2018 all assets and liabilities related to DNB Forsikring were presented as held for sale, while there were no changes in the presentation in the income statement.

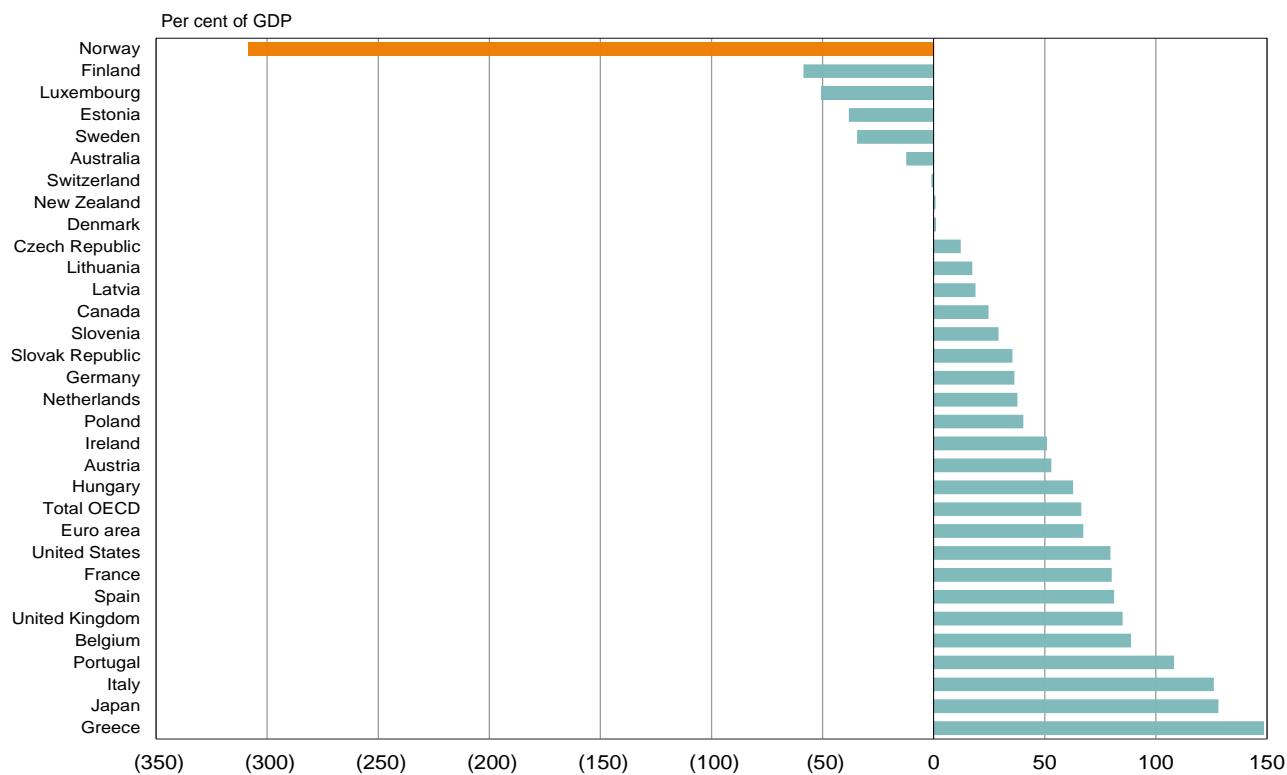
Chapter 3 - The Norwegian economy

3.1.1 Basic information about Norway

Area	385 199 square kilometres
Population	5.3 million
Fertility rate	1.6
Life expectancy	M: 80.9 F: 84.3
Work participation rate, per cent 15-74 years	70.1 (M: 72.7 F: 67.4)
Gross domestic product 2017	USD 399.9 billion
GDP per capita 2017	USD 75 784
Rating	AAA, Aaa
Currency exchange rate used	8.26 USD/NOK (Average 2017)
Current balance 2017	USD 22.5 billion or 5.6 per cent of GDP

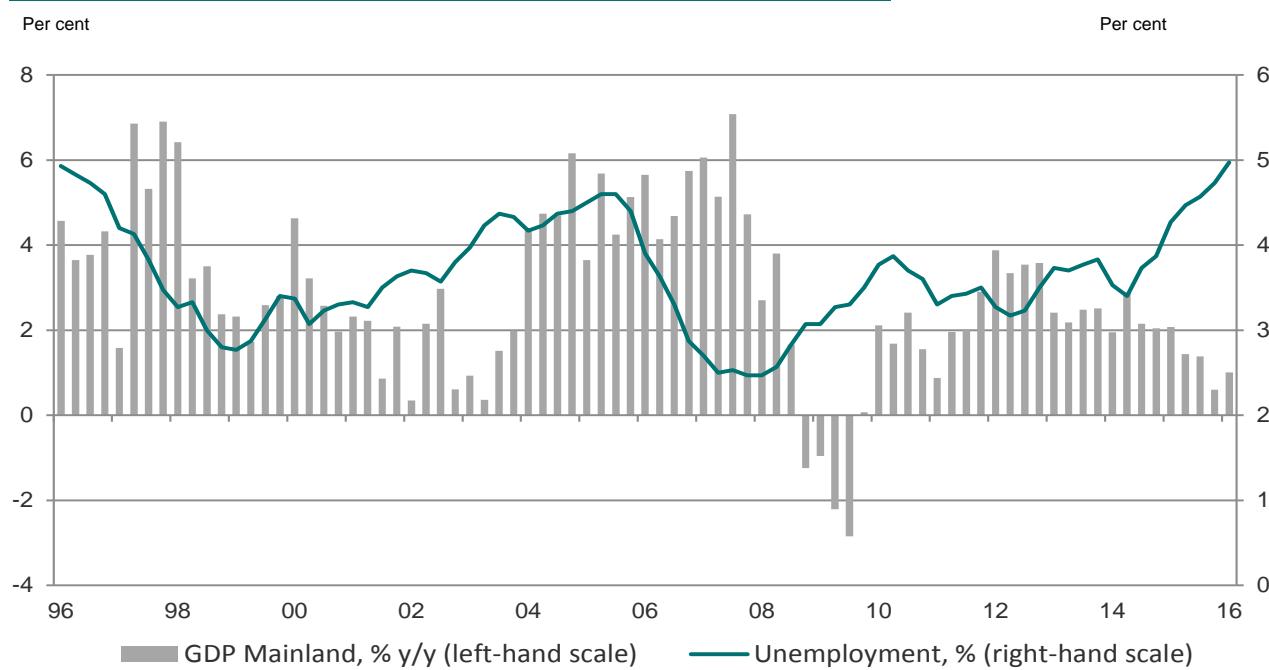
Source: Statistics Norway

3.1.2 Government net financial liabilities 2017



Source: OECD Economic Outlook No. 104 database, November 2018

3.1.3 GDP growth mainland Norway and unemployment rate



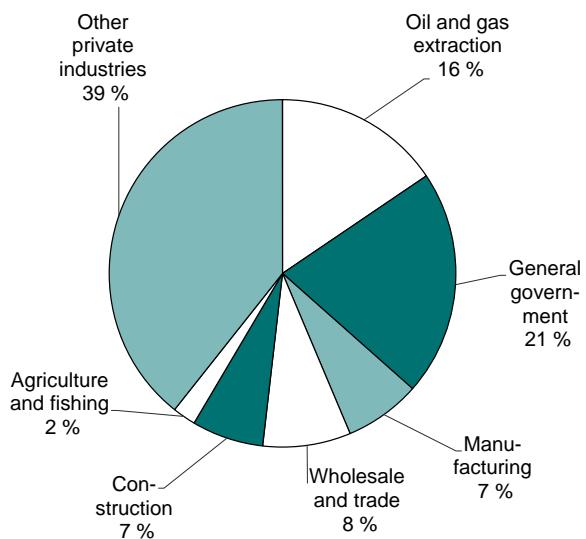
Source: Thomson Datastream, Statistics Norway

3.1.4 Contribution to volume growth in GDP, mainland Norway

Per cent	2016	2017	F 2018	F 2019	F 2020	F 2021	F 2022
Household demand	1.1	1.6	0.3	0.9	1.2	1.1	1.1
Gross fixed capital formation, mainland companies	1.4	0.9	0.1	0.4	0.2	0.1	0.2
Gross fixed capital formation, petroleum activity	0.7	(0.3)	0.2	0.6	0.2	(0.3)	(0.2)
Public sector demand	1.0	0.9	0.9	0.5	0.6	0.6	0.6
Exports, mainland Norway	(1.5)	(0.0)	0.8	0.8	0.8	0.5	0.5
Imports, mainland Norway	1.1	1.1	0.8	0.8	0.9	0.5	0.7
Changes in stocks and statistical discrepancies	(0.5)	0.1	0.8	(0.3)			
GDP, mainland Norway	1.1	2.0	2.3	2.0	2.1	1.5	1.5

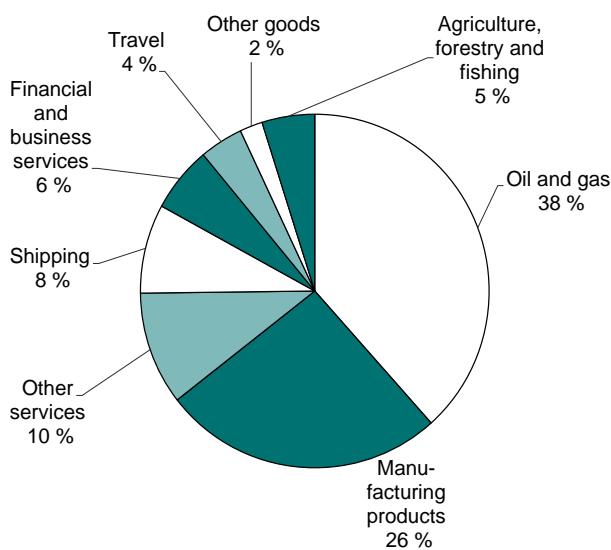
Source: Statistics Norway and DNB Markets

3.1.5 Composition of GDP in 2017



Source: Statistics Norway, annual national accounts 23 August 2018

3.1.6 Composition of exports in 2017



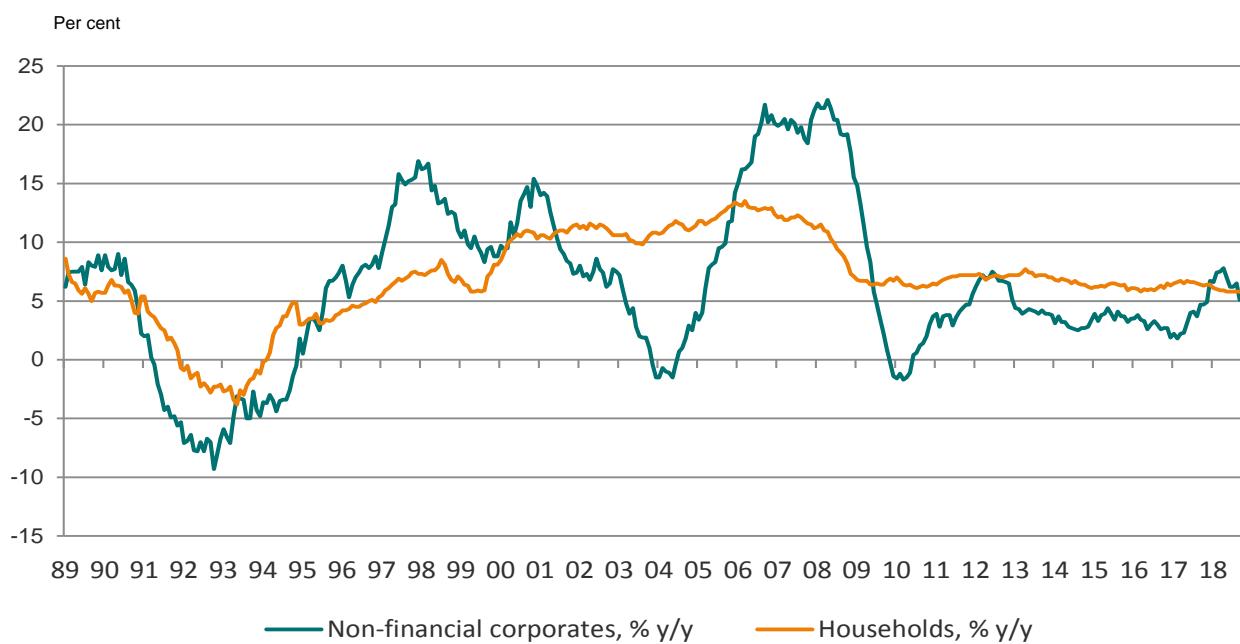
3.1.7 Key macro-economic indicators, Norway

Percent	2016	2017	F 2018	F 2019	F 2020	F 2021	F 2022
GDP growth							
- mainland Norway	1.1	2.0	2.3	2.0	2.1	1.5	1.5
- Norway, total	1.2	2.0	1.7	2.0	2.0	1.4	1.3
Private consumption	1.3	2.2	1.9	1.9	2.3	2.1	2.1
Gross fixed investment	5.2	3.6	(0.3)	3.2	2.2	(0.4)	0.5
Inflation (CPI)	3.6	1.8	2.7	2.2	1.6	1.9	1.7
Savings ratio 1)	7.5	7.2	6.8	6.6	6.9	6.9	7.4
Unemployment rate	4.8	4.2	3.9	3.8	3.7	4.0	4.4

1) Per cent of household disposable income.

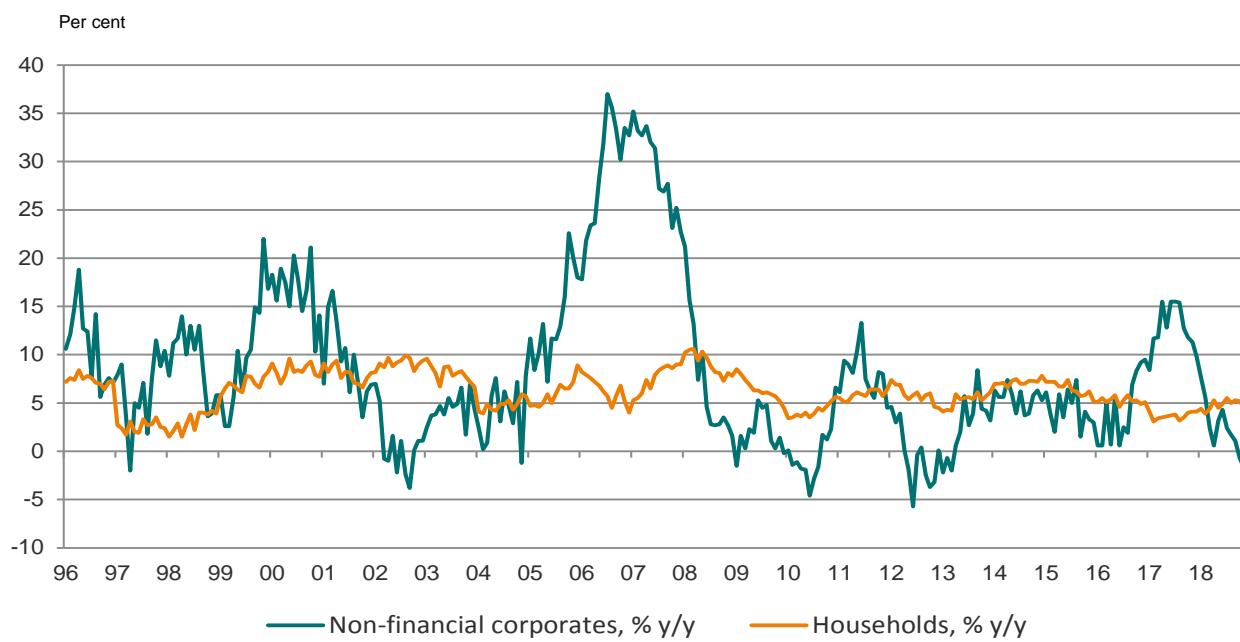
Source: Statistics Norway and DNB Markets

3.1.8 Credit market, 12 month percentage growth



Source: Thomson Datastream, Statistics Norway

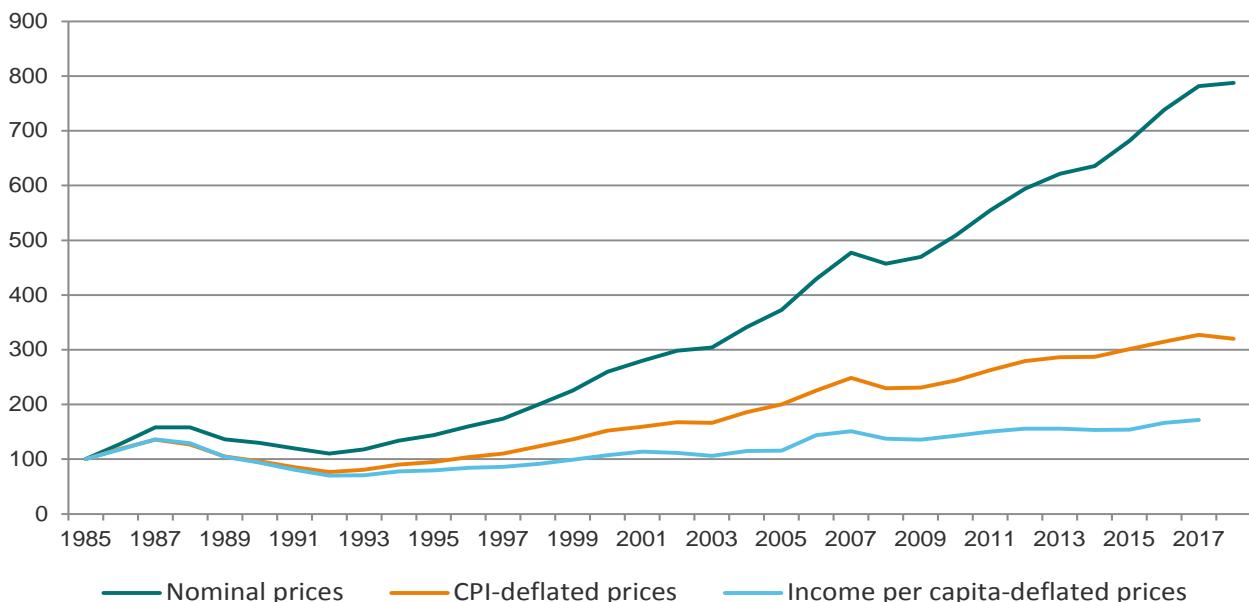
3.1.9 Deposit market, 12 month percentage growth



Source: Thomson Datastream, Statistics Norway

3.1.10 House prices

Indices: 1985 = 100



Source: Real Estate Norway, Finn.no, Eiendomsverdi AS, NEF, Statistics Norway and DNB Markets

3.1.11 Household interest burden¹⁾ and debt burden²⁾



1) Interest expenses after tax as a percentage of disposable income.

2) Loan debt as a percentage of disposable income.

Source: Statistics Norway, DNB Markets

Appendix

Disclosure for main features of regulatory capital instruments

Disclosure of main features of regulatory capital instruments as at 31 Dec. 2018

	Ordinary shares	NOK Notes	NOK Notes	USD Notes	USD Notes	Additional Tier 1 capital
1. Issuer	DNB Group	DNB Bank ASA	DNB Bank ASA	DNB Bank ASA	DNB Bank ASA	
2. Unique identifier (e.g. CUSIP, ISIN, or Bloomberg identifier for private placement)	NOK0000031479	NOK00000730708	NOK0010767957	XSI2073066562	XSI1506066676	
3. Governing law for the instrument	Norway	English ⁹	English ⁹	English ⁹	English ⁹	
Regulatory treatment:						
4. Transitional rules	Common Equity Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1
5. Post-transitional rules	Common Equity Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1
6. Eligible at ind. company/group/group & ind. company level	Ind. company and group	Ind. company and group	Ind. company and group	Ind. company and group	Ind. company and group	Ind. company and group
7. Instrument type	Common shares	Other additional Tier 1	Other additional Tier 1			
8. Amount recognised in regulatory capital (in NOK million as at 31 December 2018)	38 852	2 150	1 400	5 903	6 120	
9. Par value of instrument (amounts in million in the relevant currency and in NOK million)	N/A	NOK 2 150	NOK 1 400	USD 750, NOK 5 903	USD 750, NOK 6120	
9a. Issue price	Various	100	100	100	100	
9b. Redemption price	N/A	100	100	100	100	
10. Accounting classification	Shareholder's equity	Equity	Equity	Equity	Equity	
11. Original date of issuance	N/A	26 February 2015	27 June 2016	26 March 2016	18 October 2016	
12. Perpetual or dated	N/A	Perpetual	Perpetual	Perpetual	Perpetual	
13. Original maturity date	N/A	N/A	N/A	N/A	N/A	
14. Issuer call subject to prior supervisory approval	No	Yes	Yes	Yes	Yes	
15. Optional call date, contingent call dates and redemption amount	N/A	26 February 2020 at par	27 June 2021 at par	26 March 2020 at par	26 March 2022 at par	
16. Subsequent call dates, if applicable	N/A	The issuer has the right to call at every interest payment date thereafter ⁶	The issuer has the right to call at every interest payment date thereafter ⁶	The issuer has the right to call at every interest payment date thereafter ⁶	The issuer has the right to call at every interest payment date thereafter ⁶	
Coupons/dividends:						
17. Fixed or floating dividend/coupon	Floating	Floating	Floating	Fixed	Fixed	
18. Coupon rate and any related index	N/A	3m Nibor +325	3m Nibor +525	5,75%, Fixed interest reset every 5 years at 5y USD MS + 407,5	6,50%, Fixed interest reset every 5 years at 5y USD MS + 508,0	
19. Existence of a dividend stopper	Yes	No	No	No	No	
20a. Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	
20b. Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	
21. Existence of a step-up or other incentive to redeem	N/A	No	No	No	No	
22. Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	
Convertible or non-convertible:						
23. Convertible or non-convertible ⁴⁾	N/A	Non-convertible	Non-convertible	Non-convertible	Non-convertible	
24. If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A	
25. If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A	
26. If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A	
27. If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A	
28. If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A	N/A	
29. If convertible, specify issuer of instrument it converts into	N/A	Yes	Yes	Yes	Yes	
30. Write-down features	No	Yes	Yes	Yes	Yes	
31. If write-down, write-down trigger (s)	N/A	Either full or partial				
32. If write-down, full or partial	NA	Temporary	Temporary	Temporary	Temporary	
33. If write-down, permanent or temporary	NA	See footnote 10	See footnote 10	See footnote 10	See footnote 10	
34. If temporary write-down, description of revaluation mechanism	Additional Tier 1	Subordinated loans	Subordinated loans	Subordinated loans	Subordinated loans	
35. Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	No					
36. Non-compliant transitioned features	N/A					
37.. If yes, specify non-compliant features						

See footnotes on separate page.

Disclosure of main features of regulatory capital instruments as at 31 Dec. 2018

	Subordinated loans (part 1 of 3)					
	EUR loan	NOK loan	NOK loan	SEK loan	SEK loan	SEK loan
1. Issuer	DNB Bank ASA	DNB Bank ASA	DNB Bank ASA	DNB Bank ASA	DNB Bank ASA	DNB Bank ASA
2. Unique identifier (e.g. CUSIP, ISIN, or Bloomberg identifier for private placement)	XS5715331955	NO00010782386	NO0010782394	XS1239410043	XS1239410712	XS1551373985
3. Governing law for the instrument	English ²⁾	English ²⁾	English ²⁾	English ²⁾	English ²⁾	English ²⁾
Regulatory treatment:						
4. Transitional rules	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
5. Post-transitional rules	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
6. Eligible at ind. company/group/group & ind. company level	Ind. company and group	Ind. company and group	Ind. company and group	Ind. company and group	Ind. company and group	Ind. company and group
7. Instrument type	Tier 2 subordinated debt	Tier 2 subordinated debt	Tier 2 subordinated debt	Tier 2 subordinated debt	Tier 2 subordinated debt	Tier 2 subordinated debt
8. Amount recognised in regulatory capital (in NOK million as at 31 December 2018)	6 480	1 400	170	2 909	970	727
9. Par value of instrument (amounts in million in the relevant currency and in NOK million)	EUR 650, NOK 5 751	NOK 1 400	NOK 170	SEK 3000	SEK 1000	SEK 750, NOK 708
9a. Issue price	99.841	100	100	100	100	100
9b. Redemption price	Redemption at par	Redemption at par	Redemption at par	Redemption at par	Redemption at par	Redemption at par
10. Accounting classification	Subordinated loan capital - amortised cost	Subordinated loan capital - amortised cost	Subordinated loan capital - amortised cost	Subordinated loan capital - amortised cost	Subordinated loan capital - amortised cost	Subordinated loan capital - amortised cost
11. Original date of issuance	1 March 2017	19 January 2017	19 January 2017	28 May 2015	28 May 2015	19 January 2017
12. Perpetual or dated	Dated	Dated	Dated	Dated	Dated	Dated
13. Original maturity date	1 March 2027	19 January 2027	19 January 2027	28 May 2025	Interest date falling in or nearest to May 2025	19 January 2027
14. Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes	Yes
15. Optional call date, contingent call dates and redemption amount	1 March 2022	The interest payment date falling in January 2022	19 January 2022	28 May 2020, Call at par	28 May 2020, Call at par	The interest payment date falling in January 2022
16. Subsequent call dates, if applicable	Any interest payment date thereafter	Any interest payment date thereafter	Any interest payment date thereafter	N/A	N/A	Any interest payment date thereafter
17. Fixed or floating dividend/coupon	Fixed	Floating	Fixed to floating	Floating	Fixed	Floating
18. Coupon rate and any related index	1.25%. Thereafter/ Reset period: 5Y EURO M+ 115	3-month NIBOR + 175	Fixed 3.08%. Reset/ after first call date: 3-month NIBOR + 1.75 per cent	3-month STIBOR + 140	1.97 %	3-month STIBOR + 170
19. Existence of a dividend stopper	No	No	No	No	No	No
20a. Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
20b. Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21. Existence of a step-up or other incentive to redeem	No	No	No	No	No	No
22. Non-cumulative or cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative
Convertible or non-convertible:						
23. Convertible or non-convertible ⁴⁾	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24. If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A	N/A
25. If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A	N/A
26. If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A	N/A
27. If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A	N/A
28. If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A	N/A	N/A
29. If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A	N/A
30. Write-down features	No	No	No	No	No	No
31. If write-down, write-down trigger (s)	N/A	N/A	N/A	N/A	N/A	N/A
32. If write-down, full or partial	N/A	N/A	N/A	N/A	N/A	N/A
33. If write-down, permanent or temporary	N/A	N/A	N/A	N/A	N/A	N/A
34. If temporary write-down, description of revaluation mechanism	N/A	N/A	N/A	N/A	N/A	N/A
35. Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior bonds	Senior bonds	Senior bonds	Senior bonds	Senior bonds	Senior bonds
36. Non-compliant transitioned features	No	No	No	No	No	No
37.. If yes, specify non-compliant features	N/A	N/A	N/A	N/A	N/A	N/A

See footnotes on separate page.

Disclosure of main features of regulatory capital instruments as at 31 Dec. 2018

	Subordinated loans (part 2 of 3)			
	SEK loan	JPY loan	JPY loan	NOK loan
1. Issuer	DNB Bank ASA	DNB Bank ASA	DNB Bank ASA	DNB Bank ASA
2. Unique identifier (e.g. CUSIP, ISIN, or Bloomberg identifier for private placement)	XS551373639	NA	XS1551344705	XS1755125868
3. Governing law for the instrument	English ²⁾	English ²⁾	English ²⁾	NO0010818446 English ²⁾
Regulatory treatment:				
4. Transitional rules	Tier 2	Tier 2	Tier 2	Tier 2
5. Post-transitional rules	Tier 2	Tier 2	Tier 2	Tier 2
6. Eligible at Ind. company/group/group & ind. company level	Ind. company and group	Ind. company and group	Ind. company and group	Ind. company and group
7. Instrument type	Tier 2 subordinated debt	Tier 2 subordinated debt	Tier 2 subordinated debt	Tier 2 subordinated debt
8. Amount recognised in regulatory capital (in NOK million as at 31 December 2018)	970	789	908	1 974
9. Par value of instrument (amounts in million in the relevant currency and in NOK million)	NOK 944	JPY 10 000, NOK 793	JPY 11 500, NOK 847	JPY 25 000, NOK 1776
9a. Issue price	100	100	100	100
9b. Redemption price	Redemption at par	Redemption at par	Redemption at par	Redemption at par
10. Accounting classification	Subordinated loan capital - amortised cost	Subordinated loan capital - amortised cost	Subordinated loan capital - amortised cost	Subordinated loan capital - amortised cost
11. Original date of issuance	19 January 2017	4 November 2016	19 January 2017	24 January 2018
12. Perpetual or dated	Dated	Dated	Dated	Dated
13. Original maturity date	19 January 2027	4 November 2026	19 January 2027	24 January 2028
14. Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes
15. Optional call date, contingent call dates and redemption amount	19 January 2022	4 November 2021	19 January 2022	24 January 2023
16. Subsequent call dates, if applicable	Any interest payment date thereafter	Annual call thereafter	Semiannual call thereafter	Semiannual call thereafter
Coupons/dividends:				
17. Fixed or floating dividend/coupon	Fixed to floating	Fixed to floating	Fixed to floating	Floating
	Fixed 1.98%.	Fixed 1.00%.	Fixed 1.04%.	
	Reset after first call date: 3-month STIBOR + 1.70 per cent	Reset after first call date: 6-month JPY LIBOR + 0.97 per cent	Reset after first call date: 6-month JPY LIBOR + 0.97 per cent	
18. Coupon rate and any related index	No	No	No	No
19. Existence of a dividend stopper	Mandatory	Mandatory	Mandatory	Mandatory
20a. Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
20b. Fully discretionary, partially discretionary or mandatory (in terms of amount)	No	No	No	No
21. Existence of a step-up or other incentive to redeem	Cumulative	Cumulative	Cumulative	Cumulative
22. Non-cumulative or cumulative				Cumulative
Convertible or non-convertible:				
23. Convertible or non-convertible ⁴⁾	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24. If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25. If convertible, fully or partially	N/A	N/A	N/A	N/A
26. If convertible, conversion rate	N/A	N/A	N/A	N/A
27. If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28. If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A
29. If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A
30. Write-down features	No	No	No	No
31. If write-down, write-down trigger(s)	N/A	N/A	N/A	N/A
32. If write-down, full or partial	N/A	N/A	N/A	N/A
33. If write-down, permanent or temporary	N/A	N/A	N/A	N/A
34. If temporary write-down, description of revaluation mechanism	N/A	N/A	N/A	N/A
35. Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior bonds	Senior bonds	Senior bonds	Senior bonds
36. Non-compliant transitioned features	No	No	No	No
37.. If yes, specify non-compliant features	N/A	N/A	N/A	N/A

See footnotes on separate page.

Disclosure of main features of regulatory capital instruments as at 31 Dec. 2018

	Subordinated loans (part 3 of 3)			Perpetual loans		
	SEK loan	EUR loan	USD loan	DNB Bank ASA	USD loan	DNB Bank ASA
1. Issuer	DNB Bank ASA	DNB Bank ASA	DNB Bank ASA	DNB Bank ASA	DNB Bank ASA	YEN Iban
2. Unique identifier (e.g. CUSIP, ISIN, or Bloomberg identifier for private placement)	N0000818479	X51794344827	LU0001344653	GB0040940875	GB0042636166	N/A
3. Governing law for the instrument	English ²⁾	English ²⁾	English ²⁾	English ²⁾	English ²⁾	English ¹⁾
Regulatory treatment:						
4. Transitional rules	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
5. Post-transitional rules	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
6. Eligible at ind. company/group/group & ind. company level	Ind. company and group	Ind. company and group	Ind. company and group	Ind. company and group	Ind. company and group	Ind. company and group
7. Instrument type	Tier 2 subordinated debt	Tier 2 subordinated debt	Tier 2 subordinated debt	Tier 2 subordinated debt	Tier 2 subordinated debt	Tier 2 subordinated debt
8. Amount recognised in regulatory capital (in NOK million as at 31 December 2018)	291	5 963	1 866	1 736	1 302	789
9. Par value of instrument (amounts in million in the relevant currency and in NOK million)	NOK 300, NOK 283	EUR 600, NOK 5692	USD 215, NOK 1 692	USD 200, NOK 1 331	USD 150, NOK 1 769	JPY 10 000, NOK 655
9a. Issue price	99.604	99.15	100	100	100	100
10. Redemption price	Redemption at par	Redemption at par	Perpetual subordinated loan - amortised cost	Perpetual subordinated loan - amortised cost	Perpetual subordinated loan capital - amortised cost	Perpetual subordinated loan capital - amortised cost
11. Accounting classification	Subordinated loan capital - amortised cost	Subordinated loan capital - amortised cost	18 November 1985	28 August 1986	21 August 1986	25 February 1999
12. Perpetual or dated	13 March 2018	20 March 2018	Dated	Perpetual	Perpetual	Perpetual
13. Original maturity date	13 March 2028	20 March 2028				
14. Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes	Yes
15. Optional call date, contingent call dates and redemption amount	13 March 2023	20 March 2023	November 1990	August 1991	5 years after issue	February 2029
16. Subsequent call dates, if applicable	Any interest payment date thereafter	None	Any interest payment date thereafter	Any interest payment date thereafter	Any interest payment date thereafter	Every 5 years thereafter
Coupons/dividends:						
17. Fixed or floating dividend/coupon	Fixed to floating	Fixed 1.125%.	Floating	Floating	Floating	Fixed
18. Coupon rate and any related index	Fixed 1.61%. Reset after first call date: 3-month STIBOR + 106 bps	Reset after call date: 5-year EUR Mid Swap + 0.77 per cent.	3m USD Libor + 25	3m USD Libor + 13	6m USD Libor + 15	4.51% From Feb. 2029 6m YEN Libor + 1.65% p.a.
19. Existence of a dividend stopper	No	No	No	No	No	Yes
20a. Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Partially discretionary	Partially discretionary	Partially discretionary	Partially discretionary
20b. Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Partially discretionary	Partially discretionary	Partially discretionary	Partially discretionary
21. Existence of a step-up or other incentive to redeem	No	No	No	No	No	Yes ⁷⁾
22. Non-cumulative or cumulative	Cumulative	Cumulative	Non-cumulative ⁶⁾	Non-cumulative ⁶⁾	Non-cumulative ⁶⁾	Non-cumulative ⁶⁾
Convertible or non-convertible:						
23. Convertible or non-convertible ⁴⁾	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24. If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A	N/A
25. If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A	N/A
26. If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A	N/A
27. If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A	N/A
28. If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A	N/A	N/A
29. If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A	N/A
30. Write-down features	No	No	No	No	No	No
31. If write-down, write-down trigger(s)	N/A	N/A	N/A	N/A	N/A	N/A
32. If write-down, full or partial	N/A	N/A	N/A	N/A	N/A	N/A
33. If write-down, permanent or temporary	N/A	N/A	N/A	N/A	N/A	N/A
34. If temporary write-down, description of revaluation mechanism	N/A	N/A	N/A	N/A	N/A	N/A
35. Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior bonds	Senior bonds	Senior bonds	Senior bonds	Senior bonds	Senior bonds
36. Non-compliant transitioned features	No	No	Yes	Yes	Yes	Yes
37. If yes, specify non-compliant features	N/A	N/A	Issued before 31 December 2011	Issued before 31 December 2011	Issued before 31 December 2011	2011

See footnotes on separate page.

Disclosure of main features of regulatory capital instruments - footnotes

- 1) Except for the subordination provisions and certain provisions relating to the payment of interest and principal, which will be governed by the laws of Norway.
- 2) Except for status and subordination which will be governed by the laws of Norway.
- 3) Under certain circumstances there will be no coupon payment if capital requirements are breached.
- 4) All subordinated debt might be written down or converted according to the Guarantee Schemes Act.
- 5) Subject to the availability of Available Distributable Funds, the Issuer undertakes to reinstate all Converted Amounts as Notes upon the occurrence of any of the following events: (i) the Issuer or DNB ASA declares or makes a dividend (in the form of cash, stock or another instrument), an interest payment or any other payment on any share capital or any obligations of the Issuer ranking or expressed to rank junior to the Notes; or (ii) the Issuer or DNB ASA (as applicable) redeems, repurchases or otherwise acquires any of its respective share capital, or any Parity Tier 1 Securities or any obligations of the Issuer ranking or expressed to rank junior to the Notes or paysor makes available any moneys to a sinking fund or for redemption of any such share capital, Parity Tier 1 Securities or obligations other than as set out in Condition 3 of the "Terms and Conditions of the Notes".
- 6) Non-cumulative but cumulative under certain circumstances, e.g. dividend payment.
- 7) The borrower undertakes not to make any distribution to Holders of Primary Capital certificates of the Borrower or to other creditors ranking junior to the Lender while any arrears of interest (including any corresponding additional interest amount) remains outstanding in respect of the loan.
- 8) Subject to the outstanding principal amount of the notes being equal to their original principal amount.
- 9) The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and construed in accordance with, English law except that (i) the provisions relating to subordination, Write-Down and Discretionary Reinstatement and any non-contractual obligations arising out of or in connection with such provisions and (ii) any other write-down or conversion of the Notes in accordance with Norwegian law and regulation applicable to the Bank from time to time, will in each case be governed by, and construed in accordance with, Norwegian law.
- 10) Fully discretionary reinstatement pro rata with any written-down AT1 instruments that are to be reinstated out of the same profits. Subject to the maximum write-up amount and to the MDA.

We are here.
So you can stay ahead.

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