



Results DNB Group

Second quarter 2021

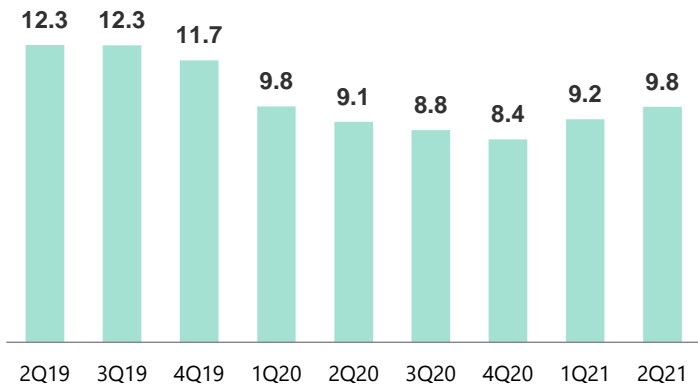
Kjerstin R. Braathen (CEO)
Ottar Ertzeid (CFO)

Q2

Continued strong performance and solid asset quality

Return on equity

Per cent, trailing 12-month figures



Profit for the period
NOK billion

6.4

CET1
capital ratio

19.1%

Return on equity (ROE) of 11.1 per cent in 2Q21

A result of strong deliveries across the Group, combined with net reversals of impairment provisions

Continued profitable lending growth

Currency adjusted lending growth of 1.7 per cent from 1Q21, and 2.9 per cent from 2Q20

All-time high net commissions and fees

20 per cent increase from corresponding quarter last year – contributions from all areas

Material net reversals of impairment provisions

Net reversals of NOK 833 million reflecting the Group's robust portfolio and customer-specific reversals in stage 3

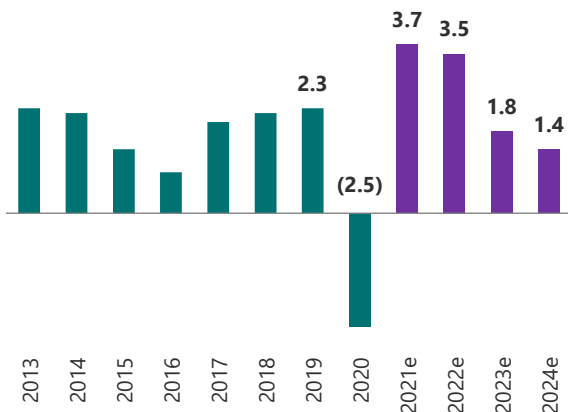
Strong Earnings per share (EPS) – a firm foundation for dividend policy

EPS of NOK 4.01 in the quarter, up 31 per cent from 2Q20

Improved and positive outlook for the Norwegian economy

- High activity level in the Norwegian economy, with an expected mainland GDP growth of 3.7 per cent for 2021 and 3.5 per cent next year
- Norges Bank expects up to five rate hikes before year-end 2022, the first one occurring in September 2021, and up to seven rate hikes in total by the end of 2024
- Registered unemployment is nearly at pre-pandemic levels – reduced by more than 70 per cent since the peak in April 2020

Mainland GDP growth
YoY, per cent

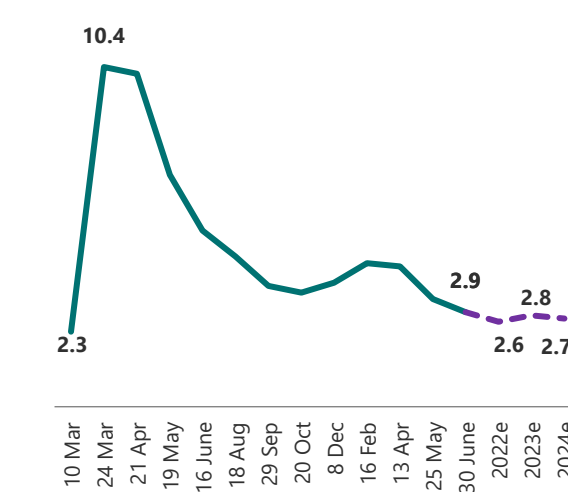


Key policy rate
Per cent



--- Forecast June
--- Forecast April
--- Forecast January

Registered unemployment
Full-time unemployment, per cent



Positioning the Group to continue to deliver on our strategic ambitions

Voluntary cash offer for Sbanken ASA

- **DNB will hold approximately 91.2 per cent of the shares** in Sbanken following the settlement of the board-recommended voluntary cash offer of NOK 108.85 per share
- DNB and Sbanken are a **good fit, strategically and financially**, providing an opportunity to combine two of Norway's top providers of digital customer experiences to further improve our customer solutions
- Following a recommendation from Finanstilsynet (the Norwegian FSA), the **Norwegian Ministry of Finance has approved the acquisition**. The Norwegian Competition Authority has opened a Phase II review to **assess the effects of the transaction on the distribution of mutual funds savings**

Sbanken + DNB

Vipps to merge its wallet with MobilePay and Pivo¹⁾

- **Vipps** has agreed to merge its digital wallet with **Pivo** (OP Financial Group) and **MobilePay** (Danske Bank)²⁾
- The ambition is to create **Europe's best and most comprehensive digital wallet**, and to further strengthen product development and innovation within payment solutions
- The new company will be serving **11 million users** and more than **330 000 vendors** across the Nordics, with more than **700 million annual transactions**



1) Pending approval from the relevant authorities.

2) BankID and BankAxept will de-merge into a separate entity co-owned by the Norwegian banks.

DNB will be a driving force for sustainable transition

1

DNB is financing the climate transition and sustainable value creation



2

DNB is a driving force for diversity and inclusion



3

DNB combats financial crime and contributes to a secure digital economy



Net-zero emissions in

2050

across our financing and investment activities and own operations

Finance and facilitate

NOK 1 500 BN

for sustainable activities by 2030

Reduce the emissions intensity of our portfolio by

2030

Oil and gas: **25%**
Shipping: **one third**
Commercial property: **25–35%**

Increase assets under management in sustainability themed funds to

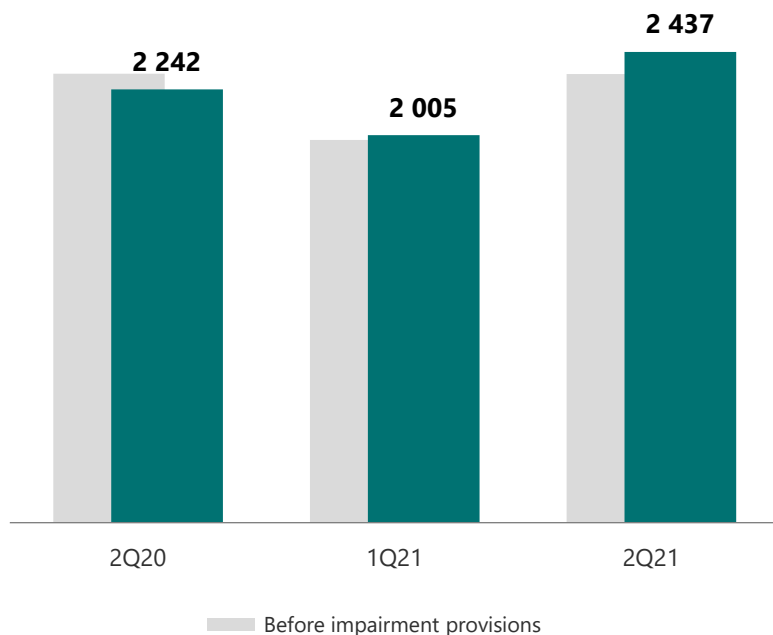
NOK 100 BN

by 2025 and reduce the emissions intensity of DNB Livsforsikring's portfolio by **55%** by 2030

Personal customers – profitable growth and strong performance within all areas

Pre-tax operating profit

NOK million

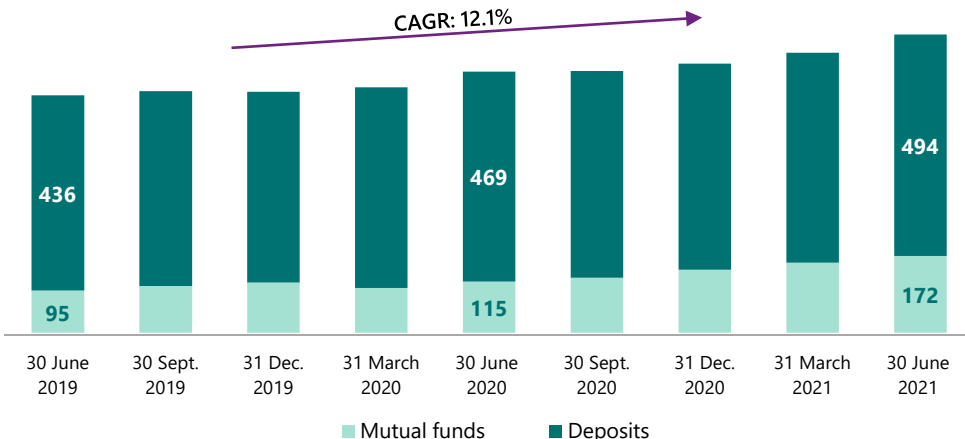


Highlights in the quarter

- Growth in loans and deposits of 4.2 and 5.4 per cent, respectively, from end-June 2020
- Net interest income up 8.8 per cent from 1Q21
- Net commission and fees up 16.1 per cent from 1Q21, with contributions from all areas

Strong development in savings

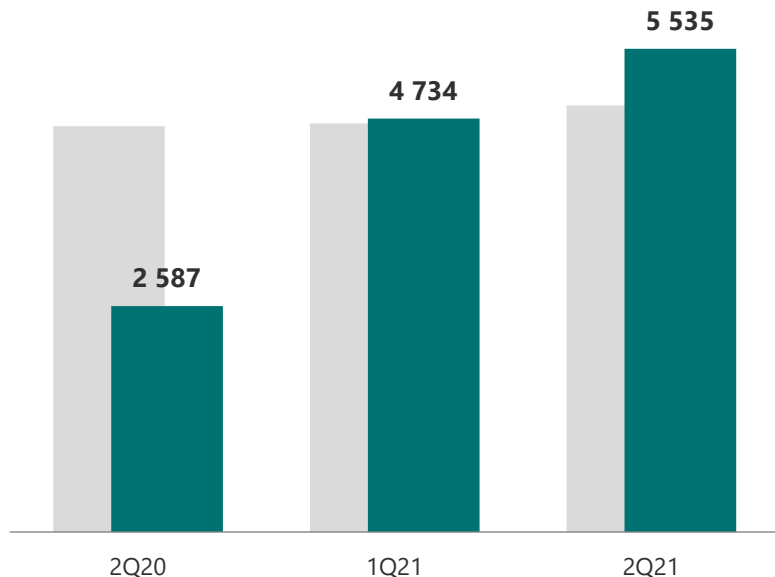
NOK billion



Corporate customers - strong results driven by high customer activity and net reversals of impairment provisions

Pre-tax operating profit

NOK million



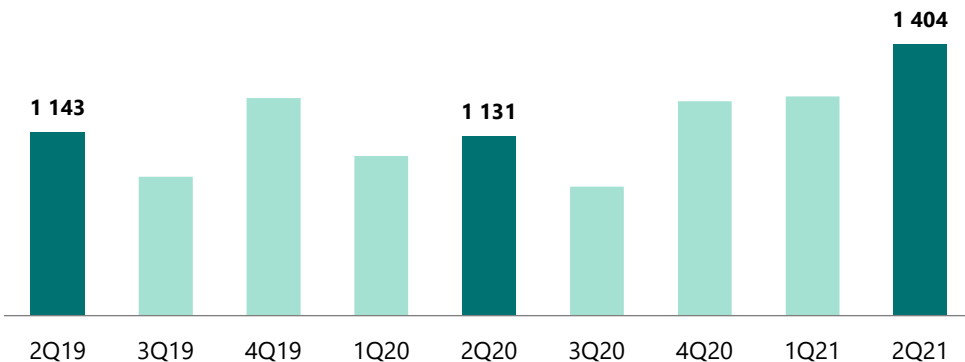
Before impairment provisions

Highlights in the quarter

- Growth in loans and deposits from end-March 2021 of 2.7 and 3.1 per cent, respectively
- High activity in capital markets and all-time high income from investment banking, up 24 per cent from 2Q20
- Material reversals of net impairment provisions

Income from investment banking

NOK million

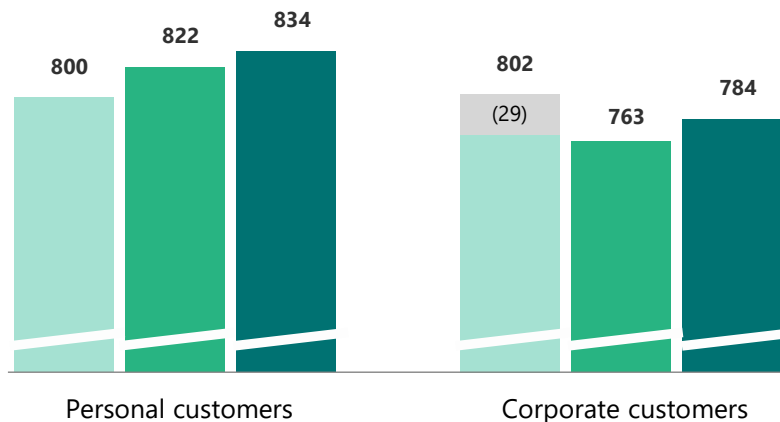


Profitable increase in both loans and deposits

- Loans to personal customers up 1.4 per cent and corporate customers up 2.7 per cent in the quarter
- Total loan growth in customer segments 2.0 per cent (1.7 currency adjusted)
- Continued expectation of around 3-4 per cent annual loan growth
- Deposit growth in the quarter of 4.1 per cent (3.7 currency adjusted)

Loans per customer segment

NOK billion

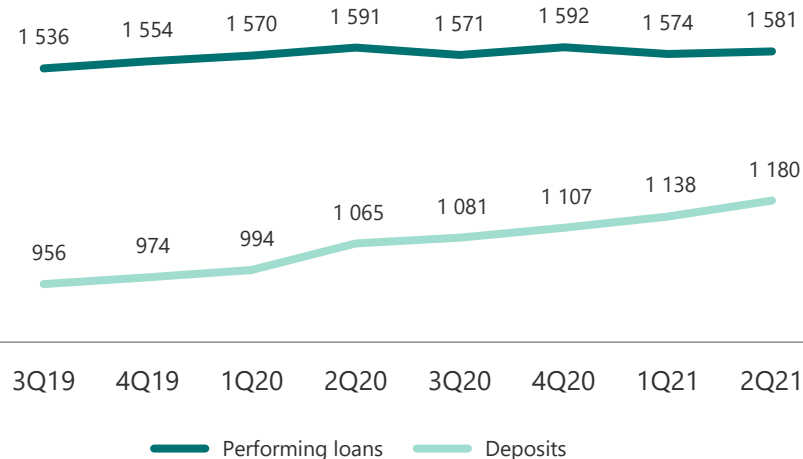


■ 30 June 2020 ■ 31 March 2021 ■ 30 June 2021

■ Of which exchange rate effects from 30 June 2021

Average loans and deposits in the customer segments

NOK billion

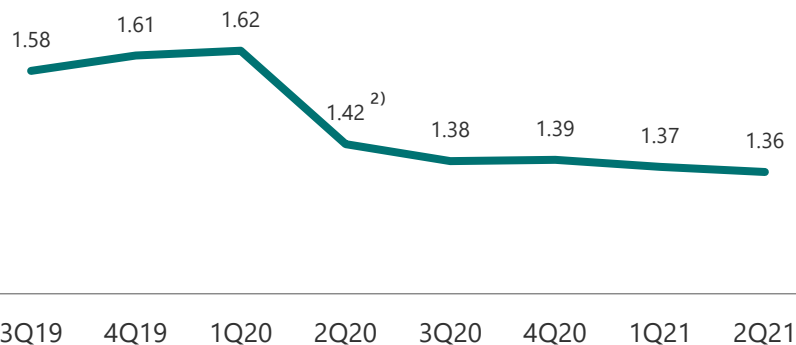


— Performing loans — Deposits

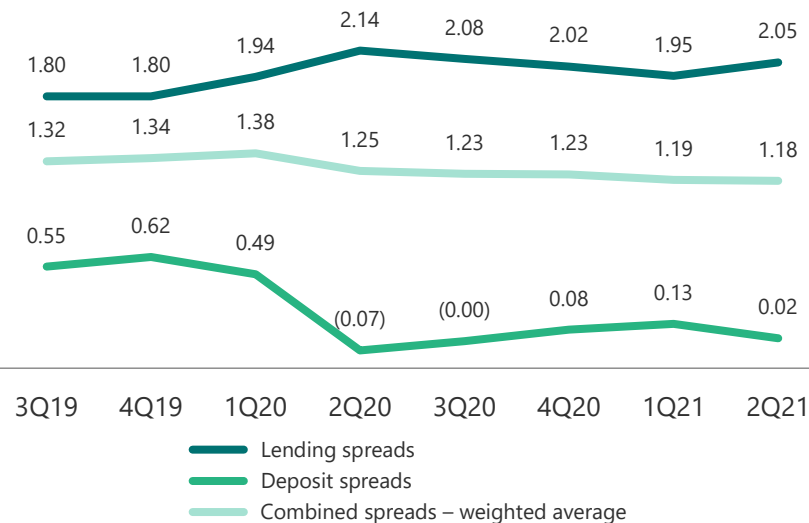
Stable development in net interest margin and combined spreads

- Spreads on lending and deposits reflected the decrease of 19 basis points in average NOK money market rates
- Increased deposit-to-loan ratio had a negative effect of ~2 basis points on both combined spreads and net interest margin

Net interest margin¹⁾
Per cent



Spreads in customer segments
Per cent



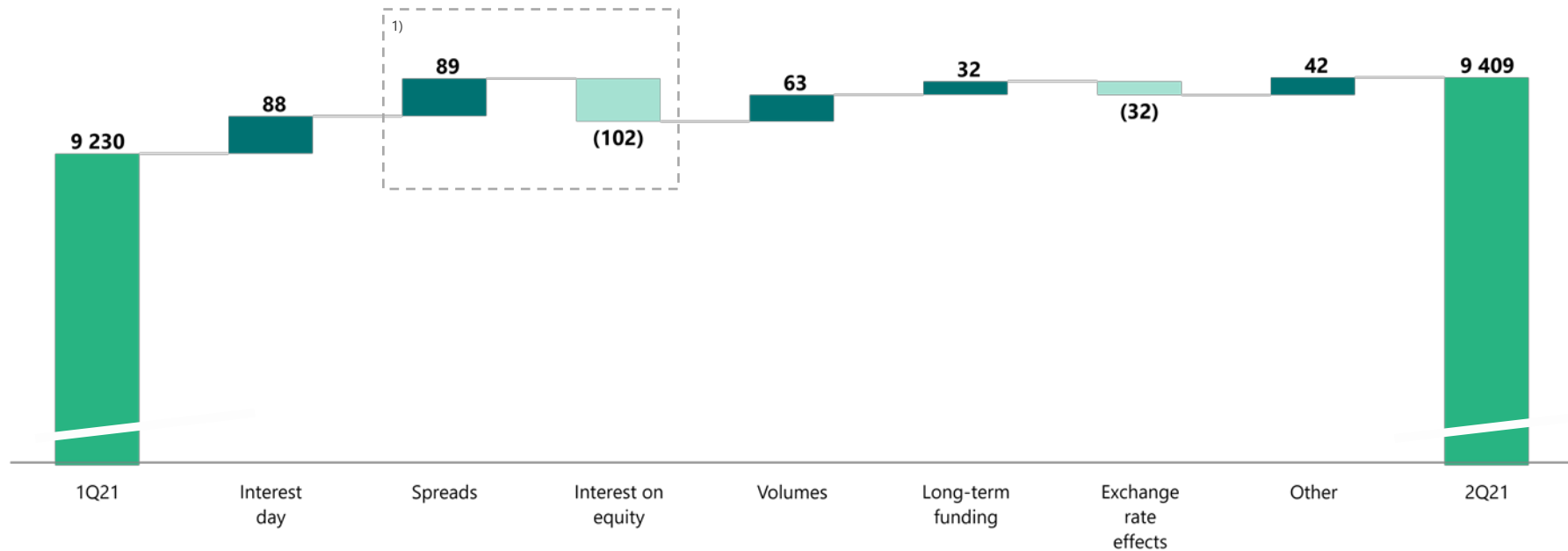
1) Total net interest income relative to average loans and deposits in the customer segments.

2) Norges Bank reduced the key policy rate from 1.50 to 0.25 per cent in March 2020 and to 0 per cent in May 2020.

Increased net interest income driven by higher volumes and an additional interest day

Net interest income from 1Q21 to 2Q21

NOK million

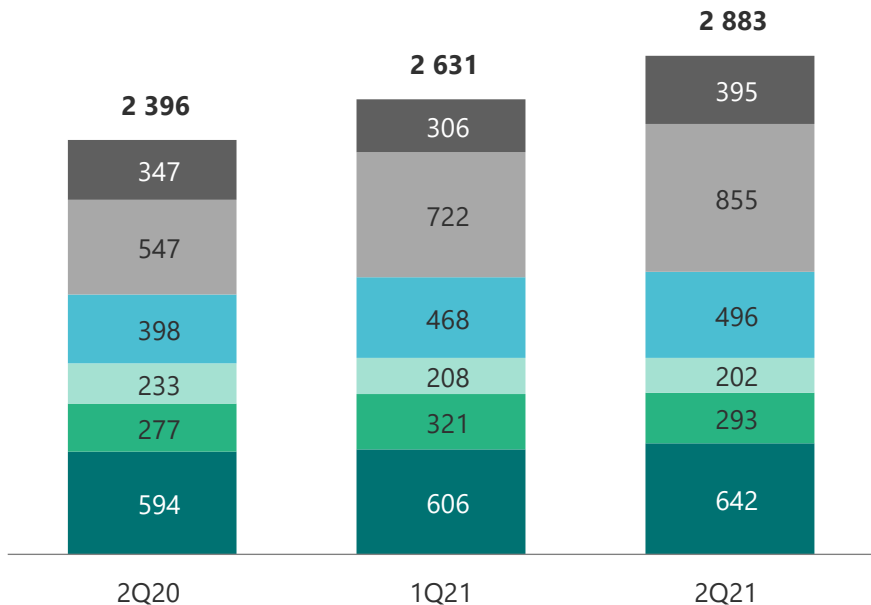


1) Positive effect of increased NOK money market rates offset by lower interest on equity.

All-time high commissions and fees – up 20 per cent from 2Q20

Commissions and fees

NOK million



- **Real estate broking**

Income up 14 per cent from 2Q20 – driven by high activity in residential real estate broking

- **Investment banking services**

High activity in all markets – income up 56 per cent from 2Q20

- **Asset management and custodial services**

Increased asset values and net inflow – income up 25 per cent from 2Q20

- **Guarantee commissions**

Income down 13 per cent from 2Q20, temporarily reduced demand for some guarantee products

- **Money transfer and banking services**

Although still affected by low international travel activity – income up 6 per cent from 2Q20

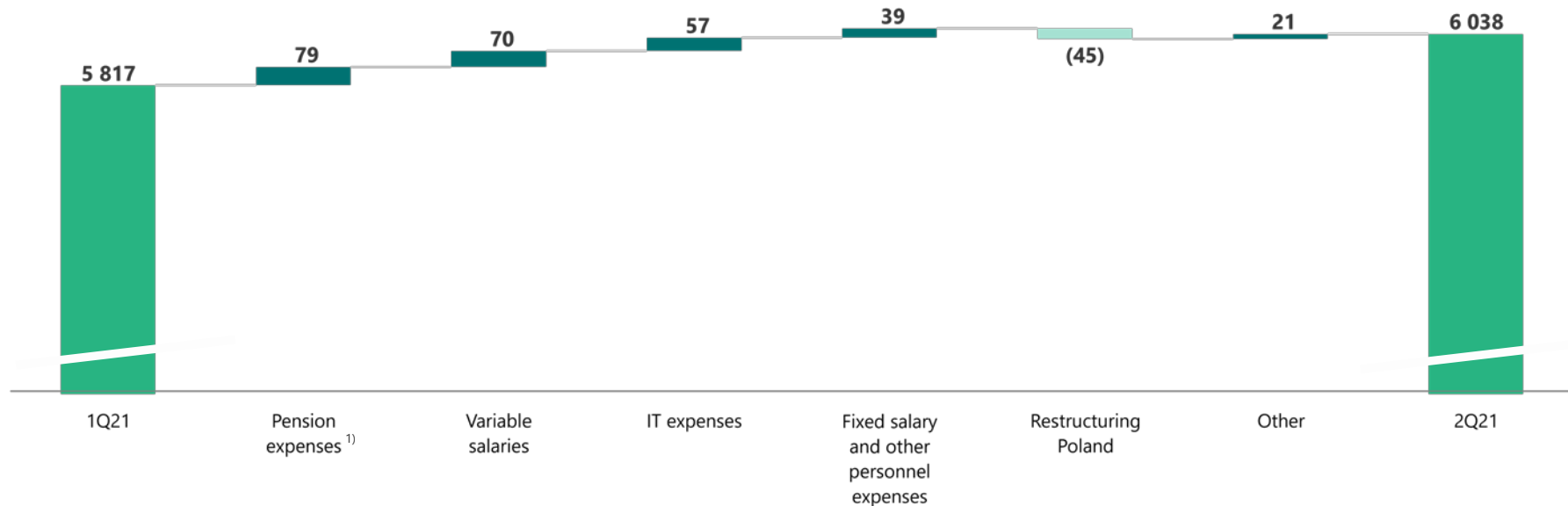
- **Sale of insurance products**

Income up 8 per cent from 2Q20 – fees from non-life insurance (Fremtind) up 47 per cent

Operating expenses reflecting increased activity and a more normalised level of IT expenses

Operating expenses from 1Q21 to 2Q21

NOK million

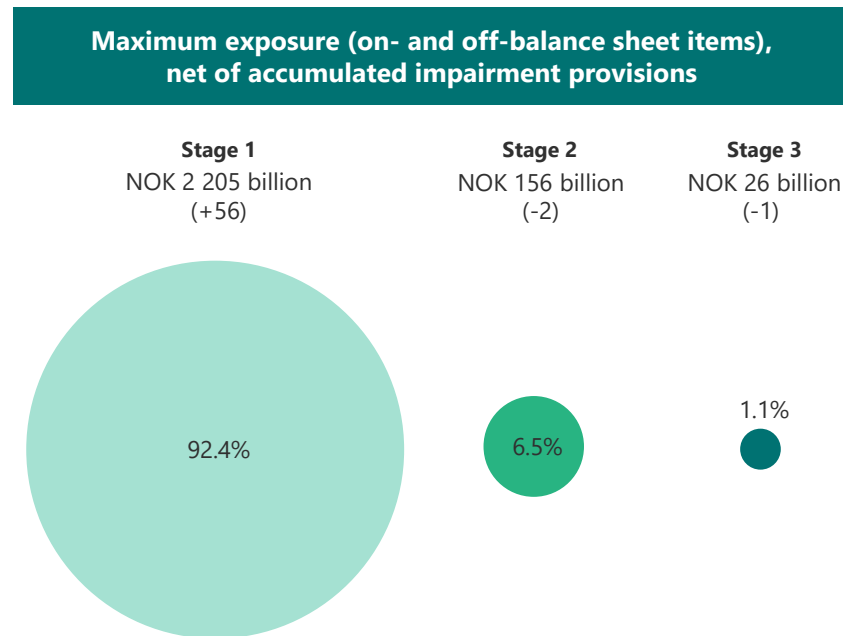


1) The scheme is partly hedged, a corresponding gain of NOK 67 million is recognised in net gains on financial instruments.

Net reversals of impairment provisions reflect the robust portfolio

- 98.9 per cent of the portfolio in stages 1 and 2
- Reversals in stages 1 and 2 reflect improved underlying credit quality
- Reversals in stage 3 are customer-specific

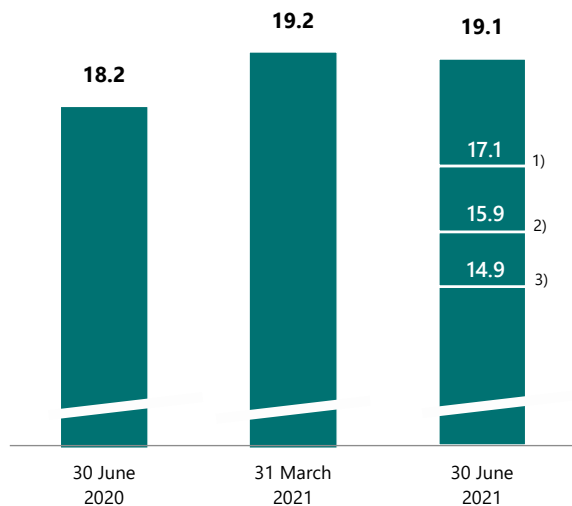
Impairment of financial instruments by industry segment			
NOK million			
	2Q21	1Q21	2Q20
Total	833	110	(2 120)
Of which:			
Personal customers			
- Stages 1 and 2	69	20	24
- Stage 3	(30)	(44)	(67)
Corporate customers^{*)}			
- Stages 1 and 2	244	209	558
- Stage 3	550	(74)	(2 636)
*) Of which oil, gas and offshore:			
- Stages 1 and 2	182	(30)	861
- Stage 3	(208)	157	(2 724)



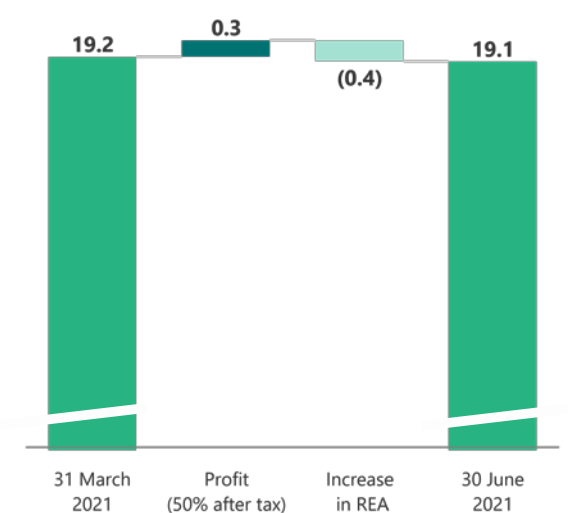
Continued high CET1 capital ratio

- CET1 capital ratio of above 17.1 per cent, including full CCyB requirement of 250 basis points, used in capital planning
- Banking Package (CRR2/CRD5/BRRD2) expected to take effect in 4Q21 at the earliest – slight net positive impact on the CET1 capital ratio
- CET1 capital ratio will initially be reduced by ~120 basis points if the acquisition of Sbanken is approved by the Norwegian Competition Authority

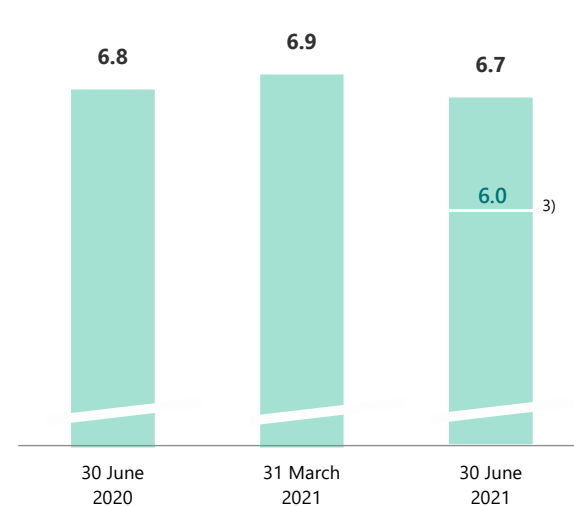
CET1 capital ratio Per cent



Development in CET1 capital ratio Per cent



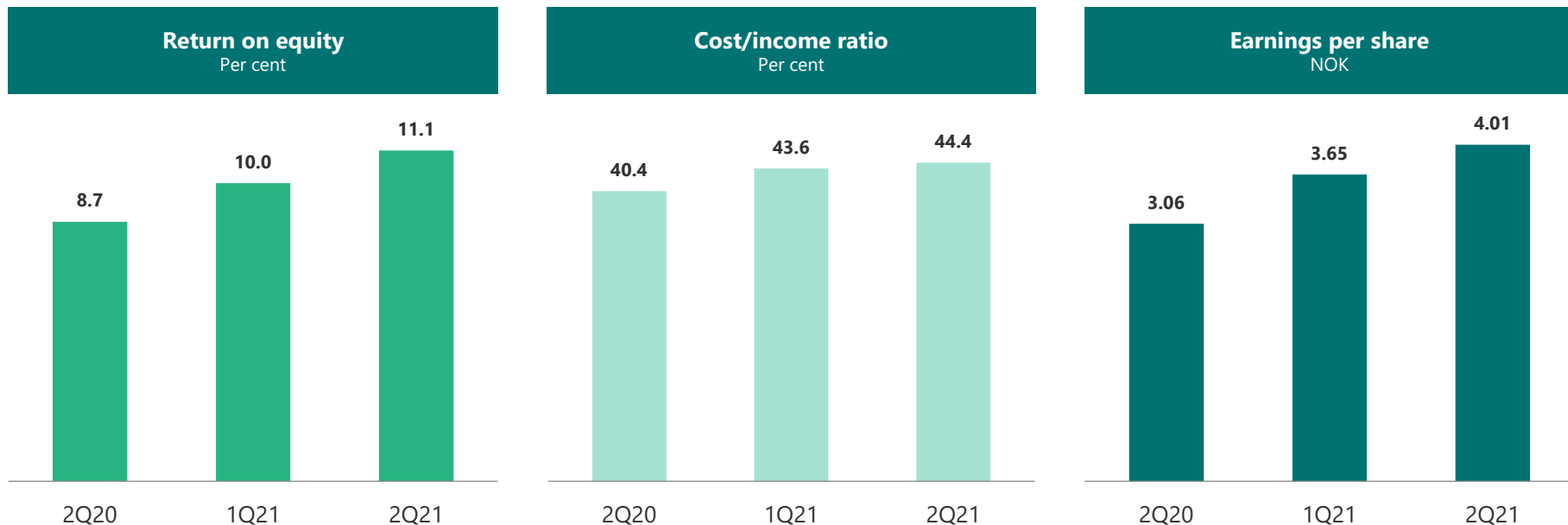
Leverage ratio Per cent



- 1) Supervisory authorities' expectation with full CCyB (counter-cyclical capital buffer) requirement expected to take effect in 2023 at the earliest.
- 2) Supervisory authorities' current expectation.
- 3) Supervisory authorities' current requirement.

Strong EPS – a firm foundation for delivering on dividend policy

- ROE positively affected by high income from net commissions and fees and net reversals of impairment provisions
- The expected interest hikes from Norges Bank will contribute positively to future earnings
- The Board of Directors has been authorised to pay out a dividend of up to NOK 9.00 per share for 2020, after September 2021



Appendix

New legal structure implemented on 1 July 2021

New legal structure

DNB Bank ASA is the new parent company of the DNB Group

- **Status**

- DNB ASA has been merged into DNB Bank ASA
 - DNB Bank ASA is now listed on Oslo Stock Exchange

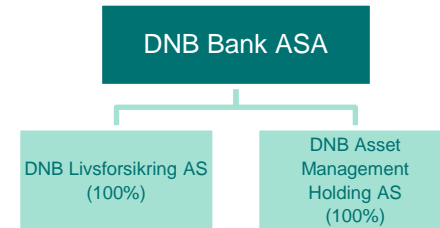
- **Effects**

- Reduced funding costs
 - Reduced corporate governance complexity
 - Simplified financial reporting

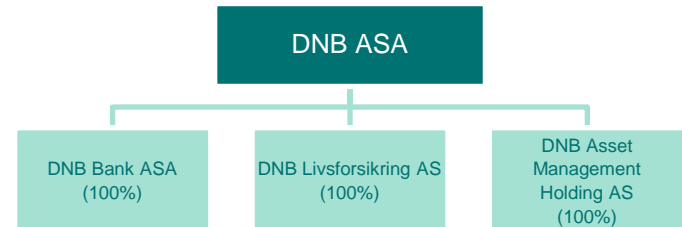
- **Ticker**

- DNB Bank ASA traded on Oslo Stock Exchange under 'DNB'
 - maintaining DNB ASA's old ticker

Current structure



Previous structure



Income statement

NOK million	2Q21	1Q21	2Q20	Change from 1Q21	Change from 2Q20
Net interest income	9 409	9 230	9 451	180	(41)
Other operating income	4 184	4 116	4 673	68	(489)
Total income	13 593	13 346	14 123	248	(530)
Operating expenses	(6 038)	(5 817)	(5 710)	(221)	(329)
Pre-tax operating profit before impairment	7 555	7 528	8 414	27	(859)
Impairment of loans and guarantees and gains on assets	730	107	(2 119)	623	2 848
Pre-tax operating profit	8 285	7 636	6 295	649	1 990
Tax expense	(1 823)	(1 680)	(1 259)	(143)	(564)
Profit from operations held for sale, after taxes	(30)	(71)	(17)	41	(13)
Profit for the period	6 432	5 885	5 019	548	1 413
Portion attributable to shareholders	6 210	5 665	4 766	545	1 444

Other operating income

NOK million	2Q21	1Q21	2Q20	Change from 1Q21	Change from 2Q20
Net commissions and fees	2 883	2 631	2 396	252	486
Customer revenues in DNB Markets	515	502	558	12	(43)
Trading revenues in DNB Markets	30	69	283	(39)	(253)
Hedging of defined-benefit pension scheme	67	66	115	1	(48)
Credit spreads on bonds	18	153	590	(136)	(572)
Credit spreads on fixed-rate loans	14	81	665	(67)	(651)
CVA/DVA/FVA	30	241	640	(211)	(610)
Other mark-to-market adjustments	12	2	183	10	(171)
Basis swaps	(212)	(345)	(19)	133	(192)
Exchange rate effects on additional Tier 1 capital	59	29	(1 343)	30	1 401
Net gains on financial instruments at fair value	532	799	1 672	(266)	(1 140)
Net financial and risk result, life insurance	228	212	131	16	97
Profit from investments accounted for by the equity method	260	86	174	175	86
Other	281	389	299	(108)	(18)
Net other operating income, total	4 184	4 116	4 673	68	(489)

Norwegian society has shown resilience in its handling of the pandemic

- Scandinavian countries among the world's most digitalised societies, which make the restrictions aimed at limiting spread of the virus more effective
- A high level of public trust in the authorities has, together with strong welfare policies, led to a high degree of compliance with Government guidelines
- More than 90 per cent of those who have been offered the vaccine have accepted

Digital society

Unique digital infrastructure

97 per cent
of Norwegians use the internet



3 per cent
of payments are made in cash



>80 per cent
fully-digital tax returns

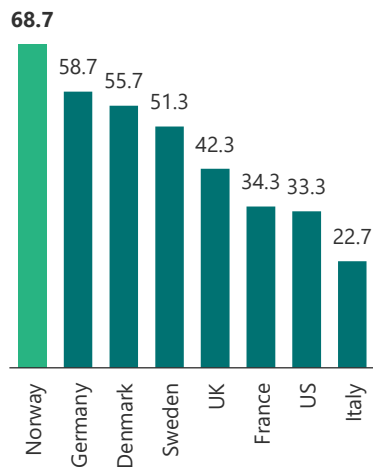


No. 1
on Governance in the
Network Readiness Index



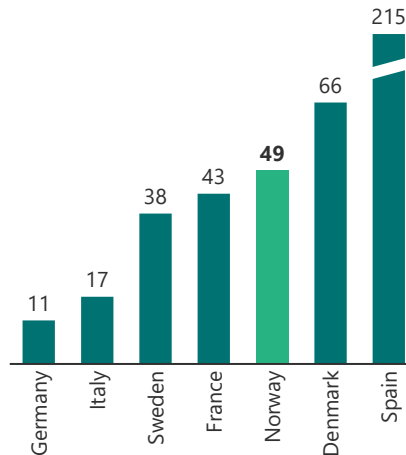
Trust in the authorities

Share of people reporting confidence in national government, per cent



COVID-19 cases

14-day cumulative number of cases per 100 000 persons, as of 8 July



Vaccination

In Norway

Progress estimates as at 28 June

- Everyone above the age of 18 has been offered the first vaccine dose by mid-August

Status as at 9 July

- More than 70 per cent above the age of 18 have received the first vaccine dose
- 37 per cent above the age of 18 have received second vaccine dose

DISCLAIMER

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

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

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

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

This presentation contains alternative performance measures, or non-IFRS financial measures. Definitions and calculations are presented in our quarterly reports.



Results DNB Group

Second quarter 2021

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