



*Capital Markets Day 2009  
26 March 2009*

## **Steering through challenging times**

Rune Bjerke, group chief  
executive

# Growth strategy from 2007 – three dimensions

## Utilise Norwegian growth potential

30-40 per cent market share  
- Still potential for growth in home market?

- 1 Introduction of new products and services
  - Establish non-life insurance company (retail)
  - Increase share of flexible mortgage loans
- 2 Strengthen distribution and market position
  - Introduce 1 500 in-store banking outlets
  - Intensify sales force in regions with potential for increased market share
- 3 Utilise cross-sale potential
  - Establish incentive structures that encourage cross-unit sales and cooperation



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## Cost improvement in Norwegian operations

Cost/income ratio below 50 per cent  
- Are improvements still possible?

We have commenced a cost programme to reduce costs by NOK 1 billion annually by 2010

	Potential
1 Optimize customer process and distribution	NOK 250-350 million
2 Streamline IT and procurement	NOK 150-250 million
3 Reorganise operational processes	NOK 400-500 million

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## Accelerate international growth opportunities

International growth, but where?

<b>Corporate bank, industry dimension</b>	<b>Universal bank, geographical dimension</b>
<ul style="list-style-type: none"><li>- Build on core competence industries: shipping, energy and seafood</li></ul>	<ul style="list-style-type: none"><li>- Establish Sweden as part of our core market</li><li>- Further develop DnB NORD</li></ul>



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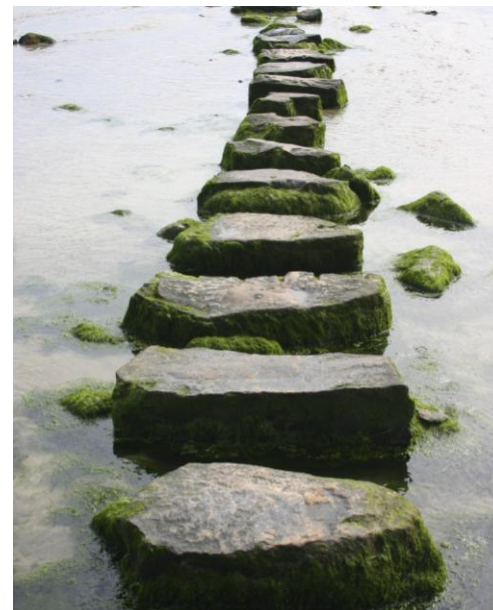
# Today's topics



Norway:  
A strong banking platform



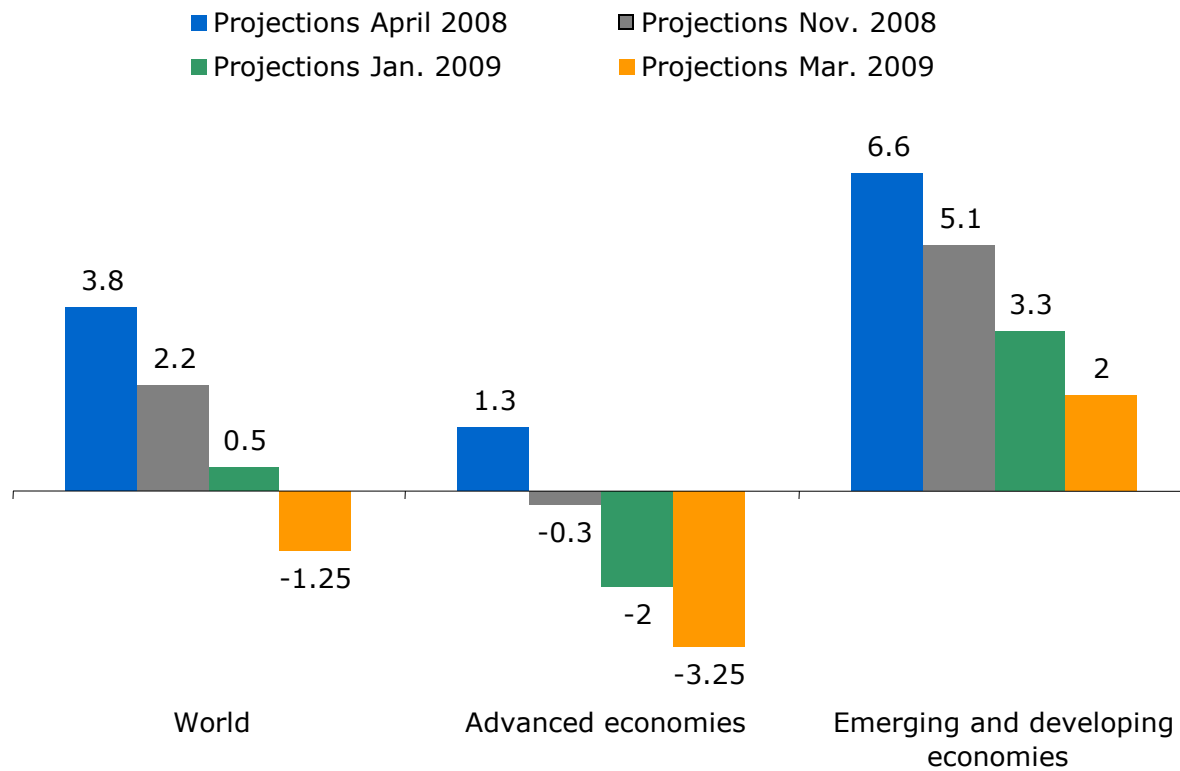
Credit quality:  
Commercial real estate,  
shipping and DnB NORD



Capitalisation and financial  
targets

# The global economy is suffering

## IMF's world growth outlook for 2009



Source: World Economic Outlook  
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*Norway is important  
to DnB NOR*

# 84 per cent of our income stems from Norway

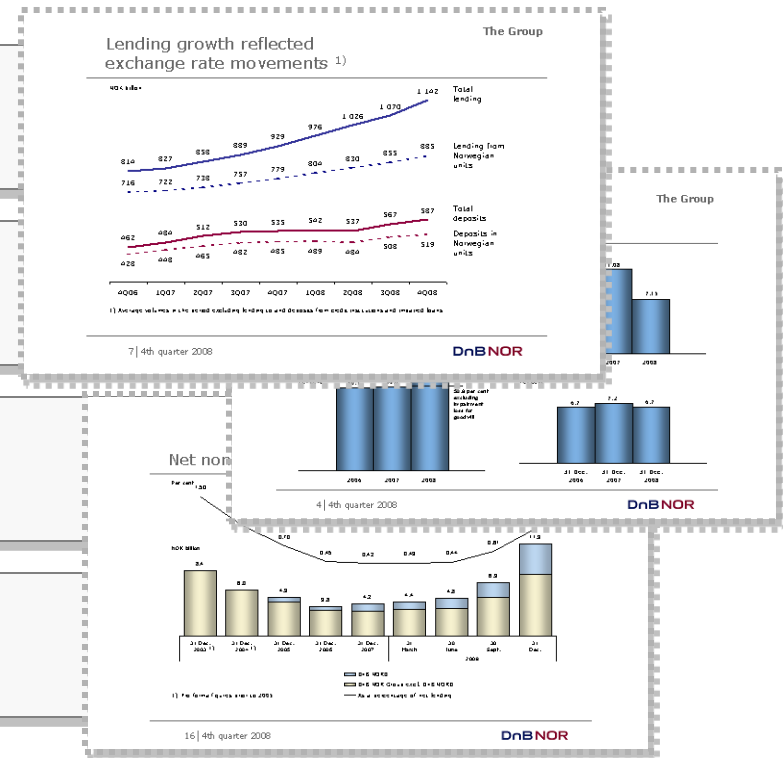
## Financial highlights Q408 Norwegian units

77 per cent of lending

88 per cent of deposits

Cost/income ratio 40.6 per cent<sup>1)</sup>

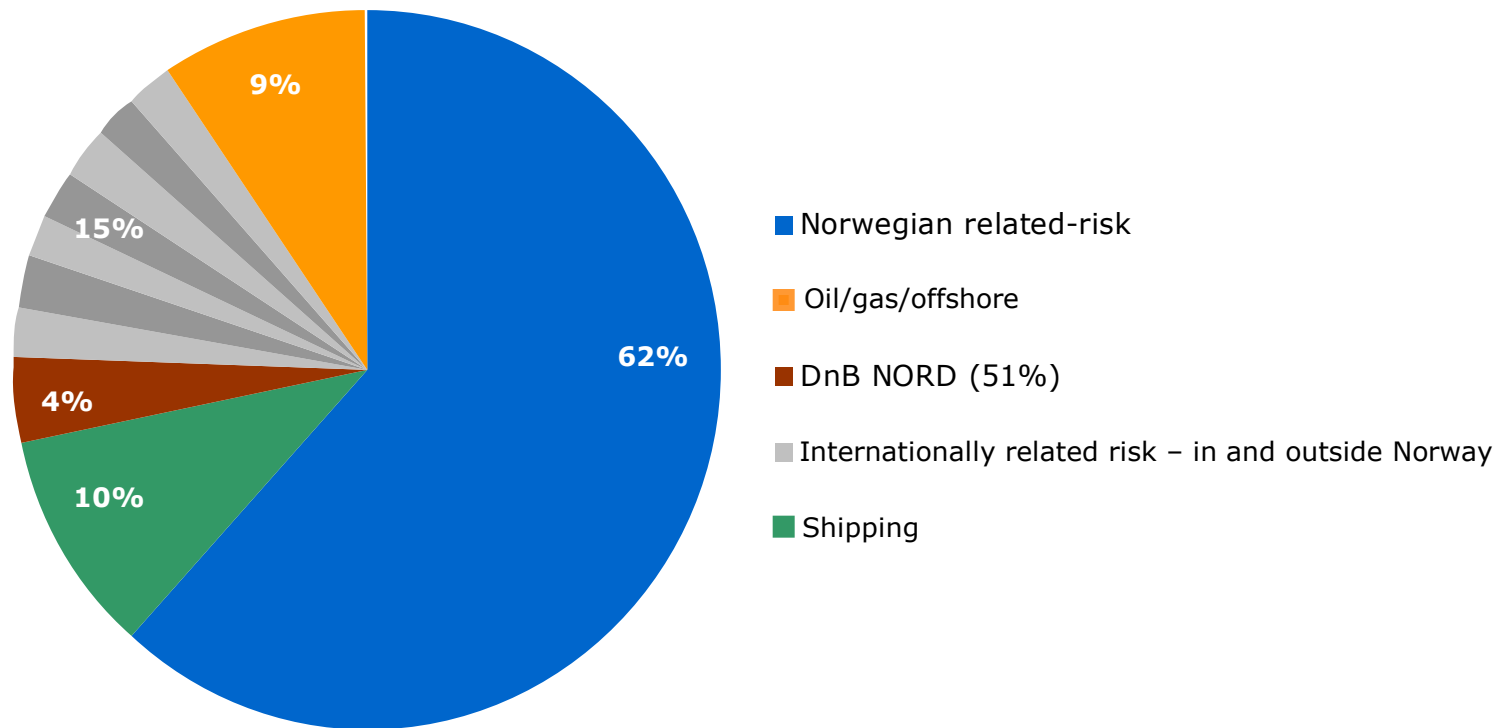
25 basis point losses



1) Excl. impairment losses for goodwill in the fourth quarter of 2008

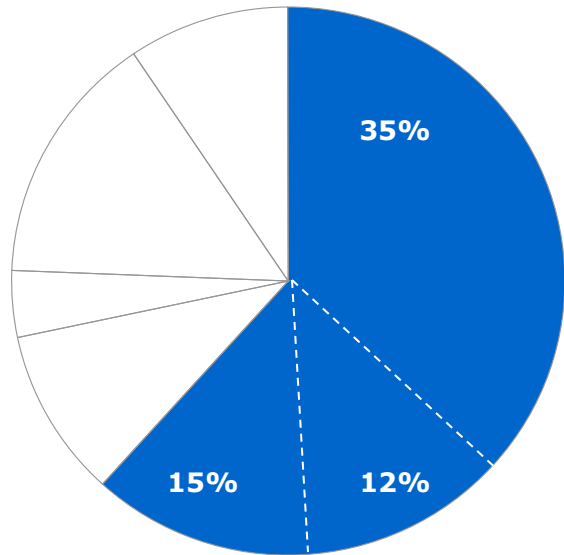
# 62 per cent of our exposure depends directly on Norwegian demand

**Exposure at default (EaD) DnB NOR**  
(Incl. 51% exposure DnB NORD)



# Private individuals constitute the largest part of the Norwegian-related exposure

**Norwegian-related risk (%)**  
Exposure at default (EaD)



**Norwegian-related risk (NOK bn)**  
Exposure at default (EaD)

Private individuals: NOK 531 billion

Commercial real estate: NOK 179 billion

Various corporate: NOK 218 billion<sup>1)</sup>

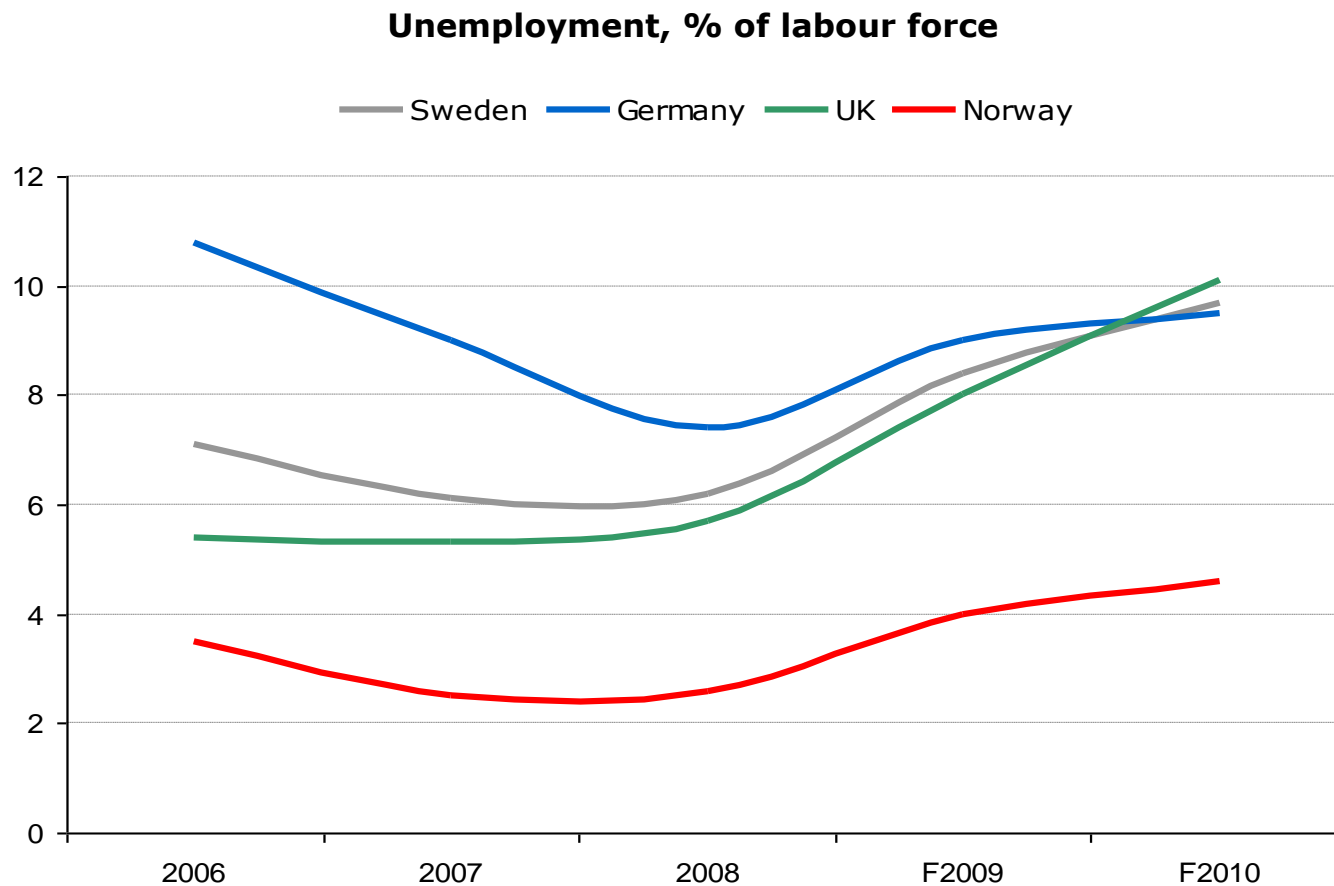
1) Trade, energy production, contractors, services, hotels and accommodation, funds and management, government, health and care, transportation, infrastructure, finance and funds, technology, agriculture, interest groups, air transport, media and telecom (50%), production (25%)





*Relatively sound outlook for  
the Norwegian economy*

# Average unemployment in Europe today is higher than worst case scenario for Norway



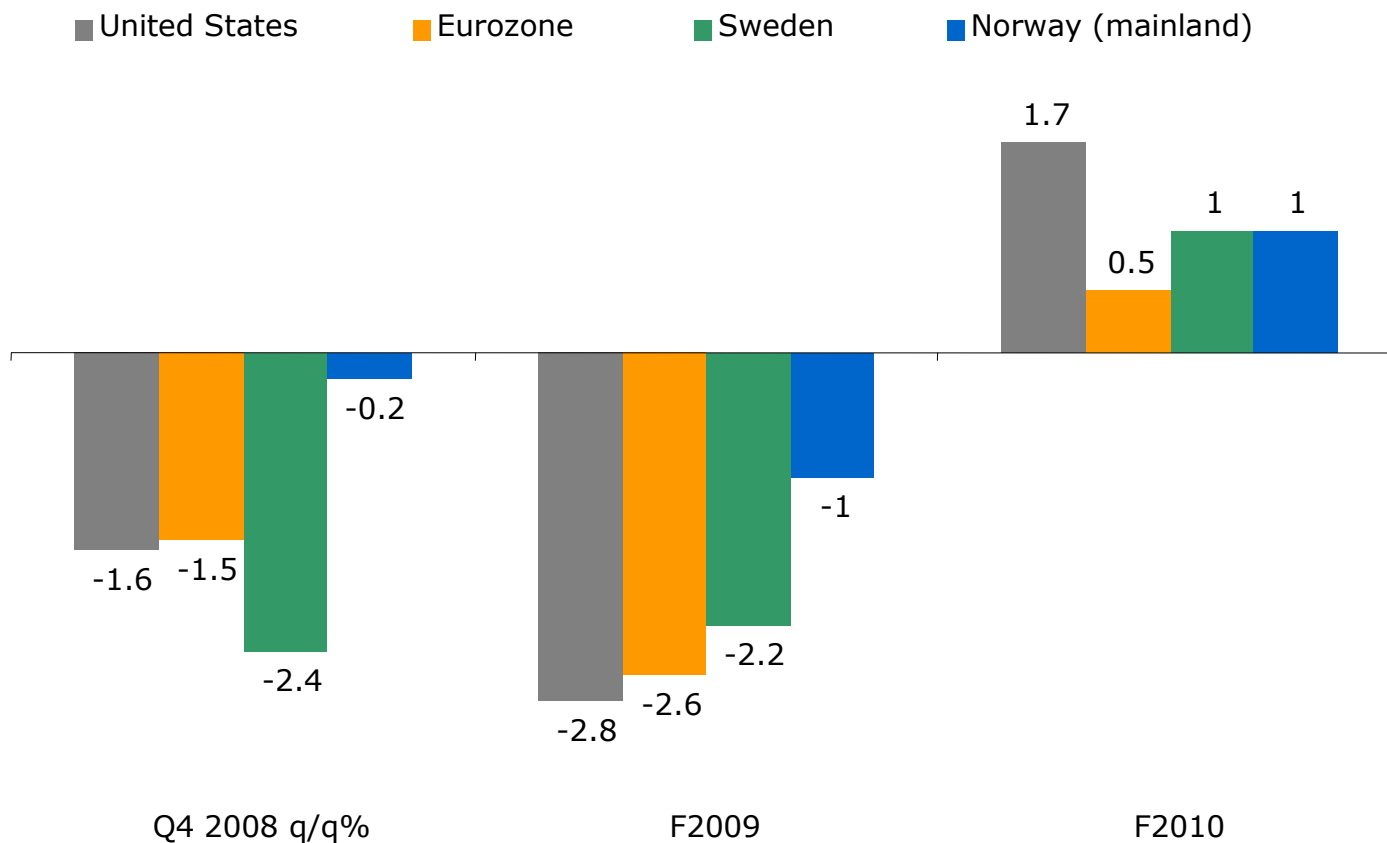
Source: Economist Intelligence Unit

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# The Norwegian economy is performing well

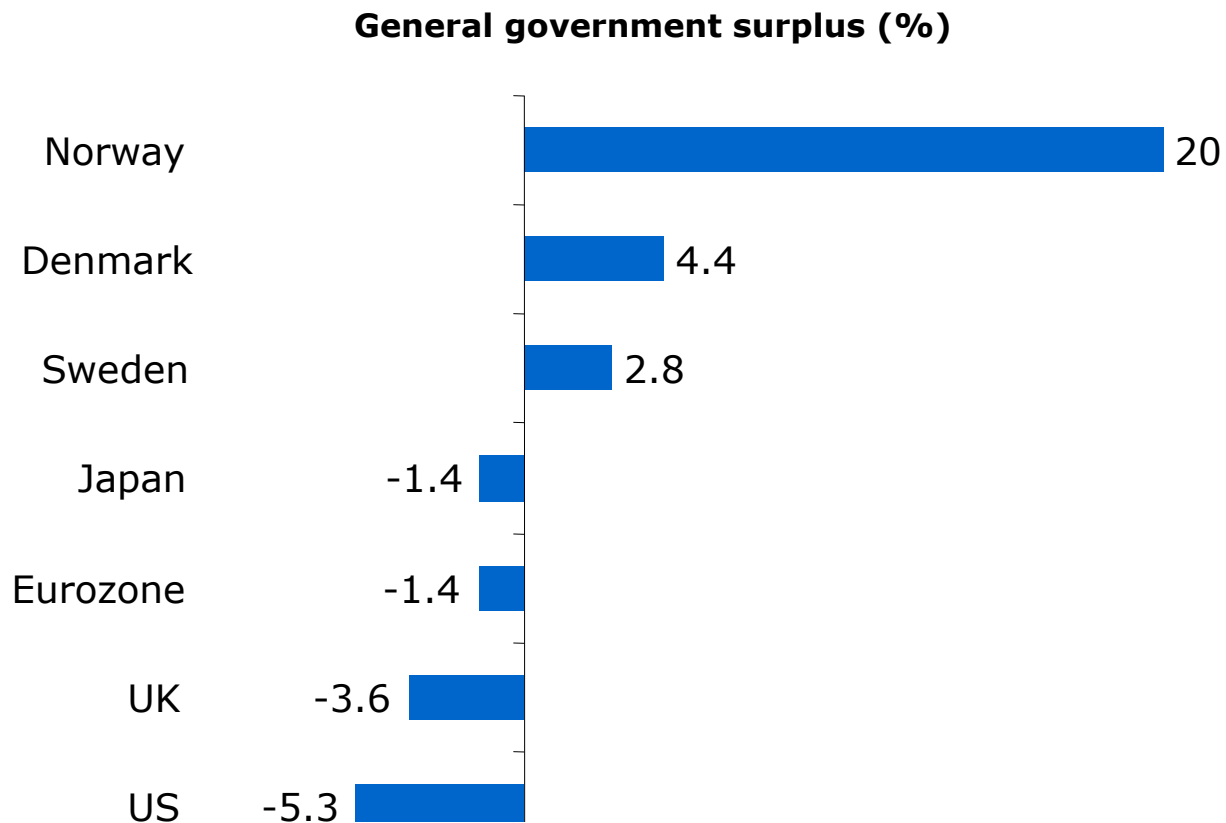
## Expected GDP growth, consensus forecast March 2009



Source: Consensus Economics Inc. March 2009

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# The Norwegian state finances are strong – debt is not an issue

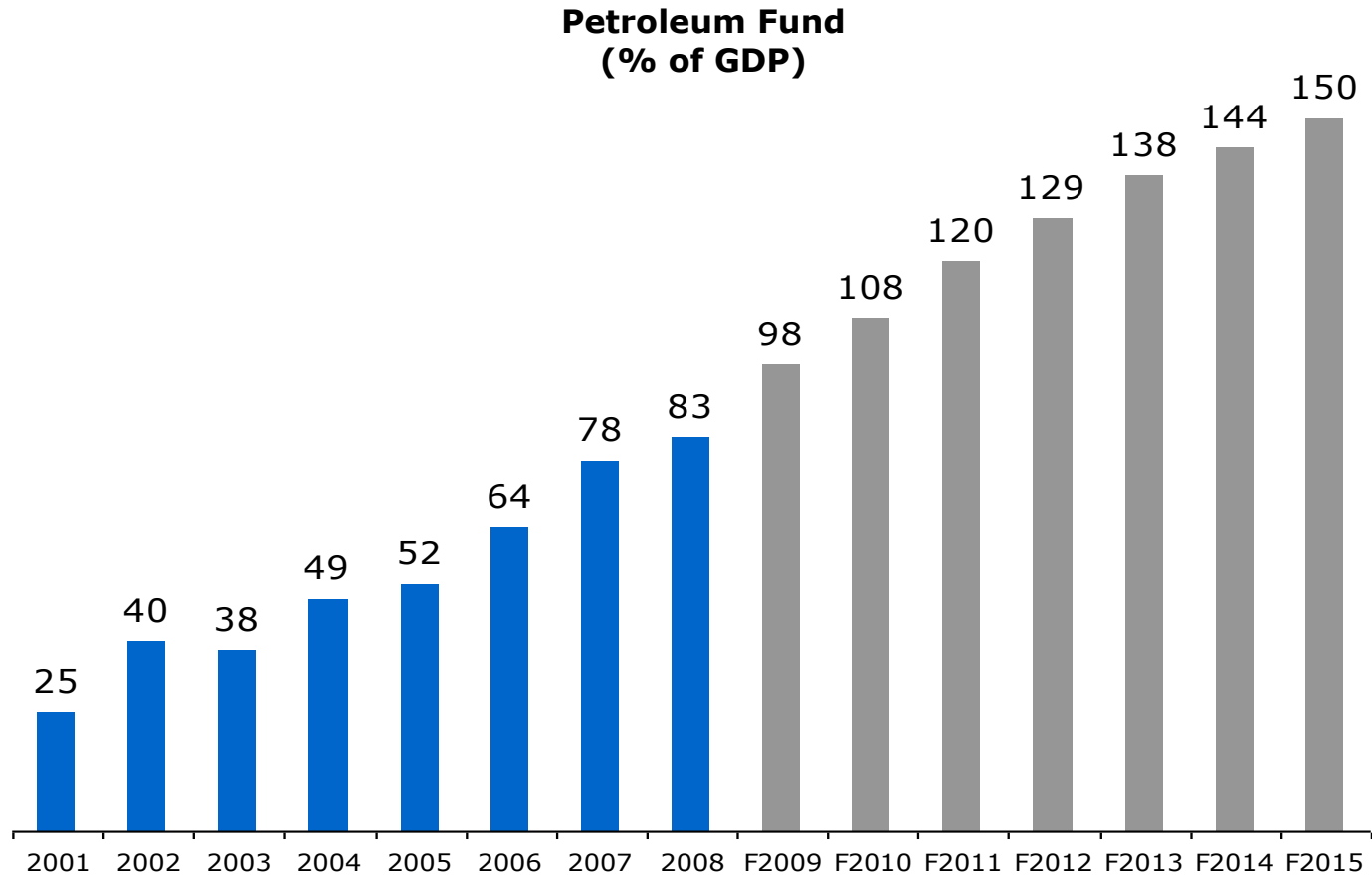


Source: OECD

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# The Norwegian state finances are strong – also in terms of wealth



Sources: National Budget 2009/ St.prp 37/ DnB NOR Markets

**DnB NOR**

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# Financial stimulus packages from the Norwegian government

*"The Norwegian authorities are prepared to implement necessary measures to maintain confidence in the Norwegian banking system"*

Prime Minister Jens Stoltenberg (12 Oct. 2008)

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<b>Fiscal stimulus</b>		
Oct. 2008	Expansionary state budget	(0.7 % of mainland GDP)
Jan./Feb. 2009	Increased spending	(increase to 2.5 % of mainland GDP)

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<b>Monetary stimulus</b>		
2008/2009	Cuts in interest rates	(Key policy rate cut 3.75 %)

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<b>Funding scheme</b>		
Oct. 2008	Ensure long-term funding for banks	(NOK 350 billion)

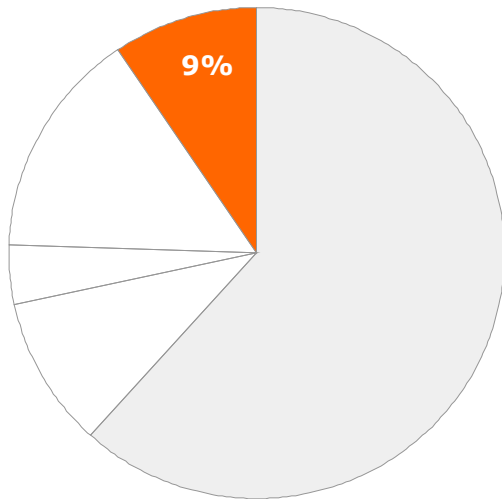
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<b>Credit package</b>		
Feb. 2009	Bond fund for corporate refinancing	(NOK 50 billion)
Feb. 2009	Finance fund for capital support	(NOK 50 billion)

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**Oil, gas and offshore-related risk (%)**

Exposure at default (EaD)

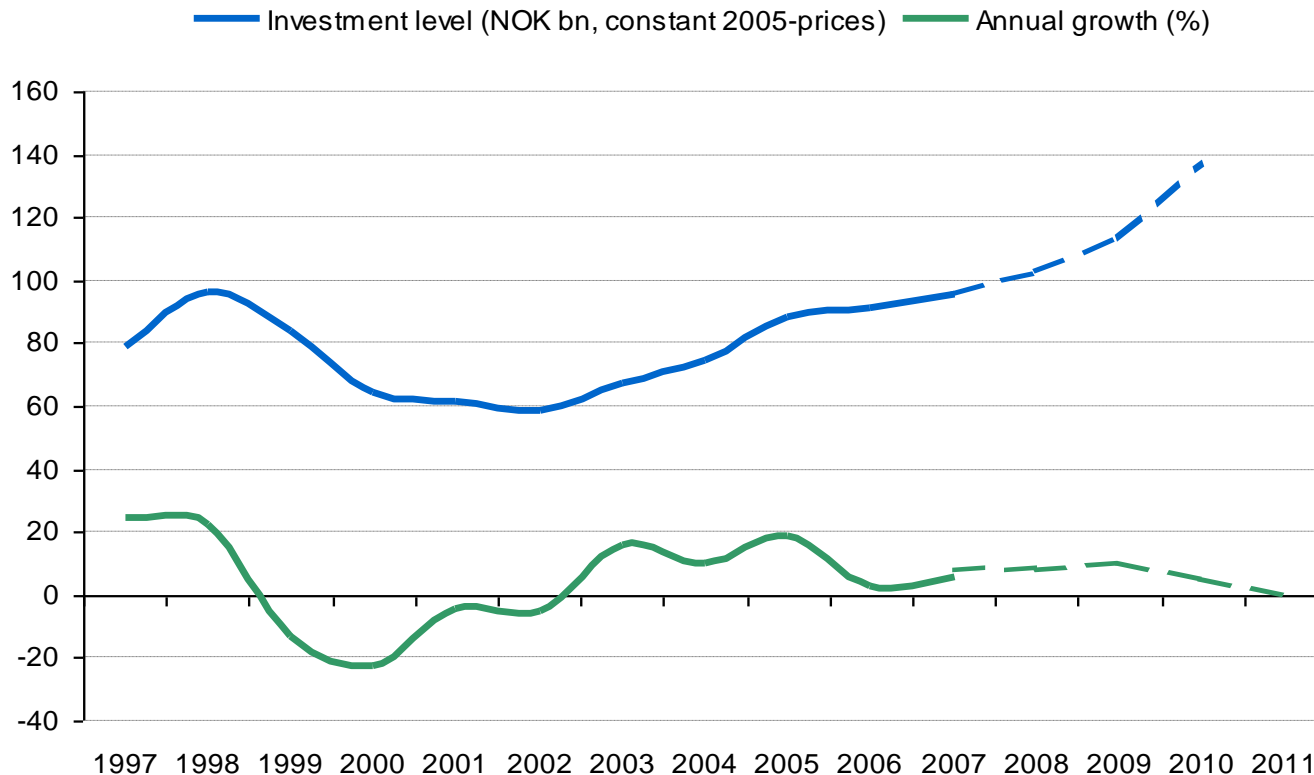


*Norwegian economy is dependent on energy-related sector*



# Norway has limited vulnerability to oil price fluctuations in the short to medium term

## Investment in oil and gas recovery including pipeline transport



Sources: Statistics Norway and Norges Bank

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**Shipping, DnB NORD and  
Norwegian commercial real  
estate (%)**  
Exposure at default (EaD)

