

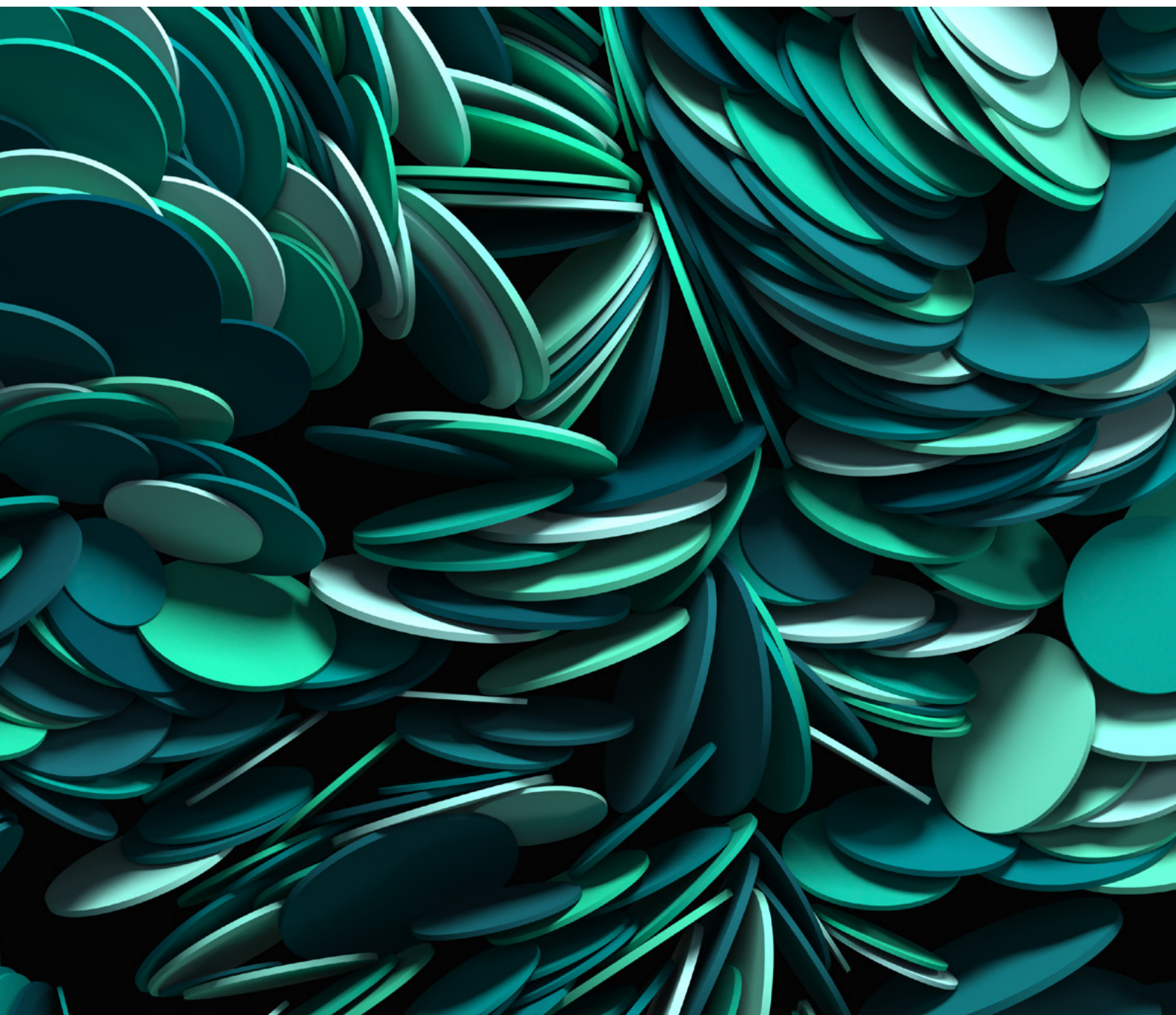
DNB Group

Third quarter report 2021

(Unaudited)

DNB

Q3



Financial highlights

DNB Group

Income statement

Amounts in NOK million

	3rd quarter 2021	3rd quarter 2020	January-September 2021	January-September 2020	Full year 2020
Net interest income	9 766	9 298	28 405	29 144	38 623
Net commissions and fees	2 448	2 372	7 962	7 006	9 500
Net gains on financial instruments at fair value	1 585	819	2 916	5 719	5 902
Net financial and risk result, life insurance	147	299	587	185	659
Other operating income	396	619	1 412	1 020	1 714
Net other operating income	4 577	4 109	12 877	13 930	17 776
Total income	14 343	13 407	41 281	43 074	56 399
Operating expenses	(5 738)	(5 689)	(17 423)	(16 683)	(22 759)
Restructuring costs and non-recurring effects	(14)	(13)	(184)	(209)	(643)
Pre-tax operating profit before impairment	8 591	7 706	23 674	26 182	32 998
Net gains on fixed and intangible assets	0	0	(106)	782	767
Impairment of financial instruments	200	(776)	1 143	(8 668)	(9 918)
Pre-tax operating profit	8 791	6 929	24 712	18 296	23 847
Tax expense	(1 934)	(1 386)	(5 437)	(3 659)	(4 229)
Profit from operations held for sale, after taxes	26	2	(75)	(71)	221
Profit for the period	6 883	5 546	19 200	14 566	19 840

Balance sheet

Amounts in NOK million

	30 Sept. 2021	31 Dec. 2020	30 Sept. 2020
Total assets	3 146 308	2 918 943	3 038 767
Loans to customers	1 723 214	1 693 811	1 705 488
Deposits from customers	1 233 576	1 105 574	1 099 817
Total equity	252 497	248 396	245 110
Average total assets	3 367 262	3 230 354	3 232 317
Total combined assets	3 667 016	3 363 166	3 455 798

Key figures and alternative performance measures

	3rd quarter 2021	3rd quarter 2020	January-September 2021	January-September 2020	Full year 2020
Return on equity, annualised (per cent) ¹⁾	11.4	9.5	10.8	8.2	8.4
Earnings per share (NOK)	4.29	3.41	11.95	8.76	12.04
Combined weighted total average spreads for lending and deposits (per cent) ¹⁾	1.16	1.23	1.18	1.29	1.27
Average spreads for ordinary lending to customers (per cent) ¹⁾	1.97	2.08	1.99	2.05	2.04
Average spreads for deposits from customers (per cent) ¹⁾	0.11	(0.00)	0.08	0.13	0.12
Cost/income ratio (per cent) ¹⁾	40.1	42.5	42.7	39.2	41.5
Ratio of customer deposits to net loans to customers at end of period ¹⁾	73.9	66.0	73.9	66.0	67.3
Net loans at amortised cost and financial commitments in stage 2, per cent of net loans at amortised cost ¹⁾	9.28	13.36	9.28	13.36	10.51
Net loans at amortised cost and financial commitments in stage 3, per cent of net loans at amortised cost ¹⁾	1.63	1.83	1.63	1.83	1.55
Impairment relative to average net loans to customers at amortised cost, annualised (per cent) ¹⁾	0.05	(0.19)	0.09	(0.70)	(0.60)
Common equity Tier 1 capital ratio at end of period (per cent)	19.2	18.9	19.2	18.9	18.7
Leverage ratio (per cent)	6.8	6.9	6.8	6.9	7.1
Share price at end of period (NOK) ²⁾	199.95	129.30	199.95	129.30	168.00
Book value per share	151.55	146.08	151.55	146.08	148.30
Price/book value ¹⁾	1.32	0.89	1.32	0.89	1.13
Dividend per share (NOK) ³⁾					9.00
Score from RepTrak's reputation survey in Norway (points)	73.9	72.0	73.9	72.0	76.7
Customer satisfaction index, CSI, personal customers in Norway (score)	72.7	74.3	73.5	73.2	73.6
Female representation at management levels 1-4 (%)	39.0	38.6	39.0	38.6	39.5

1) Defined as alternative performance measure (APM). APMs are described on ir.dnb.no.

2) See note G1 to the consolidated accounts for information about the intragroup merger between DNB ASA and DNB Bank ASA. DNB Bank ASA, as the surviving company, has maintained the ticker "DNB".

3) Dividends for 2019 were distributed as of 4 March 2021. The Board of Directors decided at the Board meeting on 20 October 2021 to pay out a dividend of NOK 9.00 per share for 2020, for distribution as of 5 November 2021.

For additional key figures and definitions, please see the Factbook on ir.dnb.no.

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

Directors' report

Norwegian society reopened fully in the third quarter, and the upswing in the Norwegian economy continued. The activity level is now higher than before the pandemic, and the key policy rate was increased by an expected 0.25 per cent in September. With a gradual normalisation of the key policy rate and six expected additional rate hikes before the end of 2024, DNB, with its solid asset quality and strong performance in the quarter, has a sound position for further growth in income and for delivering on the dividend policy.

Third quarter financial performance

The profit in the quarter was NOK 6 883 million, an increase of NOK 1 337 million from the year-earlier period. Compared with the previous quarter, profits increased by NOK 451 million.

Earnings per share were NOK 4.29 in the quarter, an increase from NOK 3.41 in the year-earlier period and from NOK 4.01 in the second quarter of 2021.

The common equity Tier 1 (CET1) capital ratio was 19.2 per cent, up from 18.9 per cent a year earlier, and from 19.1 per cent in the second quarter of 2021.

The leverage ratio for the Group was 6.8 per cent, down from 6.9 per cent in the third quarter of 2020, and up from 6.7 per cent in the second quarter of 2021.

Return on equity (ROE) ended at 11.4 per cent, positively impacted by solid performance across the Group, increased net interest income combined with lower operating expenses and net reversals of impairment of financial instruments. The corresponding figures were 9.5 per cent in the third quarter of 2020 and 11.1 per cent in the second quarter of 2021.

Net interest income was up NOK 468 million, or 5.0 per cent from the third quarter of 2020. This was mainly due to increased volumes, but was partly offset by negative exchange rate effects and reduced margins driven by an increase in average NOK money market rates. Compared with the second quarter of 2021, net interest income was up NOK 357 million or 3.8 per cent, driven by increased volumes, one additional interest rate day and positive exchange rate effects.

Net other operating income amounted to NOK 4 577 million in the third quarter, up NOK 468 million from the corresponding period in 2020, affected by positive exchange rate effects on additional Tier 1 (AT1) capital and basis swaps. Net commissions and fees increased by NOK 76 million. Compared with the second quarter of 2021, net other operating income was up NOK 393 million, due to positive exchange rate effects on AT1 capital, basis swaps and other mark-to-market adjustments.

Operating expenses amounted to NOK 5 752 million in the third quarter, at a comparable level to the corresponding quarter last year. The operating expenses were affected by lower pension expenses, but were somewhat offset by higher personnel expenses related to higher activity. Compared with the previous quarter, operating expenses were down NOK 287 million, mainly due to capitalisation of IT expenses and reduced pension expenses.

Impairment of financial instruments showed net reversals of NOK 200 million in the third quarter of 2021. This was an improvement compared with the third quarter of last year, which saw impairment provisions of NOK 776 million, while the second quarter of 2021 showed net reversals of NOK 833 million. The net reversals in the quarter were mainly due to the corporate customers industry segment.

Dividends

At the Annual General Meeting (AGM) held on 27 April, the Board of Directors was given an authorisation to pay a dividend of up to NOK 9.00 per share for the 2020 accounting year, applicable from 1 October 2021 until the AGM in 2022.

On 7 September, the Ministry of Finance decided that Norwegian banks may distribute profits in accordance with the usual framework for profit distribution after 30 September, as they see that uncertainty in the economic outlook has been reduced. In light of this, the Board decided at the Board meeting on 20 October 2021 to pay a dividend of NOK 9.00 per share for 2020. The ex-dividend date will be 28 October with distribution as of 5 November.

Sustainability in DNB

In the revised sustainable strategy launched in the previous quarter, DNB stated that it will be a driving force for sustainable transition.

DNB has set concrete and measurable targets for its contribution to climate transition and sustainable value creation. This includes an overall goal of achieving net-zero emissions from the company's financing and investment activities by 2050, as well as sub-targets for the reduction of financed emissions in its oil and gas, shipping and commercial real estate portfolios. In order to help customers move in a more sustainable direction and reduce emissions, the Group has also set a target to finance and facilitate sustainable activities worth NOK 1 500 billion by 2030. Similarly, it has set targets to increase the total assets invested through DNB Asset Management's mutual funds with a sustainability profile. The new targets have already raised the level of activity in DNB's sustainability work significantly.

In the third quarter, DNB has focused its sustainability efforts on implementing the sustainable strategy and setting up necessary processes and governance structures to deliver on the targets. In addition to fully integrating the new strategy into the company's corporate governance, the work to implement the strategy is particularly focused on data gathering and reporting, as well as on competence development and skills enhancement. Establishing robust processes for ESG data gathering and reporting is important for delivering on both the sustainable strategy and new EU disclosure requirements, such as the Taxonomy Regulation. Similarly, sustainability competence throughout the Group is key to delivering on the Group's targets and to helping customers move in a more sustainable direction.

DNB expects to reach several implementation milestones in the next quarter, within both sustainability governance and competence development. In the annual report for 2021, the Group further expects to be able to report progress on its targets for sustainable financing and assets under management, as well as on two out of three sector emissions targets. Moreover, the Group will report on its portfolio's taxonomy eligibility. This will further strengthen the Group's sustainability reporting, which was given the top score (A) in an annual analysis carried out by the independent research and advisory firm 'The Governance Group'. This analysis focuses on the ESG reporting of the 100 largest companies listed on Oslo Børs (the Oslo Stock Exchange).

As part of the revised sustainable strategy, DNB also identified several prioritised sustainability challenges that will be important to the Group's stakeholders in the time ahead. One such challenge is biodiversity loss. In the third quarter, DNB Asset Management took several steps to strengthen its work in this area by publishing criteria and expectations on biodiversity and signing the Finance for Biodiversity Pledge.

Other events in the third quarter

The merger of DNB ASA and DNB Bank ASA, with DNB Bank ASA as the surviving company, was completed on 1 July 2021.

In July, the Ministry of Finance gave its approval of DNB's acquisition of Sbanken, based on a recommendation from Finans-tilsynet (the Financial Supervisory Authority of Norway). The only regulatory approval still outstanding is from the Norwegian Competition Authority, which is expected to give its response on 28 October.

In September, it was announced that DNB and Aprila Bank are entering into an agreement to test the distribution of Aprila's automated financing solution for small businesses through DNB's channels. Initially, the collaboration is a one-year pilot project to help small businesses obtain credit faster.

On 13 September, it was announced that Ida Lerner will be the new Chief Financial Officer (CFO) of DNB from 1 November, as Ottar Ertzeid will step down.

In September, the Ministry of Finance approved DNB's and SpareBank1's acquisition of the ERP provider Uni Micro. The acquisition was completed at end-September.

DNB NXT, a meeting place for start-ups, growth companies and investors, was held on 27 to 29 September for the sixth year in a row.

In August, NOKAS took over ownership and operation of DNB's cash machines/ATMs. For customers, this only means a change of logo, but for DNB, it means that cash handling will be left to a company that has this as one of its core business areas.

In July, the rating agency Moody's upgraded the rating of DNB's senior non-preferred bonds from A3 to A2.

In RepTrak's reputation survey for the third quarter, DNB scored 73.9 points. The goal is a result over 70 points, which indicates that DNB is a well-liked bank. This is the twelfth consecutive quarter in which DNB has scored over 70 points.

In August, DNB received an award in the category 'Innovation Excellence' at the Blue Prism Customer Excellence Awards 2021. Blue Prism is a global supplier of robotics automation technology, which DNB has been using since 2016. The award was made by an independent panel of industry professionals and experts in digital transformation, and DNB received the award for its 'innovative and creative use of the digital workforce'.

DNB Markets achieved first-place rankings in the annual Prospera benchmarking for 2021, in the categories Back Office FI, FX & Derivatives, Equity, DCM High Yield Issuers, Nordic High Yield Investors, Investment Grade Credit Products and Government Securities.

In September, DNB decided to increase the customer interest rate with effect from October for corporate customers and November for personal customers.

Financial performance in the first three quarters

DNB recorded profits of NOK 19 200 million in the first three quarters of 2021, up NOK 4 634 million from the previous year. Return on equity was 10.8 per cent, compared with 8.2 per cent in the year-earlier period, and earnings per share were NOK 11.95, up 36.4 per cent from NOK 8.76.

Net interest income decreased by NOK 739 million from the same period last year, driven by negative exchange rate effects and a negative contribution from spreads. However, volumes contributed positively. There was an average increase in the healthy loan portfolio of 0.5 per cent in parallel with a 12.7 per cent increase in average deposit volumes from the first three quarters of 2020. The combined spreads narrowed by 11 basis points compared with the year-earlier period. Average lending spreads for the customer segments narrowed by 6 basis points, and deposit spreads narrowed by 5 basis points.

Net other operating income decreased by NOK 1 053 million from the first three quarters of 2020, mainly due to negative exchange rate effects on AT1 capital and basis swaps. Net commissions and fees showed a strong development and increased by NOK 956 million, or 13.6 per cent. The increase was due to higher income from investment banking and asset management services, as well as insurance.

Total operating expenses were up NOK 715 million from the first three quarters of 2020 due to higher activity and personnel expenses, increased pension expenses and other operating expenses.

There were net reversals of impairment of financial instruments of NOK 1 143 million in the first three quarters of 2021, a decrease of NOK 9 811 million from the previous year. The large decrease is a consequence of the COVID-19 pandemic's impact, in combination with the effect of the oil price fall, on the economy last year.

Third quarter income statement – main items

Net interest income

Amounts in NOK million	3Q21	2Q21	3Q20
Lending spreads, customer segments	7 951	8 067	8 201
Deposit spreads, customer segments	330	65	(0)
Amortisation effects and fees	955	884	922
Operational leasing	559	535	510
Contributions to the deposit guarantee and resolution funds	(268)	(277)	(256)
Other net interest income	238	133	(78)
Net interest income	9 766	9 409	9 298

Net interest income increased by NOK 468 million, or 5.0 per cent, from the third quarter of 2020. This was mainly due to increased volumes, which were partly offset by negative exchange rate effects and reduced margins driven by an increase in average NOK money market rates. There was an average increase of NOK 28.9 billion, or 1.8 per cent, in the healthy loan portfolio compared with the third quarter of 2020. Adjusted for exchange rate effects, volumes were up NOK 40.5 billion, or 2.6 per cent. During the same period, deposits were up NOK 139.9 billion, or 12.9 per cent. Adjusted for exchange rate effects, there was an increase of NOK 149.2 billion, or 13.8 per cent. Average lending spreads narrowed by 10 basis points, and deposit spreads widened by 11 basis points compared with the third quarter of 2020. Volume-weighted spreads for the customer segments narrowed by 7 basis points compared with the same period in 2020.

Compared with the second quarter of 2021, net interest income increased by NOK 357 million, or 3.8 per cent, driven by increased volumes, one additional interest day and positive exchange rate effects. Spreads contributed negatively as an effect of increased NOK money market rates, but were offset by higher interest on equity. There was an average increase of NOK 18.8 billion, or 1.2 per cent, in the healthy loan portfolio, and deposits were up NOK 40.7 billion, or 3.5 per cent. Volume-weighted spreads for the customer segments narrowed by 2 basis points compared with the previous quarter. Spreads on lending and deposits reflected the 12-basis-point increase in average NOK money market rates.

Net other operating income

Amounts in NOK million	3Q21	2Q21	3Q20
Net commissions and fees	2 448	2 883	2 372
Basis swaps	147	(212)	(363)
Exchange rate effects on additional Tier 1 capital	274	59	(391)
Net gains on other financial instruments at fair value	1 164	685	1 572
Net financial and risk result, life insurance	147	228	299
Net profit from associated companies	185	260	310
Other operating income	212	281	309
Net other operating income	4 577	4 184	4 109

Net other operating income increased by NOK 468 million from the third quarter of 2020, affected by positive exchange rate effects on AT1 capital and basis swaps. Net commissions and fees increased by NOK 76 million, or 3.2 per cent, from the year-earlier period, mainly driven by higher income from sale of insurance products and asset management services which were at an all-time high this quarter.

Compared with the previous quarter, net other operating income was up NOK 393 million, due to positive exchange rate effects on AT1 capital, basis swaps and other mark-to-market adjustments. Net commissions and fees decreased by NOK 435 million, or 15.1 per cent, mainly due to seasonally lower activity within investment banking services and real estate broking. However, asset management and money transfer services contributed positively as an effect of the reopening of society.

Operating expenses

Amounts in NOK million	3Q21	2Q21	3Q20
Salaries and other personnel expenses	(3 301)	(3 442)	(3 273)
Restructuring expenses	(1)	(37)	(2)
Other expenses	(1 608)	(1 724)	(1 583)
Depreciation of fixed and intangible assets	(844)	(834)	(833)
Impairment of fixed and intangible assets	2	(1)	(11)
Total operating expenses	(5 752)	(6 038)	(5 702)

Operating expenses were on a comparable level to the third quarter of 2020, affected by lower pension expenses, but were somewhat offset by higher personnel expenses related to higher activity.

Compared with the second quarter of 2021, operating expenses were down NOK 287 million, or 4.7 per cent. This can partly be ascribed to seasonal effects and reduced IT expenses due to capitalisation, as well as operating expenses still being positively affected by the pandemic. In addition there were lower pension expenses due to the reduced return on the closed defined-contribution pension scheme, where the hedging is presented as gains on financial instruments.

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

Impairment of financial instruments by industry segment

Amounts in NOK million	3Q21	2Q21	3Q20
Personal customers	(26)	39	360
Commercial real estate	35	7	24
Shipping	101	81	32
Oil, gas and offshore	90	(26)	(1 037)
Other industry segments	0	733	(156)
Total impairment of financial instruments	200	833	(776)

There were net reversals of impairment of financial instruments of NOK 200 million in the third quarter of 2021. This is an improvement of NOK 976 million compared with the year-earlier period, which saw impairment provisions of NOK 776 million. The positive effects can be ascribed to the severe effects of the pandemic in 2020. The second quarter of 2021 saw net reversals of NOK 833 million. Overall, both the underlying credit quality and macro forecasts have gradually improved since the third quarter of last year.

The personal customers industry segment had impairment provisions of NOK 26 million in the quarter, compared with net reversals of NOK 360 million in the same quarter of 2020, and net reversals of NOK 39 million in the second quarter of 2021. The low level of impairment in the quarter could be seen in stage 3, curtailed by reversals in stages 1 and 2 due to slightly improved macro outlook.

The commercial real estate industry segment showed net reversals of NOK 35 million, compared with the third quarter of 2020 and the second quarter of 2021, which saw net reversals of NOK 24 million and NOK 7 million, respectively. Reversals in the quarter could be seen across all stages, and the underlying credit and macro outlook remained stable.

There were net reversals in the shipping industry segment of NOK 101 million in the third quarter. This was an improvement compared with both the third quarter of 2020 and the second quarter of 2021, which showed net reversals of NOK 32 million and NOK 81 million, respectively. The net reversals could be seen in both stages 2 and 3 and were primarily related to positive developments for specific customers.

The oil, gas and offshore industry segment showed net reversals across all stages of NOK 90 million, compared with impairment provisions of NOK 1 037 million and NOK 26 million in the third quarter of 2020 and second quarter of 2021, respectively. The positive effect in the quarter can primarily be explained by stage 2 reversals driven by an improved macro outlook.

Other industry segments had net zero impairment in the third quarter compared with impairment provisions of NOK 156 million in the corresponding quarter of 2020 and net reversals of NOK 733 million in the second quarter of 2021. Stage 3 showed impairment provisions curtailed by reversals in stages 1 and 2, mainly due to improved underlying credit quality across most segments.

Net stage 3 loans and financial commitments amounted to NOK 27 billion at end-September 2021, which was down NOK 3 billion compared with last year and up NOK 2 billion compared with the second quarter of 2021.

Taxes

The DNB Group's tax expense for the third quarter has been estimated at NOK 1 934 million, or 22.0 per cent of pre-tax operating profits.

Financial performance – segments

Financial governance in DNB is adapted to the different customer segments. Reported figures reflect total sales of products and services to the relevant segments.

Personal customers

Income statement in NOK million	3Q21	2Q21	3Q20
Net interest income	3 148	3 244	3 184
Net other operating income	1 311	1 400	1 173
Total income	4 459	4 644	4 356
Operating expenses	(2 177)	(2 322)	(2 176)
Pre-tax operating profit before impairment	2 282	2 322	2 180
Impairment of financial instruments	22	114	167
Pre-tax operating profit	2 303	2 437	2 347
Tax expense	(576)	(609)	(587)
Profit for the period	1 728	1 827	1 760

Average balance sheet items in NOK billion

Loans to customers	834.5	825.2	802.6
Deposits from customers	490.7	477.2	462.6

Key figures in per cent

Lending spreads ¹⁾	1.52	1.64	1.70
Deposit spreads ¹⁾	0.13	(0.00)	(0.03)
Return on allocated capital	14.2	15.5	14.1
Cost/income ratio	48.8	50.0	50.0
Ratio of deposits to loans	58.8	57.8	57.6

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

The personal customers segment delivered sound results in the third quarter of 2021, with a return on allocated capital of 14.2 per cent. A rise in net other operating income combined with stable costs contributed positively, compared with the corresponding quarter last year.

Combined spreads on loans and deposits narrowed by 6 basis points from the corresponding quarter of 2020, and 4 basis points from the previous quarter, mainly due to increasing NOK money market rates.

Loans to customers grew by 4.0 per cent compared with the third quarter of 2020. The healthy home mortgage portfolio grew by

4.0 per cent in the same period. Deposits from customers continued to show a solid average growth of 6.1 per cent compared with the year-earlier period, and the ratio of deposits to loans improved by 1.2 percentage points.

Net other operating income rose by 11.7 per cent compared with the third quarter of 2020, mainly due to increased revenues from payment services and a continued positive development in long-term savings products and income from Markets. Income from real estate broking activities decreased by 19.8 per cent in the same period, from a high level in the third quarter of 2020.

Operating expenses were at the same level as the corresponding quarter last year. Compared with the previous quarter, operating expenses decreased by 6.2 per cent. Capitalisation of IT expenses, as well as a decrease in real estate broking activities, contributed positively to this development.

The personal customers segment saw net reversals of impairment of financial instruments of NOK 22 million in the third quarter. Overall, the credit quality and macro forecasts were stable in the quarter, and impairment losses remained at a low level.

DNB's market share of credit to households stood at 22.7 per cent at end-August 2021, while the market share of total household savings was 30.2 per cent at the same point in time. The market share of mutual funds was 38.5 per cent at end-September 2021. DNB Eiendom had an average market share of 15.9 per cent in the third quarter of 2021.

The campaign 'Ditt økonomiske DNA' (your financial DNA) was launched on 10 September, and will help DNB to increase the quality of its savings advice, and to digitalise the advisory process. In August, Nokas AS took over the ownership and operation of DNB's cash machines/ATMs, except for the ATMs at Gardermoen and Flesland airports in Oslo and Bergen.

Corporate customers

<i>Income statement in NOK million</i>	3Q21	2Q21	3Q20
Net interest income	6 176	5 912	5 803
Net other operating income	2 064	2 264	1 898
Total income	8 240	8 176	7 701
Operating expenses	(3 272)	(3 289)	(2 992)
Pre-tax operating profit before impairment	4 968	4 887	4 709
Impairment of financial instruments	179	709	(947)
Profit from repossessed operations	53	(61)	(2)
Pre-tax operating profit	5 200	5 535	3 760
Tax expense	(1 300)	(1 384)	(940)
Profit for the period	3 900	4 151	2 820

Average balance sheet items in NOK billion

Loans to customers	786.5	773.6	788.0
Deposits from customers	731.2	703.6	621.0

Key figures in per cent

Lending spreads ¹⁾	2.46	2.48	2.47
Deposit spreads ¹⁾	0.09	0.04	0.02
Return on allocated capital	15.6	17.3	10.8
Cost/income ratio	39.7	40.2	38.9
Ratio of deposits to loans	93.0	91.0	78.8

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

The corporate customers segment delivered a solid profit and return on allocated capital in the third quarter, although slightly down from the levels in the previous quarter. The profitability in the quarter was mainly driven by increased net interest income from both lending and deposits, a net reversal of impairment of financial instruments and a net profit from repossessed operations.

Net interest income increased from both the corresponding quarter of 2020, and from the previous quarter. Average loans to customers, adjusted for exchange rate effects, were up 1.5 per cent, compared with the corresponding quarter of 2020, while average deposit volumes were up a strong 19.2 per cent. Compared with the previous quarter, average loans to customers in NOK were up 1.7 per cent. However, adjusted for exchange rate

effects, volumes were at approximately the same level in the two quarters.

There was continued growth in deposit volumes in the third quarter, and the strong increase over the last six quarters has resulted in a record-high ratio of deposits to loans, of 93.0 per cent. Lending spreads have been fairly stable, while deposit spreads were positively affected by increasing NOK money market rates throughout the quarter. NOK money market rates are expected to increase further in the coming quarters.

Net other operating income increased by 8.8 per cent, compared with the corresponding quarter last year. Compared with the previous quarter, net other operating income remained at a high level, although down from the level recognised in the previous quarter, due to lower income from Markets activities. Income from Markets activities, especially within investment banking services, tends to follow a seasonal pattern with lower activity levels in the first two months of the third quarter.

Net gains on financial instruments at fair value amounted to NOK 240 million in the quarter, mainly due to mark-to-market adjustments. This was an increase from NOK 174 million in the second quarter of 2021.

Operating expenses were up 9.4 per cent compared with the third quarter of 2020, mainly due to higher personnel expenses, IT expenses, and depreciation of fixed assets linked to increased operational leasing in DNB Finans. Compared with the previous quarter, operating expenses were down 0.5 per cent.

Impairment of financial instruments amounted to a net reversal of NOK 179 million in the third quarter of 2021, compared with a net reversal of NOK 709 million in the previous quarter. Impairment provisions of NOK 947 million were recognised in the corresponding quarter last year. The net reversals of impairment in the quarter were primarily driven by reversals in stages 1 and 2 due to improved credit quality and a slightly better macro-outlook, but customer-specific impairment in stage 3 was also at a moderate level.

In the time ahead, DNB will focus on capital optimisation and a further strengthening of the bank's position within the large corporates segment, as well as on ensuring continued profitable growth within the SME segment. In line with DNB's revised sustainable strategy, which was launched in the second quarter, DNB will continue its focus on green financing, being a good adviser for its customers in the green shift, and expanding its range of sustainable and green products. Alignment of DNB's Sustainable Product Framework with the EU taxonomy is also a priority, and this work is under way.

Other operations

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

<i>Income statement in NOK million</i>	3Q21	2Q21	3Q20
Net interest income	442	253	311
Net other operating income	2 208	1 512	2 008
Total income	2 649	1 765	2 319
Operating expenses	(1 308)	(1 419)	(1 503)
Pre-tax operating profit before impairment	1 341	346	816
Net gains on fixed and intangible assets	(0)	(103)	
Impairment of financial instruments	0	10	4
Profit from repossessed operations	(53)	61	2
Pre-tax operating profit	1 288	313	822
Tax expense	(58)	170	141
Profit from operations held for sale, after taxes	26	(30)	2
Profit for the period	1 256	454	965

Average balance sheet items in NOK billion

Loans to customers	106.1	130.2	127.1
Deposits from customers	106.3	101.4	58.0

The profit for the other operations segment was NOK 1 256 million in the third quarter of 2021.

Risk management income amounted to NOK 154 million in the quarter, compared with NOK 334 million in the corresponding quarter last year. This was mainly due to effects related to counterparty risk (XVA). Interest rates from deposits and repurchase agreements (repos) were performing as expected and contributed positively compared with the second quarter of 2021.

For traditional pension products with a guaranteed rate of return, net other operating income was NOK 311 million in the third quarter, down NOK 84 million from the year-earlier period, reflecting lower profits in the common portfolio. The year-earlier period showed strong profits in the common portfolio, due to the fall in the financial markets in the first half of 2020.

The solvency margin with transitional rules, which is the company's regulatory capital requirement, was 196 per cent as at 30 September 2021. This is an increase from 188 per cent at the end of the second quarter. The solvency margin without transitional rules was 158 per cent as at 30 September, up from 142 per cent in the second quarter. The main reason for the stronger solvency margin without transitional rules is higher market rates and a somewhat increased volatility adjustment.

DNB's share of the profit in associated companies (most importantly Luminor, Vipps and Fremtind) is included in this segment, with a profit of NOK 184 million in the third quarter. There was a decrease in profit from these companies of NOK 127 million compared with the third quarter of 2020, and of NOK 77 million compared with the previous quarter.

Funding, liquidity and balance sheet

Access to short-term funding through the bank's funding programmes was still good throughout the third quarter. The US market continued to provide the best levels of funding, and the bank's outstanding under the US Commercial Paper (USCP) programme remained stable at a high level. A sustained low interest rate level and ample access to liquidity as a result of financial stimuli offered by the authorities contributed significantly to this. This trend is expected to abate somewhat as the fourth quarter progresses, as the pandemic will to an increasing degree be under control and the stimuli will be reduced. A new development this quarter was the issue of DNB's first Secured Overnight Financing Rate (SOFR)-linked USCP, primarily carried out as a test deal. However, this means that the bank is ready should this become the preferred structure at some point in the future. The bank expects to continue to have good access to liquidity.

There was a high level of activity in the markets for long-term funding in the third quarter, and credit risk premiums remained stable at low levels in all markets. Towards the end of the quarter, there was a slight increase in the premiums in the secondary market, as a result of volatility relating to long-term US Treasury yields. DNB still has ample access to long-term funding in all markets, and at the end of the quarter successfully completed issues of both ordinary senior bonds and senior non-preferred bonds in the US dollar market.

DNB is subject to a minimum requirement for own funds and eligible liabilities (MREL). This requirement has been introduced to prevent and manage banks' risk of running into financial difficulties. During the quarter, the Ministry of Finance and Finanstilsynet presented clarifications relating to the MREL requirement and the cap on subordinated debt. For DNB, this means that half of the estimated NOK 140 billion needed in MREL eligible debt by 1 January 2024 can be covered by senior non-preferred bonds, and the other half by ordinary senior bonds. DNB has so far issued approximately NOK 40 billion in senior non-preferred bonds. The MREL requirement will vary over time in response to changes in the Risk Exposure Amount and capital requirements.

The total nominal value of long-term debt securities issued by the Group was NOK 587 billion at the end of the quarter, compared with NOK 670 billion a year earlier. Average remaining term to

maturity for long-term debt securities issued was 3.6 years at the end of the quarter, compared with 3.4 years a year earlier.

The short-term liquidity requirement, the Liquidity Coverage Ratio (LCR), remained stable at above 100 per cent throughout the quarter and stood at 150 per cent at the end of the quarter.

Total combined assets in the DNB Group were NOK 3 667 billion at the end of the quarter, up from NOK 3 456 billion a year earlier. Total assets in the Group's balance sheet were NOK 3 146 billion at the end of the quarter and NOK 3 039 billion a year earlier.

Loans to customers increased by NOK 17.7 billion or 1.0 per cent in the third quarter compared with the third quarter of 2020. Customer deposits were up NOK 133.8 billion, or 12.2 per cent, during the same period. The ratio of customer deposits to net loans to customers was 73.9 per cent, up from 66.0 per cent a year earlier.

Capital position

DNB's capital position remained strong during the third quarter, and the CET1 capital ratio reached 19.2 per cent at the end of the quarter, up from 18.9 per cent a year earlier, and up from 19.1 per cent at end-June. At end-September, there was a solid 338 basis points headroom above the supervisory authorities' capital level expectation. The CET1 requirement for DNB was 14.9 per cent, while the ratio expectation from the supervisory authorities was 15.9 per cent including Pillar 2 Guidance.

DNB's strong capital generation provides a firm foundation for continued delivery on the dividend policy, and the Board has decided to pay a dividend of NOK 9.00 per share for 2020, for distribution as of 5 November.

The risk exposure amount increased by NOK 6 billion from end-June, to NOK 982 billion at end-September 2021. The increase was mainly driven by lending growth. Profit in the period led to an increase in the CET1 capital ratio of 33 basis points.

The non-risk-based leverage ratio was 6.8 per cent at end-September, down from 6.9 per cent from the year-earlier period, and up from 6.7 per cent at end-June.

Development in CET1 capital ratio

Per cent	CET1 capital ratio
2Q21	19.1
Retained profit (50 per cent after tax)	0.3
Increase in risk exposure amount	(0.1)
3Q21	19.2

Capital adequacy

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

Capital and risk

	3Q21	2Q21	3Q20
CET1 capital ratio, per cent	19.2	19.1	18.9
Tier 1 capital ratio, per cent	20.8	20.3	20.3
Capital ratio, per cent	23.4	22.2	22.5
Risk exposure amount, NOK billion	982	977	980
Leverage ratio, per cent	6.8	6.7	6.9

As the DNB Group consists of both a credit institution and an insurance company, DNB has to satisfy a cross-sectoral calculation test to demonstrate that it complies with sectoral requirements: the capital adequacy requirement, in accordance with CRR/CRD IV, and the Solvency II requirement. At end-September, DNB complied with these requirements by a good margin, with excess capital of NOK 48.8 billion.

New regulatory framework

The Banking Package will not take effect in Norway until 2022

The EU Banking Package consists of amendments to the Capital Requirements Regulation and Capital Requirements Directive (CRR II/CRD V) and to the Bank Recovery and Resolution Directive (BRRD II). The Storting (Norwegian parliament) has passed a bill on the implementation of the EU Banking Package in Norwegian law. However, there is some uncertainty as to when this legislation will be incorporated into the EEA Agreement and made applicable in Norway. The entry into force in the EEA Agreement depends on when constitutional reservations regarding the individual legislative acts can be lifted in all three EEA/EFTA member states. This is not expected to happen until the first half of 2022 at the earliest. DNB will therefore report in accordance with the current legislation (CRR/CRD IV) for all accounting periods in 2021.

Counter-cyclical capital buffer requirement likely to increase from 31 December 2022

The Ministry of Finance has decided to delegate the task of setting the counter-cyclical capital buffer requirement for banks to the Norwegian central bank, Norges Bank. Norges Bank is also responsible for providing guidance to the Ministry on a regular basis concerning the size of the systemic risk buffer that should be held by banks.

The counter-cyclical capital buffer requirement is currently 1 per cent, but it will increase to 1.5 per cent with effect from 30 June 2022. On 23 September, Norges Bank decided to maintain the current requirement. In light of Norges Bank's current assessment of economic developments and the prospected losses and lending capacity of banks, the buffer requirement will be increased to 2 per cent in December 2021, effective from 31 December 2022. In its capital planning, DNB has factored in that the buffer requirement in Norway is expected to return to the pre-pandemic level of 2.5 per cent in the somewhat longer term.

Finanstilsynet's activities to be assessed by new committee

On 3 September 2021, the Government appointed a committee for reviewing and assessing Finanstilsynet's activities, and for proposing a new financial supervisory act that reflects current developments in both the regulatory area and the supervisory area. The committee's tasks include reviewing the division of responsibilities between the Ministry and the supervisory authority and their ways of working, as well as considering alternative ways of approaching this work. The deadline for the committee's work is 1 December 2022.

Clarification of banks' obligation to make cash available

The Ministry of Finance has circulated draft regulations for public comment. These regulations make clear that the individual bank has a responsibility to ensure that customers are able to deposit and withdraw cash, either facilitated by the bank itself or through an agreement with other cash service providers. According to a survey carried out by Finanstilsynet, 21 Norwegian banks do not currently offer cash services. The draft regulations do not entail any changes for DNB, which offers its customers in-store cash services from BankAxept/Vipps, among other things.

Proposed changes to Solvency II

On 22 September 2021, the European Commission presented proposed amendments to the European solvency rules for insurance companies, the Solvency II Directive. The European Insurance and Occupational Pensions Authority (EIOPA) has been tasked with assisting the European Commission in this work. The proposed amendment that is expected to have the greatest impact on Norwegian life insurance companies is the methodology for calculating capital requirements for interest rate risk. EIOPA

recommended introducing a significantly increased capital requirement. In its proposal, the European Commission clearly states that EIOPA's opinion on this point will not be followed, although the interest rate stress is expected to become somewhat higher than assumed in the current regulations. The European Commission is proposing a five-year phasing-in period from the time the rules and legislation enter into force.

Simplified cross-border pension savings

The Ministry of Finance has tasked Finanstilsynet with looking into Norway's implementation of the EU Regulation on a Pan-European Individual Pension Product (PEPP). The pension products covered by the Regulation are to be voluntary and a supplement to existing public and private pension schemes. One of the main purposes of the Regulation is to contribute to increasing the range of options for pension savings, especially for people who work across national borders. Norway already has a well-functioning market for individual pension products. It is therefore uncertain whether pension saving with PEPP will become widespread in Norway.

New Rules for the sale of insurance products

The EU Insurance Distribution Directive (IDD) regulates the distribution and sale of insurance products, and the right to carry out insurance distribution activities. On 3 September, the Government presented two propositions to the Storting. Combined, the two propositions will implement the IDD in Norwegian law. The rules will have a bearing on DNB's sale of insurance products from the Group's associated insurance company Fremtind. The rules will also have an impact on the advisory services to be offered in connection with the sale of insurance-based investment products.

Macroeconomic developments

The first half of 2021 was made up of two contrasting phases, with high infection rates and infection control measures dampening the level of activity in the first quarter, and a gradual improvement in the second quarter, with lower infection rates and the vaccination programme getting off to a good start. When most shops and other service providers reopened before the summer, consumption levels started to rise and there was a sharp increase in economic activity in May and June. In the middle of the third quarter, there was a new wave of infection that particularly affected the young and unvaccinated, but towards the end of the quarter, infection rates started to fall again. This wave of infection resulted in fewer cases of serious illness, and no new stringent restrictions impacting activities were introduced. Due to the high level of public support for the vaccine in Norway, the authorities were able to remove the last of the restrictions on 25 September, with just a few exceptions, and thus 'reopen' society.

Value creation in the Norwegian economy, measured in terms of mainland GDP, fell by 1 per cent in the first quarter, but rose by 1.4 per cent in the second quarter. Viewed by subcomponents, both the decline and the subsequent upturn in value creation were quite synchronised, although the size of the effect varied between the subcomponents. Variations in private consumption have had the greatest impact on the overall picture and provided a considerable positive boost towards the end of the second quarter. This resulted in good momentum into the second half of the year, and growth may exceed 3 per cent in the third quarter.

There has been a close correlation between the registered unemployment rate and developments in infection control measures and activity levels. In January 2021, unemployment peaked at 4.4 per cent in connection with new shutdowns. Since then, the unemployment rate has fallen considerably, in step with the reopening of society. This reduction has primarily been driven by the hardest hit industries, which underlines that the political measures have had the intended effect. Companies have been able to bring workers back quickly as the opportunities have presented themselves. At the end of September, the unemployment rate was 2.4 per cent. The social partners based the pay settlements on a

limit of 2.7 per cent. Current statistics indicate that wage growth may be higher, and DNB Markets has predicted that wage growth this year will be 3.3 per cent. The improvement in the labour market supports this. In the housing market, price growth slowed markedly in the second quarter, and average monthly growth was 0.3 per cent. Price developments slowed slightly more in Oslo than in the rest of the country. The average price growth in the housing market remained at 0.3 per cent in the third quarter. Fewer residential properties were sold in the third quarter of this year, compared with the third quarter of last year, whereas in the first and second quarters of this year, there was an increase in the number of sales. Residential property sales nevertheless remained at a high level in the third quarter.

On 23 September, Norges Bank announced a raise of the key policy rate from zero to 0.25 per cent, as it had long suggested it would. Norges Bank also stated that another rate hike will most likely occur in December this year. The interest rate path presented by Norges Bank indicates that it believes the interest rate will also be raised in March and June next year. After that, the pace will slow somewhat, and the next rate hike will occur at some point during the second half of 2022. Compared with the interest rate path presented in June, the path from September was raised slightly in 2023 and 2024, ending 12 basis points above the June interest rate path.

Future prospects

The Group's financial target of a return on equity (ROE) above 12 per cent remains unchanged for the period 2021 to 2023. Due to the COVID-19 pandemic and the subsequent developments in the macroeconomic environment, the ROE target is, however, unlikely to be achieved in 2021. This said, the following factors will help DNB to reach the ROE target during the target period: increased net interest income as a result of increasing NOK interest rates and growth in loans and deposits, as well as growth in commissions and fees from capital-light products combined with cost control measures. Capital efficiency will also contribute to a higher ROE when the payment of the 2020 dividend is taken into account, as will the effect of DNB's potential acquisition of Sbanken.

In the period 2021 to 2023, the annual increase in lending volumes is expected to be between 3 and 4 per cent, while maintaining a sound deposit-to-loan ratio. In addition to the key policy

rate hike of 0.25 per cent in September, Norges Bank's own forecasts indicate that the key policy rate is expected to increase by 0.25 per cent in December and by a further 0.25 per cent each quarter until reaching 1.25 per cent in September 2022. Thereafter, another two hikes are projected by the end of 2024, taking the key policy rate to 1.70 per cent. The announced repricing of DNB's customer loans and deposits is expected to have a full annual effect on income of approximately NOK 1.5 billion, with effect from mid-November.

During the period 2021 to 2023, DNB has an ambition to increase net commissions and fees by 4 to 5 per cent annually and to achieve a cost/income ratio below 40 per cent.

The tax rate going forward is expected to be 22 per cent.

The supervisory expectation for the common equity Tier 1 (CET1) capital ratio for DNB is 15.9 per cent, including Pillar 2 Guidance at 1.0 per cent, while the actual value achieved was 19.2 per cent. The Norwegian Ministry of Finance has announced an increase in the counter-cyclical buffer requirement from 1 to 1.5 per cent with effect from June 2022 and an additional increase to 2 per cent is expected to take effect from December 2022. In its capital planning, DNB has taken into account the full counter-cyclical buffer requirement of 2.5 per cent in Norway, which is expected to take full effect in 2023, and which will increase the supervisory expectation for the CET1 level to 17.1 per cent. The supervisory expectation plus some headroom will be DNB's target capital level. The headroom will reflect expected future capital needs including anticipated future regulatory capital changes and market-driven CET1 fluctuations.

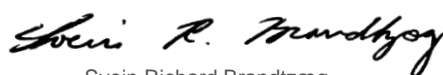
The potential acquisition of Sbanken will have an initial and immediate effect on the CET1 ratio of around 120 basis points from the expected closing in the fourth quarter of 2021, assuming approval from the Norwegian Competition Authority. The EU's Banking Package, CRR II/CRD V, is expected to take effect in 2022 with only minor effects on the CET1 capital ratio.

The Group's dividend policy remains unchanged, with a payout ratio of more than 50 per cent in cash dividends and an ambition to increase the nominal dividend per share each year. In addition to dividend payments, repurchases of own shares will be used as a flexible tool for allocating excess capital to DNB's owners.

Oslo, 20 October 2021
The Board of Directors of DNB Bank ASA



Olaug Svarva
(Chair of the Board)



Svein Richard Brandtzæg
(Vice Chair of the Board)




Gro Bakstad



Julie Galbo



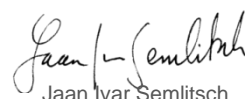
Lillian Hattrem



Jens Petter Olsen



Stian Tegler Samuelsen



Jaan Ivar Semlitsch



Eli Solhaug



Kim Wahl



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

Accounts for the DNB Group

G – Income statement

<i>Amounts in NOK million</i>	DNB Group				
	3rd quarter 2021	3rd quarter 2020	January-September 2021 2020		Full year 2020
Interest income, amortised cost	10 938	10 856	32 127	39 617	50 660
Other interest income	594	997	2 207	3 634	4 636
Interest expenses, amortised cost	(1 025)	(1 530)	(3 389)	(10 148)	(11 511)
Other interest expenses	(741)	(1 025)	(2 541)	(3 959)	(5 161)
Net interest income	9 766	9 298	28 405	29 144	38 623
Commission and fee income	3 389	3 303	10 898	9 785	13 289
Commission and fee expenses	(940)	(931)	(2 936)	(2 780)	(3 789)
Net gains on financial instruments at fair value	1 585	819	2 916	5 719	5 902
Net financial result, life insurance	53	210	363	(61)	418
Net risk result, life insurance	94	90	224	246	241
Profit from investments accounted for by the equity method	185	310	531	138	402
Net gains on investment properties	10	(20)	46	(52)	(61)
Other income	202	329	835	934	1 373
Net other operating income	4 577	4 109	12 877	13 930	17 776
Total income	14 343	13 407	41 281	43 074	56 399
Salaries and other personnel expenses	(3 302)	(3 275)	(10 120)	(9 334)	(12 873)
Other expenses	(1 608)	(1 583)	(4 989)	(5 121)	(7 208)
Depreciation and impairment of fixed and intangible assets	(842)	(843)	(2 499)	(2 437)	(3 320)
Total operating expenses	(5 752)	(5 702)	(17 607)	(16 892)	(23 401)
Pre-tax operating profit before impairment	8 591	7 706	23 674	26 182	32 998
Net gains on fixed and intangible assets	0	0	(106)	782	767
Impairment of financial instruments	200	(776)	1 143	(8 668)	(9 918)
Pre-tax operating profit	8 791	6 929	24 712	18 296	23 847
Tax expense	(1 934)	(1 386)	(5 437)	(3 659)	(4 229)
Profit from operations held for sale, after taxes	26	2	(75)	(71)	221
Profit for the period	6 883	5 546	19 200	14 566	19 840
Portion attributable to shareholders	6 657	5 293	18 532	13 629	18 712
Portion attributable to non-controlling interests	3	2	(29)	(4)	(15)
Portion attributable to additional Tier 1 capital holders	223	251	697	941	1 143
Profit for the period	6 883	5 546	19 200	14 566	19 840
Earnings/diluted earnings per share (NOK)	4.29	3.41	11.95	8.76	12.04
Earnings per share excluding operations held for sale (NOK)	4.28	3.41	12.00	8.80	11.89

G – Comprehensive income statement

<i>Amounts in NOK million</i>	DNB Group				
	3rd quarter 2021	3rd quarter 2020	January-September 2021 2020		Full year 2020
Profit for the period	6 883	5 546	19 200	14 566	19 840
Actuarial gains and losses			(144)	(288)	(324)
Property revaluation	34	31	187	90	578
Items allocated to customers (life insurance)	(18)	(31)	(171)	(90)	(578)
Financial liabilities designated at FVTPL, changes in credit risk	33	(143)	(1)	73	33
Tax	(8)	36	36	54	72
Items that will not be reclassified to the income statement	41	(107)	(93)	(161)	(218)
Currency translation of foreign operations	9	60	(685)	8 126	3 519
Currency translation reserve reclassified to the income statement			(6)		
Hedging of net investment	(108)	(135)	420	(7 145)	(3 246)
Financial assets at fair value through OCI	(27)	214	2	(27)	103
Tax	33	(20)	(106)	1 793	786
Items that may subsequently be reclassified to the income statement	(94)	119	(376)	2 748	1 161
Other comprehensive income for the period	(53)	12	(469)	2 586	943
Comprehensive income for the period	6 830	5 558	18 731	17 152	20 783

G – Balance sheet

		DNB Group		
		30 Sept. 2021	31 Dec. 2020	30 Sept. 2020
<i>Amounts in NOK million</i>	<i>Note</i>			
Assets				
Cash and deposits with central banks		532 067	283 526	367 307
Due from credit institutions		52 670	78 466	114 909
Loans to customers	4, 5, 6, 7	1 723 214	1 693 811	1 705 488
Commercial paper and bonds	7	416 658	439 231	434 815
Shareholdings	7	35 388	29 360	25 923
Financial assets, customers bearing the risk	7	131 703	116 729	105 817
Financial derivatives	7	150 016	186 740	189 614
Investment properties		17 485	18 087	17 796
Investments accounted for by the equity method		18 708	18 389	18 624
Intangible assets		5 796	5 498	5 484
Deferred tax assets		4 151	4 377	1 101
Fixed assets		21 339	20 474	19 950
Assets held for sale		2 471	2 402	1 185
Other assets		34 644	21 852	30 753
Total assets		3 146 308	2 918 943	3 038 767
Liabilities and equity				
Due to credit institutions		258 471	207 457	231 774
Deposits from customers	7	1 233 576	1 105 574	1 099 817
Financial derivatives	7	129 813	174 979	161 991
Debt securities issued	7, 8	806 029	777 829	892 089
Insurance liabilities, customers bearing the risk		131 703	116 729	105 817
Liabilities to life insurance policyholders		199 414	200 422	200 018
Payable taxes		9 607	7 556	10 051
Deferred taxes		40	48	54
Other liabilities		48 178	31 522	41 673
Liabilities held for sale		868	1 016	393
Provisions		1 590	2 096	2 128
Pension commitments		4 969	4 476	4 373
Senior non-preferred bonds	8	38 102	8 523	9 468
Subordinated loan capital	7, 8	31 451	32 319	34 011
Total liabilities		2 893 811	2 670 547	2 793 657
Additional Tier 1 capital		17 136	18 362	18 581
Non-controlling interests		404	119	46
Share capital		19 379	15 503	15 504
Share premium		18 733	22 609	22 609
Other equity		196 845	191 804	188 371
Total equity		252 497	248 396	245 110
Total liabilities and equity		3 146 308	2 918 943	3 038 767

G – Statement of changes in equity

	DNB Group							
<i>Amounts in NOK million</i>	Non-controlling interests	Share capital ¹⁾	Share premium	Additional Tier 1 capital	Net currency translation reserve	Liability credit reserve	Other equity ¹⁾	Total equity ¹⁾
Balance sheet as at 31 Dec. 2019	45	15 706	22 609	26 729	4 872	(2)	172 297	242 255
Profit for the period	(4)			941			13 629	14 566
Actuarial gains and losses							(288)	(288)
Financial assets at fair value through OCI							(27)	(27)
Financial liabilities designated at FVTPL, changes in credit risk						73		73
Currency translation of foreign operations	5				8 121			8 126
Hedging of net investment					(7 145)			(7 145)
Tax on other comprehensive income					1 786	(18)	79	1 847
Comprehensive income for the period	1			941	2 762	55	13 393	17 152
Interest payments AT1 capital				(1 156)				(1 156)
AT1 capital redeemed				(10 024)				(10 024)
Currency movements on interest payments and redemption AT1 capital				2 091			(1 971)	120
Repurchased under share buy-back programme		(202)					(3 036)	(3 238)
Balance sheet as at 30 Sept. 2020	46	15 504	22 609	18 581	7 634	53	180 685	245 110
Balance sheet as at 31 Dec. 2020	119	15 503	22 609	18 362	5 952	23	185 829	248 396
Profit for the period	(29)			697			18 532	19 200
Actuarial gains and losses							(144)	(144)
Property revaluation							16	16
Financial assets at fair value through OCI							2	2
Financial liabilities designated at FVTPL, changes in credit risk						(1)		(1)
Currency translation of foreign operations	(1)				(691)			(692)
Hedging of net investment					420			420
Tax on other comprehensive income					(105)	0	35	(70)
Comprehensive income for the period	(30)			697	(376)	(1)	18 441	18 731
Interest payments AT1 capital				(538)				(538)
Currency movements on interest payments AT1 capital				15			(11)	4
AT1 capital redeemed ²⁾				(1 400)				(1 400)
Non-controlling interests	315						(3)	313
Net sale of treasury shares ¹⁾		1					16	16
DNB ASA merger		3 876	(3 876)					
Dividends paid for 2019 (NOK 8.40 per share)							(13 023)	(13 023)
Balance sheet as at 30 Sept. 2021	404	19 379	18 733	17 136	5 576	22	191 247	252 497
<i>1) Of which treasury shares held by DNB Markets for trading purposes:</i>								
Balance sheet as at 31 December 2020		(1)					(16)	(17)
Net sale of treasury shares		1					16	16
Reversal of fair value adjustments through the income statement							(5)	(5)
Balance sheet as at 30 September 2021		(0)					(6)	(6)

2) An additional Tier 1 capital instrument of NOK 1 400 million, issued by the DNB Group's parent DNB Bank ASA in 2016, was redeemed in the second quarter of 2021.

G – Cash flow statement

	DNB Group		
	January-September 2021	2020	Full year 2020
<i>Amounts in NOK million</i>			
Operating activities			
Net payments on loans to customers	(33 832)	(9 723)	(26 092)
Interest received from customers	31 295	37 796	48 628
Net receipts on deposits from customers	127 770	108 385	133 573
Interest paid to customers	(1 500)	(3 074)	(6 597)
Net receipts on loans to credit institutions	73 981	35 329	32 784
Net interest paid to credit institutions	(933)	(871)	(1 154)
Net payments on the sale of financial assets for investment or trading	(9 663)	(55 750)	(70 650)
Interest received on bonds and commercial paper	711	1 612	3 280
Net receipts on commissions and fees	8 769	7 621	9 523
Payments to operations	(16 375)	(15 634)	(20 291)
Taxes paid	(3 594)	(1 947)	(9 211)
Receipts on premiums	11 628	10 501	14 313
Net payments on premium reserve transfers	(404)	(4 494)	(4 204)
Payments of insurance settlements	(10 762)	(10 366)	(13 704)
Other net receipts/(payments)	1 491	(6 170)	(5 626)
Net cash flow from operating activities	178 582	93 214	84 573
Investing activities			
Net payments on the acquisition or disposal of fixed assets	(3 428)	(2 410)	(3 835)
Net receipts on investment properties	381	34	54
Net investment in long-term shares	(452)	(1 370)	(1 370)
Dividends received on long-term investments in shares	298	62	428
Net cash flow from investing activities	(3 201)	(3 684)	(4 723)
Financing activities			
Receipts on issued bonds and commercial paper	2 274 305	982 738	1 152 054
Payments on redeemed bonds and commercial paper	(2 169 392)	(988 688)	(1 225 085)
Interest payments on issued bonds and commercial paper	(7 661)	(10 409)	(13 193)
Receipts on the raising of subordinated loan capital		4 056	4 056
Redemptions of subordinated loan capital		(4 207)	(4 207)
Interest payments on subordinated loan capital	(372)	(432)	(504)
Net payments on issue or redemption of additional Tier 1 capital	(1 400)	(10 024)	(10 024)
Interest payments on additional Tier 1 capital	(538)	(1 156)	(1 578)
Lease payments	(366)	(292)	(502)
Net sale/(purchase) of own shares	16	(3 238)	(3 247)
Dividend payments	(13 023)		
Net cash flow from financing activities	81 568	(31 652)	(102 232)
Effects of exchange rate changes on cash and cash equivalents	(5 943)	4 576	3 723
Net cash flow	251 006	62 455	(18 659)
Cash as at 1 January	289 092	307 751	307 751
Net receipts/(payments) of cash	251 006	62 455	(18 659)
Cash at end of period ¹⁾	540 098	370 206	289 092
*) Of which: Cash and deposits with central banks			
	532 067	367 307	283 526
Deposits with credit institutions with no agreed period of notice ¹⁾	8 031	2 899	5 566

1) Recorded under "Due from credit institutions" in the balance sheet.

Note G1 Basis for preparation

The quarterly financial statements for the Group have been prepared in accordance with IAS 34 Interim Financial Reporting, as issued by the International Accounting Standards Board and as adopted by the European Union. When preparing the consolidated financial statements, the management makes estimates, judgements and assumptions that affect the application of the accounting principles, as well as income, expenses, and the carrying amount of assets and liabilities. Estimates and assumptions are subject to continual evaluation and are based on historical experience and other factors, including expectations of future events that are believed to be probable on the balance sheet date. A description of the accounting policies, significant estimates, and areas where judgement is applied by the Group, can be found in Note 1 Accounting principles in the annual report for 2020. In the interim report, the accounting policies, significant estimates, and areas where judgement is applied by the Group are in conformity with those described in the annual report except for the methodology for estimating expected credit loss for customers in stage 3, which is described below.

Methodology for estimating expected credit loss for customers in stage 3

DNB has updated the methodology for estimating the expected credit loss (ECL) for credit-impaired financial instruments (stage 3) for customers with an exposure above NOK 50 million. The purpose is to be able to better reflect the actual solutions under consideration for customers in financial difficulties. The new method increases the number of scenarios that need to be assessed. The ECL is estimated based on the weighted ECL of the different scenarios. The scenarios should represent the actual scenarios for a customer in financial difficulties, but the main rule is that three different scenarios are to be considered.

- Going concern: What is the probability of a development where all debt is repaid without concessions in the form of debt conversion or write-offs? The ECL in this scenario is zero.
- Restructuring: What is the probability of a development where the customer must restructure the capital structure to maintain going concern, and what is the ECL for DNB in such a restructuring?
- Liquidation: What is the probability of a development where a company is liquidated through bankruptcy, orderly liquidation etc., and what is the ECL for DNB?

The ECL within each scenario, and the probability of each scenario occurring, will be dependent on both market conditions and customer-specific factors. The sum of the scenarios must always be 100 per cent. If a scenario is highly unlikely, the probability can be set to zero.

The ECL within the restructuring and liquidation scenarios is calculated as the difference between the carrying amount and the net present value of the estimated future cash flows, discounted by the original effective interest rate. The estimated future cash flows within each scenario are based on developments in the customer's exposure, past experience with the customer, the probable outcome of negotiations and expected macroeconomic developments that will influence the customer's expected cash flow. In the restructuring scenario, the ECL will also be dependent on the expected debt level that may be agreed upon with the stakeholders in a restructuring.

The changes made in the updated methodology will not have a material impact on the Group's ECL estimate.

Intragroup merger

The merger of DNB ASA and DNB Bank ASA, with DNB Bank ASA as the surviving company, was completed on 1 July 2021.

The merger was completed with accounting and tax continuity. The DNB Bank ASA shares that were owned by DNB ASA were issued as merger consideration to the shareholders of DNB ASA, and there was therefore no capital increase in DNB Bank ASA as a result of the merger. No additional consideration has been paid. As part of the merger, DNB ASA's ownership of the wholly owned subsidiaries DNB Livsforsikring AS and DNB Asset Management AS, as well as its 35 per cent ownership interest in Fremtind Forsikring AS, were transferred to DNB Bank ASA for the sake of company continuity in the parent company accounts.

As of the third quarter of 2021, the DNB Group, with DNB Bank ASA as the parent company, will prepare only one consolidated financial statement. Comparative figures for the DNB Group after the merger are based on the principle of continuity, and thus correspond with previous figures for the DNB Group.

Note G2 Segments

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

Income statement, third quarter

	Personal customers		Corporate customers		Other operations		Eliminations		DNB Group	
	3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<i>Amounts in NOK million</i>										
Net interest income	3 148	3 184	6 176	5 803	442	311			9 766	9 298
Net other operating income	1 311	1 173	2 064	1 898	2 208	2 008	(1 006)	(970)	4 577	4 109
Total income	4 459	4 356	8 240	7 701	2 649	2 319	(1 006)	(970)	14 343	13 407
Operating expenses	(2 177)	(2 176)	(3 272)	(2 992)	(1 308)	(1 503)	1 006	970	(5 752)	(5 702)
Pre-tax operating profit before impairment	2 282	2 180	4 968	4 709	1 341	816			8 591	7 706
Net gains on fixed and intangible assets	0		0	0	(0)	0			0	0
Impairment of financial instruments	22	167	179	(947)	0	4			200	(776)
Profit from repossessed operations			53	(2)	(53)	2				
Pre-tax operating profit	2 303	2 347	5 200	3 760	1 288	822			8 791	6 929
Tax expense	(576)	(587)	(1 300)	(940)	(58)	141			(1 934)	(1 386)
Profit from operations held for sale, after taxes					26	2			26	2
Profit for the period	1 728	1 760	3 900	2 820	1 256	965			6 883	5 546

Income statement, January-September

	Personal customers		Corporate customers		Other operations		Eliminations		DNB Group	
	Jan.-Sept.		Jan.-Sept.		Jan.-Sept.		Jan.-Sept.		Jan.-Sept.	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<i>Amounts in NOK million</i>										
Net interest income	9 375	10 279	17 865	17 855	1 165	1 010			28 405	29 144
Net other operating income	3 953	3 482	6 467	5 477	5 280	6 869	(2 824)	(1 899)	12 877	13 930
Total income	13 328	13 761	24 333	23 332	6 445	7 880	(2 824)	(1 899)	41 281	43 074
Operating expenses	(6 742)	(6 638)	(9 799)	(9 187)	(3 890)	(2 965)	2 824	1 899	(17 607)	(16 892)
Pre-tax operating profit before impairment	6 586	7 123	14 534	14 145	2 555	4 914			23 674	26 182
Net gains on fixed and intangible assets	1		(0)	0	(107)	782			(106)	782
Impairment of financial instruments	159	(648)	982	(8 015)	3	(5)			1 143	(8 668)
Profit from repossessed operations			(46)	(110)	46	110				
Pre-tax operating profit	6 745	6 475	15 469	6 019	2 497	5 802			24 712	18 296
Tax expense	(1 686)	(1 619)	(3 867)	(1 505)	117	(536)			(5 437)	(3 659)
Profit from operations held for sale, after taxes					(75)	(71)			(75)	(71)
Profit for the period	5 059	4 856	11 602	4 514	2 539	5 195			19 200	14 566

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

Note G3 Capital adequacy

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.

Own funds

	DNB Group		
	30 Sept. 2021	31 Dec. 2020	30 Sept. 2020
<i>Amounts in NOK million</i>			
Total equity	252 497	248 396	245 110
Effect from regulatory consolidation	(6 903)	(6 014)	(5 239)
Adjustment to retained earnings for foreseeable dividends	(8 382)		(6 307)
Additional Tier 1 capital instruments included in total equity	(16 595)	(17 995)	(17 995)
Net accrued interest on additional Tier 1 capital instruments	(406)	(276)	(439)
Common equity Tier 1 capital instruments	220 212	224 112	215 131
Regulatory adjustments			
Goodwill	(4 836)	(4 697)	(4 710)
Deferred tax assets that rely on future profitability, excluding temporary differences	(973)	(970)	(963)
Other intangible assets	(1 743)	(1 583)	(1 520)
Dividends payable and group contributions ¹⁾	(13 953)	(26 976)	(13 953)
Deduction for investments in insurance companies	(6 115)	(6 018)	(6 295)
IRB provisions shortfall (-)	(2 393)	(1 781)	(1 498)
Additional value adjustments (AVA)	(1 040)	(855)	(916)
Insufficient coverage for non-performing exposures	(42)		
(Gains) or losses on liabilities at fair value resulting from own credit risk	(22)	(23)	(53)
(Gains) or losses on derivative liabilities resulting from own credit risk (DVA)	(89)	(94)	(120)
Common equity Tier 1 capital	189 005	181 115	185 103
Additional Tier 1 capital instruments	16 595	17 995	17 995
Deduction of holdings of Tier 1 instruments in insurance companies ³⁾	(1 500)	(1 500)	(1 500)
Non-eligible Tier 1 capital, DNB Group ⁴⁾		(2 920)	(2 473)
Additional Tier 1 capital instruments	15 095	13 575	14 021
Tier 1 capital	204 100	194 689	199 124
Perpetual subordinated loan capital	5 723	5 640	6 241
Term subordinated loan capital	25 511	26 320	27 426
Deduction of holdings of Tier 2 instruments in insurance companies ³⁾	(5 750)	(5 750)	(5 750)
Non-eligible Tier 2 capital, DNB Group ⁴⁾		(6 711)	(6 640)
Additional Tier 2 capital instruments	25 484	19 499	21 277
Own funds	229 584	214 188	220 401
Total risk exposure amount	982 349	967 146	979 898
Minimum capital requirement	78 588	77 372	78 392
Capital ratios:			
Common equity Tier 1 capital ratio	19.2	18.7	18.9
Tier 1 capital ratio	20.8	20.1	20.3
Total capital ratio	23.4	22.1	22.5

Own funds and capital ratios excluding interim profit

Common equity Tier 1 capital	179 706	178 796
Tier 1 capital	194 801	192 817
Own funds	220 285	214 094
Common equity Tier 1 capital ratio	18.3	18.2
Tier 1 capital ratio	19.8	19.7
Total capital ratio	22.4	21.8

1) The Board of Directors decided at the Board meeting on 20 October 2021 to pay a dividend of NOK 9.00 per share for 2020, for distribution as of 5 November 2021.

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

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

4) Deductions of capital in accordance with Articles 85-88 of the CRR are not applicable after the merger between DNB Bank and DNB ASA.

Note G3 Capital adequacy (continued)

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

Specification of exposures

DNB Group

	Original exposure 30 Sept. 2021	Exposure at default EAD 30 Sept. 2021	Average risk weight in per cent 30 Sept. 2021	Risk exposure amount REA 30 Sept. 2021	Capital requirement 30 Sept. 2021	Capital requirement 31 Dec. 2020
<i>Amounts in NOK million</i>						
IRB approach						
Corporate exposures	1 019 006	819 386	45.1	369 365	29 549	30 405
<i>of which specialised lending (SL)</i>	12 799	12 135	37.8	4 589	367	516
<i>of which small and medium-sized enterprises (SME)</i>	215 780	190 855	45.0	85 974	6 878	6 931
<i>of which other corporates</i>	790 428	616 396	45.2	278 803	22 304	22 958
Retail exposures	991 483	973 688	22.2	215 714	17 257	16 371
<i>of which secured by mortgages on immovable property</i>	899 822	899 822	21.5	193 759	15 501	14 931
<i>of which other retail</i>	91 661	73 866	29.7	21 955	1 756	1 440
Total credit risk, IRB approach	2 010 489	1 793 074	32.6	585 080	46 806	46 776
Standardised approach						
Central government and central banks	570 584	569 822	0.0	267	21	19
Regional government or local authorities	50 158	43 997	2.4	1 067	85	88
Public sector entities	24 881	24 375	1.5	367	29	31
Multilateral development banks	31 746	31 673				
International organisations	5 422	5 422				
Institutions	114 119	84 555	20.0	16 948	1 356	1 469
Corporate	199 595	168 106	77.5	130 202	10 416	8 402
Retail	176 441	63 297	74.5	47 134	3 771	3 580
Secured by mortgages on immovable property	25 702	24 471	59.4	14 535	1 163	1 366
Exposures in default	2 428	1 581	136.1	2 152	172	233
Items associated with particular high risk	833	827	150.0	1 241	99	641
Covered bonds	33 615	33 615	10.0	3 362	269	348
Collective investment undertakings	979	979	25.2	247	20	41
Equity positions	23 361	23 359	219.3	51 232	4 099	3 908
Other assets	22 534	22 533	88.7	19 997	1 600	1 579
Total credit risk, standardised approach	1 282 399	1 098 614	26.3	288 750	23 100	21 706
Total credit risk	3 292 888	2 891 688	30.2	873 829	69 906	68 483
Market risk						
Position and general risk, debt instruments				7 895	632	748
Position and general risk, equity instruments				546	44	52
Currency risk				47	4	4
Commodity risk				1	0	0
Total market risk				8 490	679	803
Credit value adjustment risk (CVA)				4 699	376	459
Operational risk				95 331	7 627	7 627
Total risk exposure amount				982 349	78 588	77 372

Note G4 Development in gross carrying amount and maximum exposure

Loans to customers at amortised cost

DNB Group

Amounts in NOK million	2021				2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 31 Dec.	1 482 987	137 450	32 020	1 652 457	1 503 609	88 347	24 308	1 616 264
Transfer to stage 1	73 432	(72 228)	(1 204)		83 333	(82 186)	(1 148)	
Transfer to stage 2	(86 075)	86 882	(807)		(195 957)	198 892	(2 935)	
Transfer to stage 3	(2 549)	(6 970)	9 519		(3 987)	(16 208)	20 196	
Originated and purchased	355 693	5 985	674	362 352	326 497	16 999		343 496
Derecognition	(289 157)	(29 088)	(6 822)	(325 067)	(275 250)	(33 626)	(3 725)	(312 602)
Exchange rate movements	(3 797)	(200)	3	(3 994)	16 392	1 367	224	17 983
Other								
Gross carrying amount as at 30 Sept. ¹⁾	1 530 535	121 830	33 383	1 685 748	1 454 637	173 585	36 918	1 665 140

1) On 1 January 2021, DNB introduced a new definition of default. According to the new definition, the gross carrying amount for stage 3 customers in probation after default was NOK 3 453 million as at 30 September 2021.

Financial commitments

DNB Group

Amounts in NOK million	2021				2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Maximum exposure as at 31 Dec.	657 434	36 478	6 024	699 937	621 594	23 794	3 343	648 730
Transfer to stage 1	17 444	(16 872)	(572)		26 802	(26 607)	(195)	
Transfer to stage 2	(19 098)	20 292	(1 194)		(70 237)	70 818	(580)	
Transfer to stage 3	(249)	(359)	607		(1 526)	(8 150)	9 677	
Originated and purchased	350 006	2 740	77	352 822	315 510	2 667		318 177
Derecognition	(311 124)	(7 613)	(189)	(318 926)	(249 726)	(14 223)	(4 303)	(268 252)
Exchange rate movements	(1 551)	61	(2)	(1 491)	12 869	737	22	13 628
Maximum exposure as at 30 Sept. ¹⁾	692 862	34 728	4 752	732 342	655 285	49 035	7 963	712 283

1) On 1 January 2021, DNB introduced a new definition of default. According to the new definition, the maximum exposure relating to stage 3 customers in probation after default was NOK 421 million as at 30 September 2021.

Note G5 Development in accumulated impairment of financial instruments

Loans to customers at amortised cost

DNB Group

Amounts in NOK million	2021				2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Accumulated impairment as at 31 Dec.	(765)	(1 214)	(12 039)	(14 018)	(306)	(1 042)	(8 905)	(10 252)
Transfer to stage 1	(254)	252	1		(495)	461	33	
Transfer to stage 2	161	(179)	18		173	(323)	150	
Transfer to stage 3	2	72	(74)		1	318	(319)	
Originated and purchased	(237)	(119)		(357)	(240)	(236)		(476)
Increased expected credit loss	(256)	(869)	(2 928)	(4 053)	(954)	(2 237)	(9 745)	(12 936)
Decreased (reversed) expected credit loss	727	785	3 293	4 806	969	972	3 309	5 250
Write-offs			1 304	1 304			1 728	1 728
Derecognition	101	364	100	565	55	429	65	549
Exchange rate movements	5	(1)	(8)	(5)	(14)	(23)	(93)	(130)
Other								
Accumulated impairment as at 30 Sept. ¹⁾	(516)	(909)	(10 334)	(11 759)	(811)	(1 681)	(13 775)	(16 267)

Financial commitments

DNB Group

Amounts in NOK million	2021				2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Accumulated impairment as at 31 Dec.	(284)	(566)	(601)	(1 451)	(146)	(667)	(543)	(1 357)
Transfer to stage 1	(75)	75			(193)	190	4	
Transfer to stage 2	39	(40)	1		68	(75)	7	
Transfer to stage 3		16	(16)		1	289	(290)	
Originated and purchased	(140)	(21)		(160)	(272)	(56)		(328)
Increased expected credit loss	(64)	(203)	(305)	(572)	(369)	(1 483)	(1 506)	(3 358)
Decreased (reversed) expected credit loss	310	260	351	921	595	947	1 392	2 934
Derecognition	10	115		125	4	266	1	271
Exchange rate movements	1	(2)		(1)	(5)	(27)	(1)	(32)
Other								
Accumulated impairment as at 30 Sept. ¹⁾	(203)	(365)	(570)	(1 138)	(318)	(616)	(937)	(1 870)

1) On 1 January 2021, DNB introduced a new definition of default. According to the new definition for customers in probation after default, the effect on expected credit loss was not significant as at 30 September 2021.

Note G6 Loans and financial commitments to customers by industry segment

Loans to customers as at 30 September 2021

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

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

Loans to customers as at 30 September 2020

Amounts in NOK million	Gross carrying amount	Accumulated impairment			DNB Group	
		Stage 1	Stage 2	Stage 3	Loans at fair value	Total
Bank, insurance and portfolio management	70 944	(37)	(34)	(502)		70 371
Commercial real estate	192 664	(84)	(87)	(356)	130	192 267
Shipping	47 330	(53)	(222)	(315)		46 741
Oil, gas and offshore	68 421	(92)	(382)	(9 252)		58 695
Power and renewables	35 897	(39)	(9)	(150)		35 698
Healthcare	20 320	(10)	(1)			20 310
Public sector	14 473	(10)	(0)	(0)		14 463
Fishing, fish farming and farming	49 741	(45)	(69)	(146)	114	49 595
Retail industries	36 676	(30)	(93)	(368)	14	36 198
Manufacturing	42 022	(48)	(94)	(157)		41 723
Technology, media and telecom	26 353	(33)	(16)	(32)	3	26 275
Services	78 862	(71)	(99)	(660)	22	78 053
Residential property	103 930	(36)	(29)	(144)	344	104 065
Personal customers	814 635	(170)	(253)	(613)	55 973	869 572
Other corporate customers	62 871	(53)	(292)	(1 080)	16	61 462
Total ¹⁾	1 665 140	(811)	(1 681)	(13 775)	56 615	1 705 488

1) Of which NOK 44 277 million in repo trading volumes.

Note G6 Loans and financial commitments to customers by industry segment (continued)

Financial commitments as at 30 September 2021

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

Financial commitments as at 30 September 2020

<i>Amounts in NOK million</i>	Maximum exposure	Accumulated impairment			DNB Group
		Stage 1	Stage 2	Stage 3	Total
Bank, insurance and portfolio management	39 478	(20)	(4)	(0)	39 454
Commercial real estate	22 099	(11)	(2)	(3)	22 083
Shipping	8 233	(9)	(41)	(5)	8 178
Oil, gas and offshore	52 349	(68)	(318)	(625)	51 339
Power and renewables	32 538	(25)	(1)		32 512
Healthcare	25 629	(8)	(0)		25 621
Public sector	9 681	(0)	(0)		9 681
Fishing, fish farming and farming	18 837	(12)	(6)	(6)	18 813
Retail industries	35 354	(24)	(27)	(17)	35 287
Manufacturing	55 132	(32)	(48)	(3)	55 049
Technology, media and telecom	25 036	(13)	(9)	(0)	25 014
Services	26 108	(20)	(32)	(34)	26 022
Residential property	37 402	(19)	(5)	(5)	37 373
Personal customers	288 132	(33)	(28)	0	288 070
Other corporate customers	36 275	(23)	(97)	(238)	35 917
Total	712 283	(318)	(616)	(937)	710 413

Note G7 Financial instruments at fair value

Amounts in NOK million	DNB Group			
	Level 1	Level 2	Level 3	Total
Assets as at 30 September 2021				
Loans to customers			49 224	49 224
Commercial paper and bonds	33 468	290 151	244	323 862
Shareholdings	6 777	15 762	12 848	35 388
Financial assets, customers bearing the risk		131 703		131 703
Financial derivatives	1 839	146 217	1 959	150 016
Liabilities as at 30 September 2021				
Deposits from customers		9 758		9 758
Debt securities issued		16 882		16 882
Senior non-preferred bonds		1 089		1 089
Subordinated loan capital		175		175
Financial derivatives	2 236	125 928	1 648	129 813
Other financial liabilities ¹⁾	4 915	(0)	0	4 916

Assets as at 30 September 2020				
Loans to customers			56 615	56 615
Commercial paper and bonds	44 944	295 186	173	340 302
Shareholdings	4 358	12 689	8 876	25 923
Financial assets, customers bearing the risk		105 817		105 817
Financial derivatives	487	187 535	1 592	189 614
Liabilities as at 30 September 2020				
Deposits from customers		17 937		17 937
Debt securities issued		30 894		30 894
Subordinated loan capital		178		178
Financial derivatives	502	160 466	1 024	161 991
Other financial liabilities ¹⁾	4 561			4 561

¹⁾ Short positions, trading activities.

For a further description of the instruments and valuation techniques, see the annual report for 2020.

Amounts in NOK million	Financial assets				Financial liabilities
	Loans to customers	Commercial paper and bonds	Shareholdings	Financial derivatives	Financial derivatives
Financial instruments at fair value, level 3					
Carrying amount as at 31 December 2019	61 178	356	7 018	1 868	1 536
Net gains recognised in the income statement	1 628	(35)	441	703	460
Additions/purchases	8 720	298	1 968	265	251
Sales		(312)	(551)		
Settled	(15 043)			(1 274)	(1 251)
Transferred from level 1 or level 2		98			
Transferred to level 1 or level 2		(282)			
Other	132	49		29	27
Carrying amount as at 30 September 2020	56 615	173	8 876	1 592	1 024
Carrying amount as at 31 December 2020	55 372	283	10 787	1 877	1 513
Net gains recognised in the income statement	(955)	(8)	1 158	(325)	(239)
Additions/purchases	6 407	499	2 272	1 115	1 080
Sales		(531)	(1 367)		
Settled	(11 458)	(11)		(708)	(705)
Transferred from level 1 or level 2		844			
Transferred to level 1 or level 2		(855)	(2)		
Other	(143)	23	(0)		
Carrying amount as at 30 September 2021	49 224	244	12 848	1 959	1 648

Sensitivity analysis, level 3

An increase in the discount rate on fixed-rate loans by 10 basis points will decrease the fair value by NOK 149 million. The effects on other Level 3 financial instruments are insignificant.

Note G8 Debt securities issued, senior non-preferred bonds and subordinated loan capital

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

Debt securities issued 2021

	Balance sheet 30 Sept. 2021	Issued 2021	Matured/ redeemed 2021	Exchange rate movements 2021	Other changes 2021	DNB Group Balance sheet 31 Dec. 2020
<i>Amounts in NOK million</i>						
Commercial papers issued, nominal amount	238 473	2 207 333	(2 084 138)	(22 652)		137 931
Bond debt, nominal amount ¹⁾	146 485	11 859	(37 946)	(2 545)		175 115
Covered bonds, nominal amount ¹⁾	402 480	25 692	(47 309)	(9 957)		434 054
Value adjustments	18 591				(12 138)	30 729
Debt securities issued	806 029	2 244 884	(2 169 392)	(35 154)	(12 138)	777 829

Of which DNB Bank ASA 387 682 2 219 192 (2 122 083) (25 197) (2 483) 318 252

1) Excluding own bonds. The total nominal amount of outstanding covered bonds in DNB Boligkreditt was NOK 454.6 billion as at 30 September 2021. The market value of the cover pool represented NOK 690.1 billion.

Debt securities issued 2020

	Balance sheet 30 Sept. 2020	Issued 2020	Matured/ redeemed 2020	Exchange rate movements 2020	Other changes 2020	DNB Group Balance sheet 31 Dec. 2019
<i>Amounts in NOK million</i>						
Commercial papers issued, nominal amount	196 721	966 699	(928 144)	(29 954)		188 120
Bond debt, nominal amount ¹⁾	205 984	2 632	(39 575)	20 376		222 550
Covered bonds, nominal amount ¹⁾	455 294	3 945	(20 969)	40 837		431 480
Value adjustments	34 090			22	6 048	28 021
Debt securities issued	892 089	973 276	(988 688)	31 281	6 048	870 171

Of which DNB Bank ASA 408 848 969 331 (967 719) (9 556) 227 416 565

1) Excluding own bonds. The total nominal amount of outstanding covered bonds in DNB Boligkreditt was NOK 518.2 billion as at 30 September 2020. The market value of the cover pool represented NOK 674.0 billion.

Senior non-preferred bonds 2021

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

Senior non-preferred bonds 2020

	Balance sheet 30 Sept. 2020	Issued 2020	Matured/ redeemed 2020	Exchange rate movements 2020	Other changes 2020	DNB Group Balance sheet 31 Dec. 2019
<i>Amounts in NOK million</i>						
Senior non-preferred bonds, nominal amount	9 462	9 462				
Value adjustments	6				6	
Senior non-preferred bonds	9 468	9 462	0	0	6	0

Note G8 Debt securities issued, senior non-preferred bonds and subordinated loan capital (continued)

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

Subordinated loan capital and perpetual subordinated loan capital securities 2020						DNB Group
	Balance sheet 30 Sept. 2020	Issued 2020	Matured/ redeemed 2020	Exchange rate movements 2020	Other changes 2020	Balance sheet 31 Dec. 2019
<i>Amounts in NOK million</i>						
Term subordinated loan capital, nominal amount	27 426	4 056	(4 207)	2 634		24 943
Perpetual subordinated loan capital, nominal amount	6 241			467		5 774
Value adjustments	344				(33)	378
Subordinated loan capital and perpetual subordinated loan capital securities	34 011	4 056	(4 207)	3 101	(33)	31 095

Note G9 Contingencies

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

Fine in connection with AML inspection

In December 2020, DNB received a preliminary report from Finanstilsynet following an ordinary AML inspection in February 2020. In May 2021, Finanstilsynet published its final report. According to the report, DNB had not been complicit in money laundering, but Finanstilsynet criticised the bank for inadequate compliance with the Norwegian Anti-Money Laundering Act. On the basis of the criticism in the report, Finanstilsynet imposed an administrative fine of NOK 400 million on the bank. This constitutes about 7 per cent of the maximum amount Finanstilsynet is at liberty to impose, and 0.7 per cent of DNB's annual turnover. The maximum administrative fine it is possible to impose corresponds to 10 per cent of a company's annual turnover. Based on the preliminary report, a provision of NOK 400 million was recognised in the fourth quarter of 2020.

Tax effect of debt interest distribution with international branch offices

According to Norwegian tax legislation, external interest expenses are to be distributed proportionally among companies' operations in Norway and international branch offices based on the respective entities' total assets. This could result in additions or deductions from the companies' income in Norway.

In May 2021, DNB Bank ASA received a draft decision from the Norwegian tax authorities relating to the deduction of external interest expenses. The draft decision covers the fiscal years 2015–2019 and represents a tax exposure of NOK 1.7 billion for the period in question. DNB disagrees with the tax authorities' interpretation of the legislation and will actively pursue the matter. DNB is still of the opinion that it has a strong case, and no provisions have been recognised in the accounts at the end of the third quarter of 2021. See note 26 Taxes in the annual report for 2020.

Accounts for DNB Bank ASA

P – Income statement

<i>Amounts in NOK million</i>	DNB Bank ASA				
	3rd quarter 2021	3rd quarter 2020	January-September 2021	January-September 2020	Full year 2020
Interest income, amortised cost	7 467	7 434	22 161	27 971	35 587
Other interest income	409	818	1 691	3 298	4 103
Interest expenses, amortised cost	(1 183)	(1 528)	(3 786)	(9 767)	(11 233)
Other interest expenses	291	(57)	797	657	526
Net interest income	6 984	6 666	20 862	22 159	28 984
Commission and fee income	1 920	1 901	6 452	5 718	7 828
Commission and fee expenses	(713)	(766)	(2 347)	(2 316)	(3 168)
Net gains on financial instruments at fair value	940	632	3 105	5 313	5 184
Other income	1 973	1 549	4 558	3 644	12 971
Net other operating income	4 120	3 315	11 768	12 358	22 815
Total income	11 104	9 981	32 630	34 517	51 799
Salaries and other personnel expenses	(2 753)	(2 673)	(8 272)	(7 631)	(10 566)
Other expenses	(1 389)	(1 333)	(4 295)	(4 290)	(6 190)
Depreciation and impairment of fixed and intangible assets	(846)	(835)	(2 491)	(2 461)	(3 362)
Total operating expenses	(4 988)	(4 841)	(15 058)	(14 382)	(20 118)
Pre-tax operating profit before impairment	6 116	5 140	17 572	20 135	31 681
Net gains on fixed and intangible assets	0	0	17	0	(1)
Impairment of financial instruments	44	(369)	710	(7 302)	(8 085)
Pre-tax operating profit	6 160	4 771	18 299	12 832	23 595
Tax expense	(1 355)	(954)	(4 026)	(2 567)	(2 542)
Profit for the period	4 805	3 816	14 273	10 266	21 053
Portion attributable to shareholders of DNB Bank ASA	4 582	3 566	13 576	9 324	19 909
Portion attributable to additional Tier 1 capital holders	223	251	697	941	1 143
Profit for the period	4 805	3 816	14 273	10 266	21 053

P – Comprehensive income statement

<i>Amounts in NOK million</i>	DNB Bank ASA				
	3rd quarter 2021	3rd quarter 2020	January-September 2021	January-September 2020	Full year 2020
Profit for the period	4 805	3 816	14 273	10 266	21 053
Actuarial gains and losses			(151)	(278)	(308)
Financial liabilities designated at FVTPL, changes in credit risk	19	(5)	16	28	36
Tax	(5)	1	34	63	67
Items that will not be reclassified to the income statement	14	(4)	(101)	(188)	(204)
Currency translation of foreign operations	(12)	(2)	(64)	159	137
Financial assets at fair value through OCI	(6)	214	16	(27)	108
Tax	2	(53)	(4)	7	(27)
Items that may subsequently be reclassified to the income statement	(17)	158	(52)	139	218
Other comprehensive income for the period	(3)	154	(153)	(49)	13
Comprehensive income for the period	4 802	3 970	14 121	10 217	21 066

P – Balance sheet

		DNB Bank ASA		
		30 Sept. 2021	31 Dec. 2020	30 Sept. 2020
<i>Amounts in NOK million</i>	Note			
Assets				
Cash and deposits with central banks		530 176	281 956	365 567
Due from credit institutions		373 212	360 174	404 516
Loans to customers	3, 4	876 470	883 722	875 662
Commercial paper and bonds	4	303 904	327 983	328 987
Shareholdings	4	7 346	5 428	4 377
Financial derivatives	4	158 853	198 009	201 270
Investment properties				
Investments in associated companies		9 438	2 568	2 575
Investments in subsidiaries		118 804	105 265	109 082
Intangible assets		3 397	3 441	3 409
Deferred tax assets		5 218	5 150	6 308
Fixed assets		15 733	15 219	15 252
Other assets		13 542	13 395	14 269
Total assets		2 416 093	2 202 311	2 331 273
Liabilities and equity				
Due to credit institutions		329 738	296 349	321 149
Deposits from customers	4	1 219 881	1 086 618	1 081 174
Financial derivatives	4	146 864	212 505	225 250
Debt securities issued	4	387 682	318 252	408 848
Payable taxes		3 902	1 457	8 666
Deferred taxes		89	92	99
Other liabilities		39 937	31 444	49 774
Provisions		1 139	1 879	1 898
Pension commitments		4 413	3 967	3 871
Senior non-preferred bonds		38 102	8 523	9 468
Subordinated loan capital	4	31 451	32 319	34 011
Total liabilities		2 203 198	1 993 406	2 144 208
Additional Tier 1 capital		17 136	18 362	18 581
Share capital		19 379	19 380	18 242
Share premium		18 733	19 895	19 895
Other equity		157 647	151 268	130 346
Total equity		212 895	208 905	187 064
Total liabilities and equity		2 416 093	2 202 311	2 331 273

P – Statement of changes in equity

DNB Bank ASA

<i>Amounts in NOK million</i>	Share capital ¹⁾	Share premium	Additional Tier 1 capital	Net currency translation reserve	Liability credit reserve	Other equity ¹⁾	Total equity ¹⁾
Balance sheet as at 31 December 2019	18 256	19 895	26 729	492	(57)	122 678	187 993
Profit for the period			941			9 324	10 266
Actuarial gains and losses						(278)	(278)
Financial assets at fair value through OCI						(27)	(27)
Financial liabilities designated at FVTPL, changes in credit risk					28		28
Currency translation of foreign operations				159			159
Tax on other comprehensive income					(7)	76	69
Comprehensive income for the period			941	159	21	9 096	10 217
Interest payments AT1 capital			(1 156)				(1 156)
AT1 capital redeemed			(10 024)				(10 024)
Currency movements on interest payments and redemption AT1 capital			2 091			(1 971)	120
Demerger Tollbugata 12	(14)					(73)	(87)
Balance sheet as at 30 September 2020	18 242	19 895	18 581	651	(35)	129 731	187 064
Balance sheet as at 31 December 2020	19 380	19 895	18 362	629	(29)	150 669	208 905
Profit for the period			697			13 576	14 273
Actuarial gains and losses						(151)	(151)
Financial assets at fair value through OCI						16	16
Financial liabilities designated at FVTPL, changes in credit risk					16		16
Currency translation of foreign operations				(64)			(64)
Tax on other comprehensive income					(4)	34	30
Comprehensive income for the period			697	(64)	12	13 475	14 121
Interest payments AT1 capital			(538)				(538)
Currency movements on interest payments AT1 capital			15			(11)	4
AT1 capital redeemed ²⁾			(1 400)				(1 400)
Net sale of treasury shares ¹⁾	0					6	6
Merger DNB ASA	(1)	(1 162)				6 914	5 751
Dividends for 2020 (NOK 9.00 per share)						(13 953)	(13 953)
Balance sheet as at 30 September 2021	19 379	18 733	17 136	565	(17)	157 099	212 895
<i>1) Of which treasury shares held by DNB Markets for trading purposes:</i>							
<i>Balance sheet as at 31 December 2020</i>							
Merger DNB ASA	(1)					(7)	(7)
Net sale of treasury shares	0					6	6
<i>Reversal of fair value adjustments through the income statement</i>							
						(5)	(5)
<i>Balance sheet as at 30 September 2021</i>	<i>(0)</i>					<i>(6)</i>	<i>(6)</i>

2) An additional Tier 1 capital instrument of NOK 1 400 million, issued by DNB Bank ASA in 2016, was redeemed in the second quarter of 2021.

Note P1 Basis for preparation

DNB Bank ASA has prepared the financial statements according to the Norwegian Ministry of Finance's regulations on annual accounts. A description of the accounting principles applied by the company when preparing the financial statements can be found in Note 1 Accounting principles in the annual report for 2020. In the interim report, the accounting policies, significant estimates, and areas where judgement is applied by the company are in conformity with those described in the annual report except for the methodology for estimating expected credit loss for customers in stage 3, which is described in note G1 to the consolidated accounts.

See note G8 to the consolidated accounts for information about debt securities issued, senior non-preferred bonds and subordinated loan capital, and note G9 for information about contingencies.

Intragroup merger

The merger of DNB ASA and DNB Bank ASA, with DNB Bank ASA as the surviving company, was completed on 1 July 2021. Comparative figures for DNB Bank ASA have not been restated. See further information in note G1 to the consolidated accounts. As a result of the merger, DNB Bank ASA's equity increased by NOK 5 751 million.

Note P2 Capital adequacy

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

Own funds

	DNB Bank ASA		
	30 Sept. 2021	31 Dec. 2020	30 Sept. 2020
<i>Amounts in NOK million</i>			
Total equity	212 895	208 905	187 064
Effect from regulatory consolidation			
Adjustment to retained earnings for foreseeable dividends	(6 788)		(4 662)
Additional Tier 1 capital instruments included in total equity	(16 595)	(17 995)	(17 995)
Net accrued interest on additional Tier 1 capital instruments	(406)	(276)	(439)
Common equity Tier 1 capital instruments	189 106	190 635	163 968
Regulatory adjustments			
Goodwill	(2 403)	(2 427)	(2 430)
Deferred tax assets that rely of future profitability, excluding temporary differences	(453)	(453)	(457)
Other intangible assets	(994)	(1 014)	(979)
Proposed dividends and group contributions		(13 953)	
IRB provisions shortfall (-)	(1 296)	(788)	(660)
Additional value adjustments (AVA)	(943)	(683)	(757)
Insufficient coverage for non-performing exposures			
(Gains) or losses on liabilities at fair value resulting from own credit risk	17	29	35
(Gains) or losses on derivative liabilities resulting from own credit risk (DVA)	(371)	(527)	(747)
Common equity Tier 1 capital	182 664	170 819	157 973
Additional Tier 1 capital instruments	16 595	17 995	17 995
Tier 1 capital	199 259	188 814	175 967
Perpetual subordinated loan capital	5 723	5 640	6 241
Term subordinated loan capital	25 511	26 320	27 426
Additional Tier 2 capital instruments	31 234	31 960	33 667
Own funds	230 493	220 774	209 634
Total risk exposure amount	832 963	801 447	807 388
Minimum capital requirement	66 637	64 116	64 591
Capital ratios:			
Common equity Tier 1 capital ratio	21.9	21.3	19.6
Tier 1 capital ratio	23.9	23.6	21.8
Total capital ratio	27.7	27.5	26.0

Own funds and capital ratios excluding interim profit

Common equity Tier 1 capital	175 876	153 310
Tier 1 capital	192 471	171 305
Own funds	223 705	204 972
Common equity Tier 1 capital ratio	21.1	19.0
Tier 1 capital ratio	23.1	21.2
Total capital ratio	26.9	25.4

Note P3 Development in accumulated impairment of financial instruments

Loans to customers at amortised cost

DNB Bank ASA

Amounts in NOK million	2021				2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Accumulated impairment as at 31 Dec.	(555)	(987)	(10 506)	(12 048)	(168)	(777)	(8 252)	(9 197)
Transfer to stage 1	(217)	217			(365)	344	21	
Transfer to stage 2	119	(126)	7		123	(239)	116	
Transfer to stage 3	2	71	(73)		1	308	(309)	
Originated and purchased	(154)	(63)		(217)	(154)	(187)		(341)
Increased expected credit loss ¹⁾	(218)	(666)	(2 545)	(3 429)	(711)	(1 688)	(8 030)	(10 429)
Decreased (reversed) expected credit loss ¹⁾	565	585	2 570	3 720	655	830	2 824	4 309
Write-offs			985	985			1 433	1 433
Derecognition (including repayments)	79	313	83	475	43	210	65	318
Exchange rate movements	2	3	(1)	4	(4)	(5)	(51)	(61)
Accumulated impairment as at 30 Sept. ¹⁾	(377)	(654)	(9 481)	(10 512)	(580)	(1 203)	(12 184)	(13 967)

Financial commitments

DNB Bank ASA

Amounts in NOK million	2021				2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Accumulated impairment as at 31 Dec.	(231)	(438)	(601)	(1 270)	(111)	(358)	(546)	(1 016)
Transfer to stage 1	(72)	72			(163)	159	4	
Transfer to stage 2	34	(34)			61	(68)	7	
Transfer to stage 3		16	(16)		1	150	(150)	
Originated and purchased	(111)	(18)		(129)	(229)	(50)		(278)
Increased expected credit loss ¹⁾	(49)	(197)	(300)	(545)	(309)	(789)	(1 098)	(2 196)
Decreased (reversed) expected credit loss ¹⁾	256	225	347	828	504	329	845	1 677
Derecognition	5	108		113	2	144		146
Exchange rate movements				1	(2)	(1)	(1)	(3)
Other							1	1
Accumulated impairment as at 30 Sept. ¹⁾	(169)	(264)	(570)	(1 002)	(246)	(485)	(939)	(1 670)

1) On 1 January 2021, DNB introduced a new definition of default. According to the new definition for customers in probation after default, the effect on expected credit loss was not significant as at 30 September 2021.

Note P4 Financial instruments at fair value

Amounts in NOK million	DNB Bank ASA			
	Level 1	Level 2	Level 3	Total
Assets as at 30 September 2021				
Loans to customers		125 612	6 344	131 956
Commercial paper and bonds	27 384	276 276	244	303 904
Shareholdings	5 530	941	874	7 346
Financial derivatives	1 839	155 055	1 959	158 853
Liabilities as at 30 September 2021				
Deposits from customers		9 758		9 758
Debt securities issued		6 267		6 267
Senior non-preferred bonds		1 089		1 089
Subordinated loan capital		175		175
Financial derivatives	2 236	142 979	1 648	146 864
Other financial liabilities ¹⁾	4 915	(0)	0	4 916
Assets as at 30 September 2020				
Loans to customers		111 777	6 978	118 755
Commercial paper and bonds	44 944	283 788	173	328 904
Shareholdings	3 101	697	579	4 377
Financial derivatives	487	199 191	1 592	201 270
Liabilities as at 30 September 2020				
Deposits from customers		17 937		17 937
Debt securities issued		16 993		16 993
Subordinated loan capital		178		178
Financial derivatives	502	223 725	1 024	225 250
Other financial liabilities ¹⁾	4 561			4 561

1) Short positions, trading activities.

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

For a further description of the instruments and valuation techniques, see the annual report for 2020.

Note P5 Information on related parties

DNB Boligkreditt AS

In the first three quarters of 2021, loan portfolios representing NOK 21.7 billion (NOK 47.1 billion in the first three quarters of 2020) were transferred from the bank to DNB Boligkreditt in accordance with the "Agreement relating to transfer of loan portfolio between DNB Bank ASA and DNB Boligkreditt AS".

At end-September 2021, the bank had invested NOK 52.0 billion in covered bonds issued by DNB Boligkreditt.

The management fee paid to the bank for purchased services amounted to NOK 1 548 million in the first three quarters of 2021 (NOK 570 million in the first three quarters of 2020).

In the first three quarters of 2021, DNB Boligkreditt entered into reverse repurchasing agreements (reverse repos) with the bank as counterparty. The value of the repos amounted to NOK 6.5 billion at end-September 2021.

DNB Boligkreditt AS has a long-term overdraft facility in DNB Bank ASA with a limit of NOK 220 billion.

DNB Livsforsikring AS

At end-September 2021 DNB Livsforsikring's holding of DNB Boligkreditt bonds was valued at NOK 269 million.

Information about DNB

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Visiting address	Dronning Eufemias gate 30, Oslo
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Internet	dnb.no
Organisation number	Register of Business Enterprises NO 984 851 006 MVA

Board of Directors

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

Group Management

Kjerstin R. Braathen	Group Chief Executive Officer (CEO)
Ottar Ertzeid	Group Chief Financial Officer (CFO) until 31 October 2021
Ida Lerner	Group Chief Financial Officer (CFO) as of 1 November 2021
Ingjerd Blekeli Spiten	Group Executive Vice President of Personal Banking
Harald Serck-Hanssen	Group Executive Vice President of Corporate Banking
Håkon Hansen	Group Executive Vice President of Wealth Management
Alexander Opstad	Group Executive Vice President of Markets
Benjamin Golding	Group Executive Vice President of Payments & Innovation
Mirella E. Grant	Group Chief Compliance Officer (CCO)
Sverre Krog	Group Chief Risk Officer (CRO)
Maria Ervik Løvold	Group Executive Vice President of Technology & Services
Anne Sigrun Moen	Group Executive Vice President of People
Thomas Midteide	Group Executive Vice President of Communications & Sustainability

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Financial calendar

2021

28 October	Ex-dividend date
As of 5 November	Distribution of dividends

2022

10 February	Q4 2021
10 March	Annual report 2021
26 April	Annual General Meeting
27 April	Ex-dividend date
As of 5 May	Distribution of dividends
28 April	Q1 2022
12 July	Q2 2022
20 October	Q3 2022

Other sources of information

Annual and quarterly reports

Separate annual and quarterly reports are prepared for DNB Boligkreditt and DNB Livsforsikring. The reports and the Factbook are available on ir.dnb.no. Annual and quarterly reports can be ordered by sending an e-mail to Investor Relations.

*The quarterly report has been produced by Group Financial Reporting in DNB.
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We are here. So you can stay ahead.

DNB

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