

## A position of strength

Rune Bjerke  
Chief Executive Officer  
Capital Markets Day  
18 March 2010

# Agenda

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Financial targets  
and regulatory  
changes



A high-quality  
portfolio



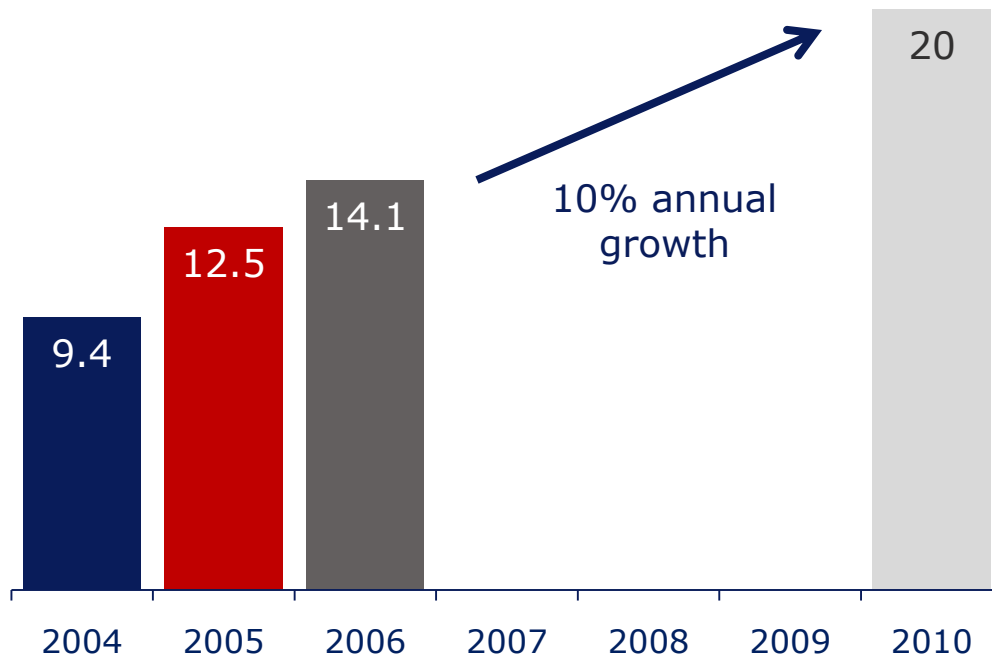
Building on our  
strong  
Norwegian  
platform



International  
growth  
opportunities  
within corporate  
banking

# Ambitious targets presented at our Capital Markets Day in 2007

**Development in pre-tax operating profits before write-downs (NOK billion)**



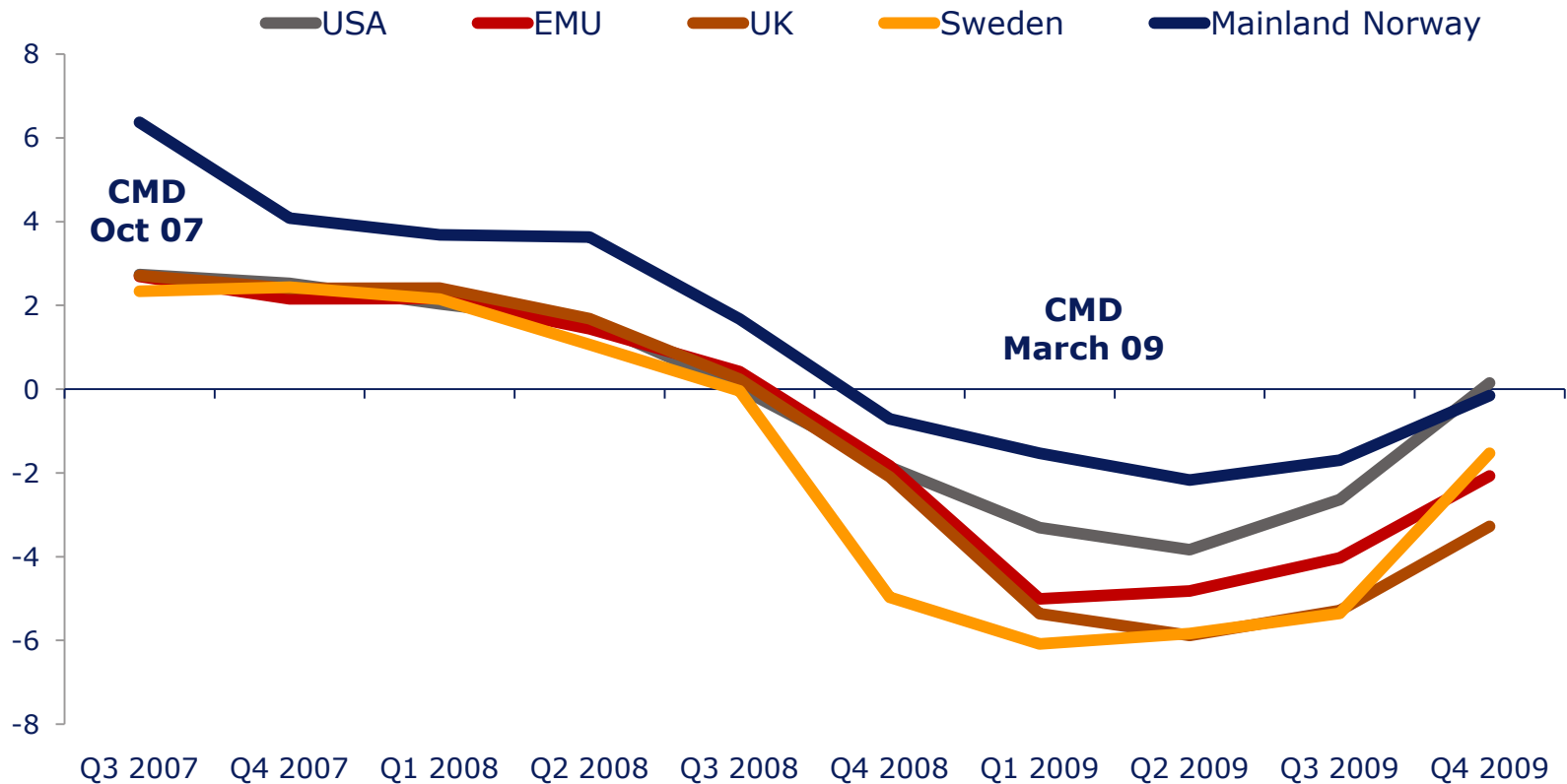
**Pre-tax operating profits  
NOK 20 bn in 2010**

**RoE above 16 per cent**

**Cost/income ratio below  
46 per cent by 2010**

# Hit by the 'unknown unknowns'

GDP year/year (%)



# In March 2009, we presented adjustments and additional ambitions due to the financial crisis

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Pre-tax operating profits of NOK 20 billion in 2010

Reconfirmed

Estimated write-downs of NOK 8-10 billion in 2009

New guiding

Tier 1 capital ratio > 8 per cent by year-end 2010

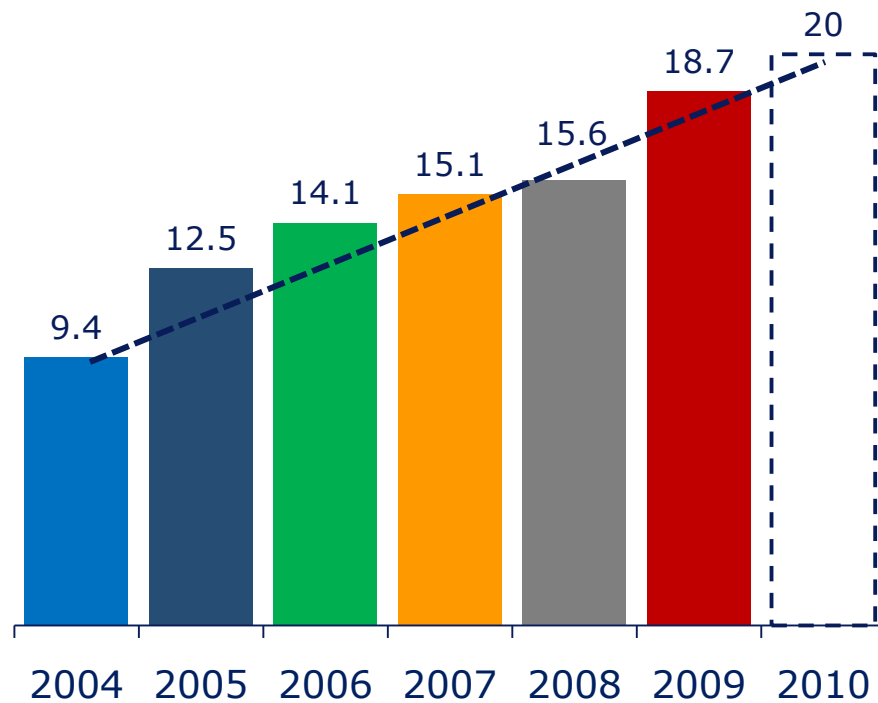
New target

Reduce annual costs by NOK 2 billion by 2012

Extended former goal

# Strong growth trend

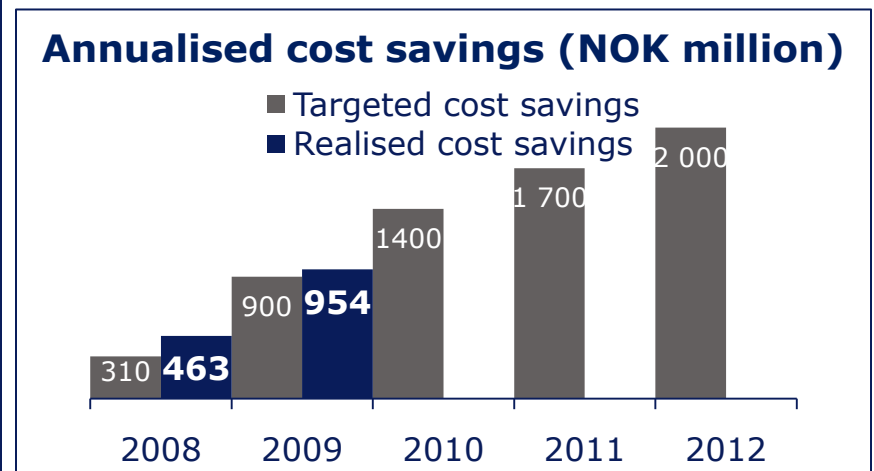
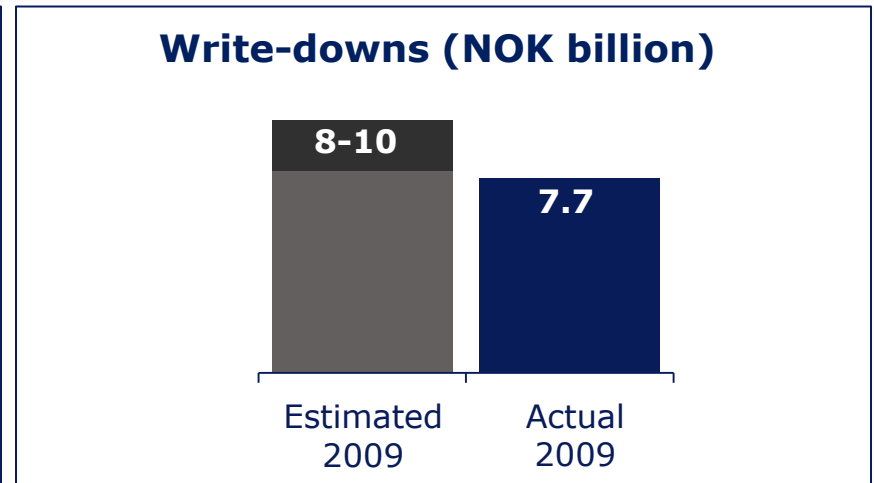
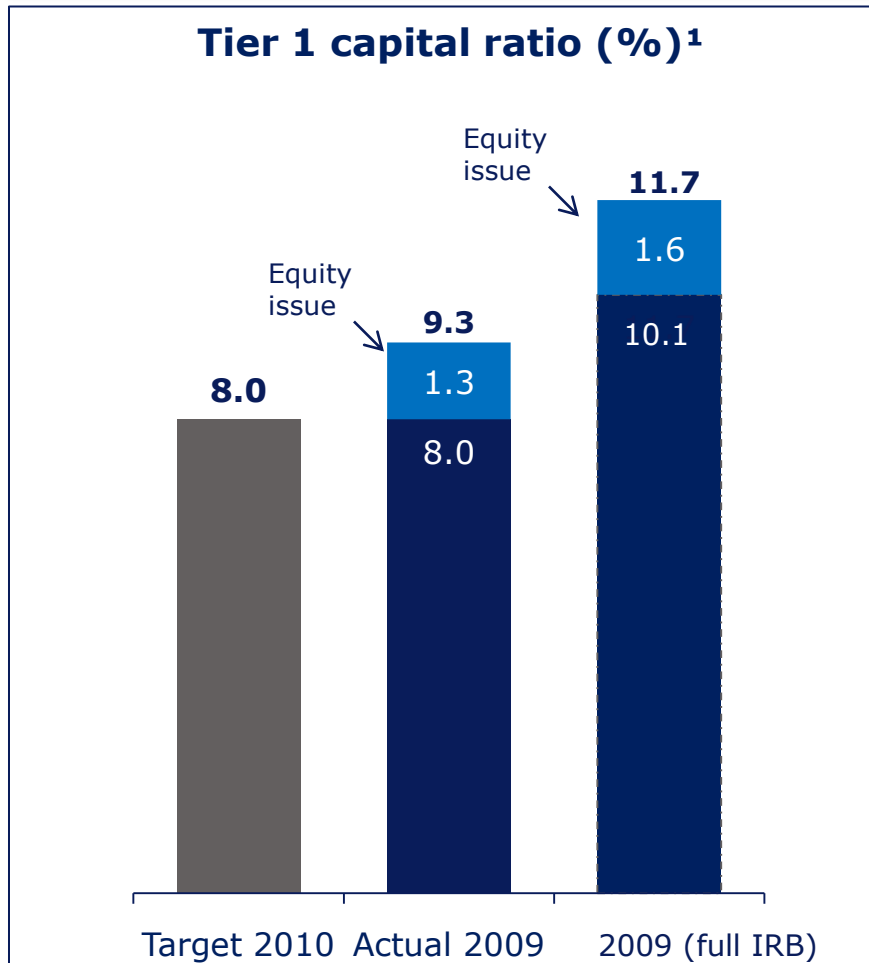
## Development in pre-tax operating profits before write-downs (NOK billion)



## 2009 above trend:

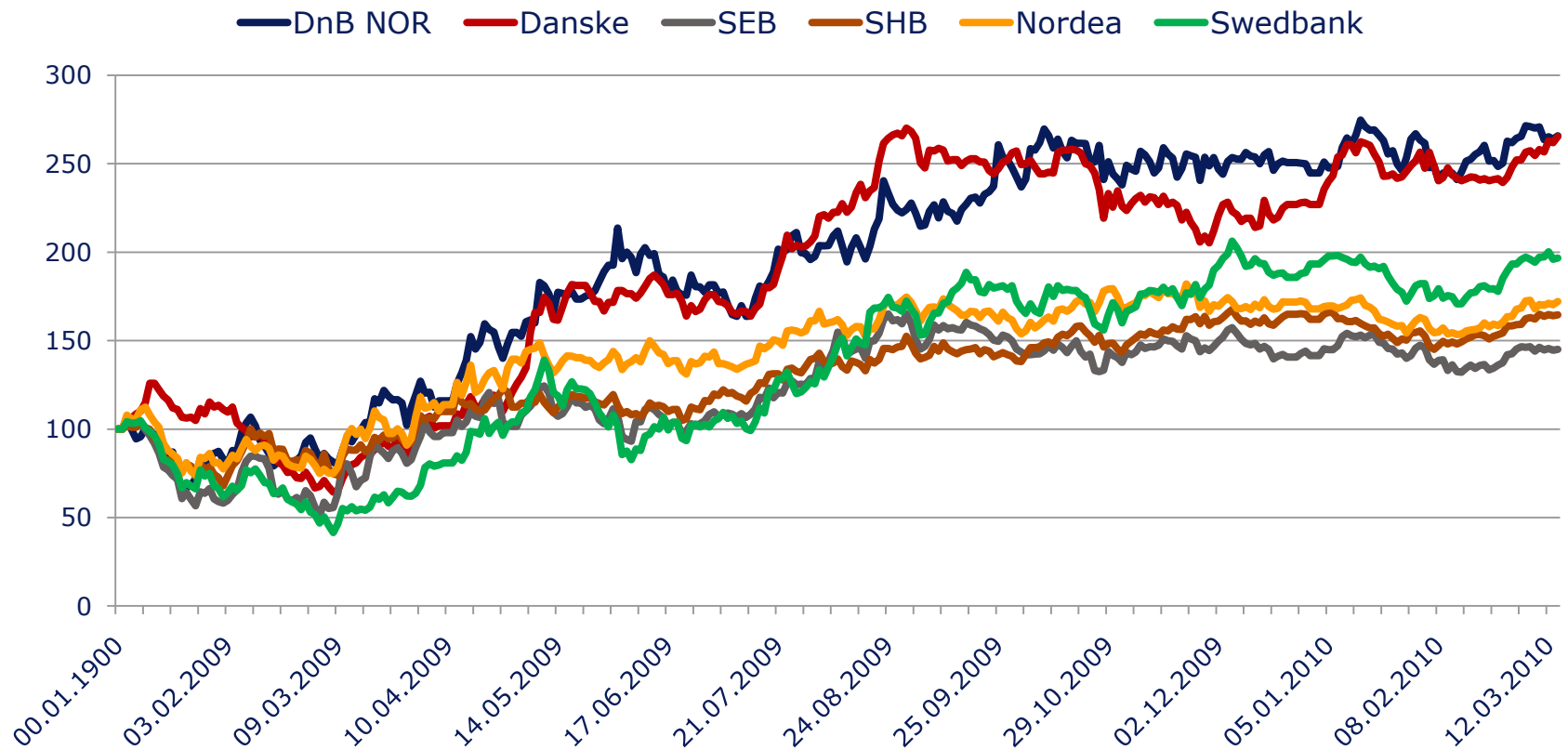
- Widening lending spreads
- Extraordinary income from DnB NOR Markets
- Strong cost control

# Results in 2009 better than targets and guiding



# Seeing is normally believing

**Share price development Nordic peers,  
1. Jan 2009–16 March 2010**



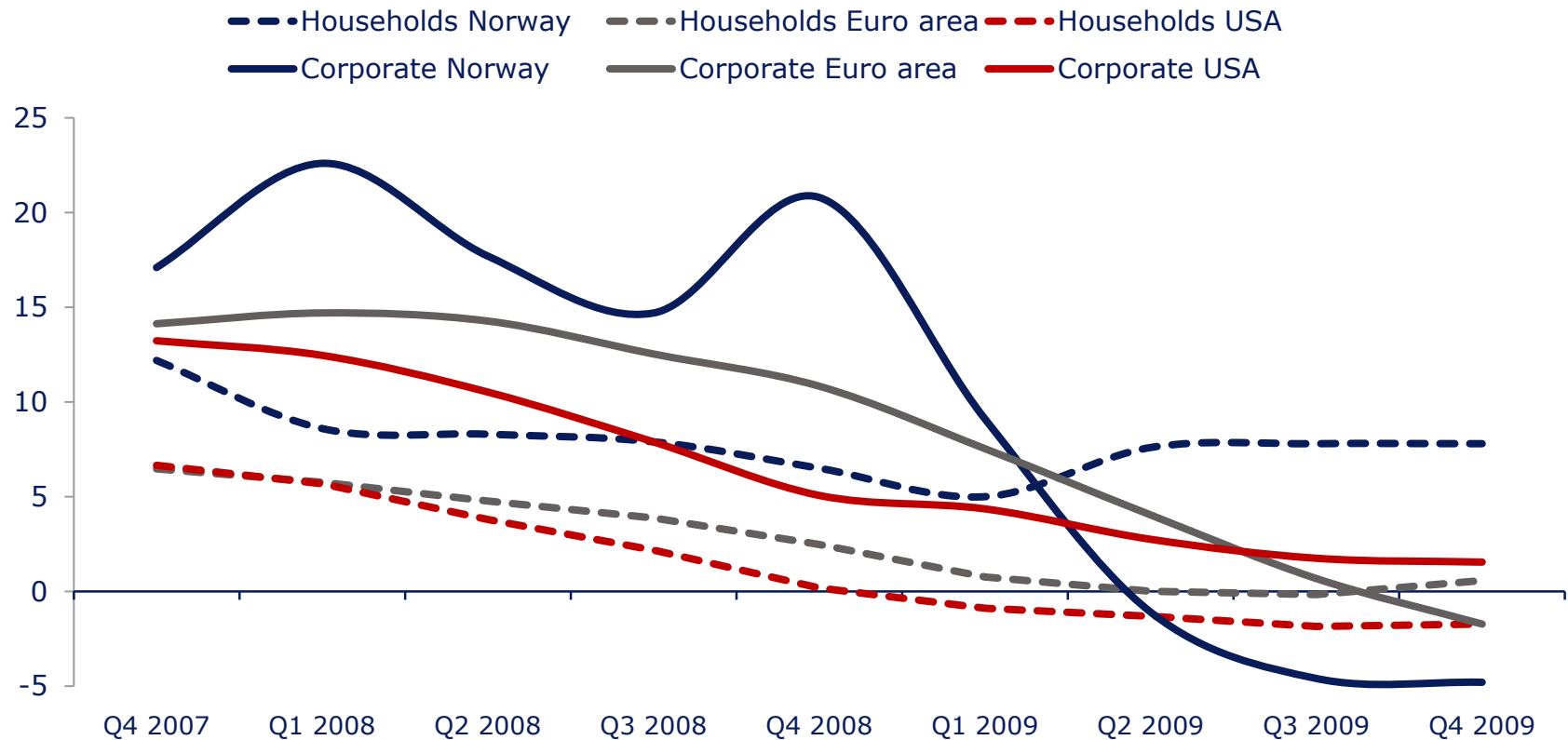


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*So far so good:  
But what about  
the short-term outlook?*

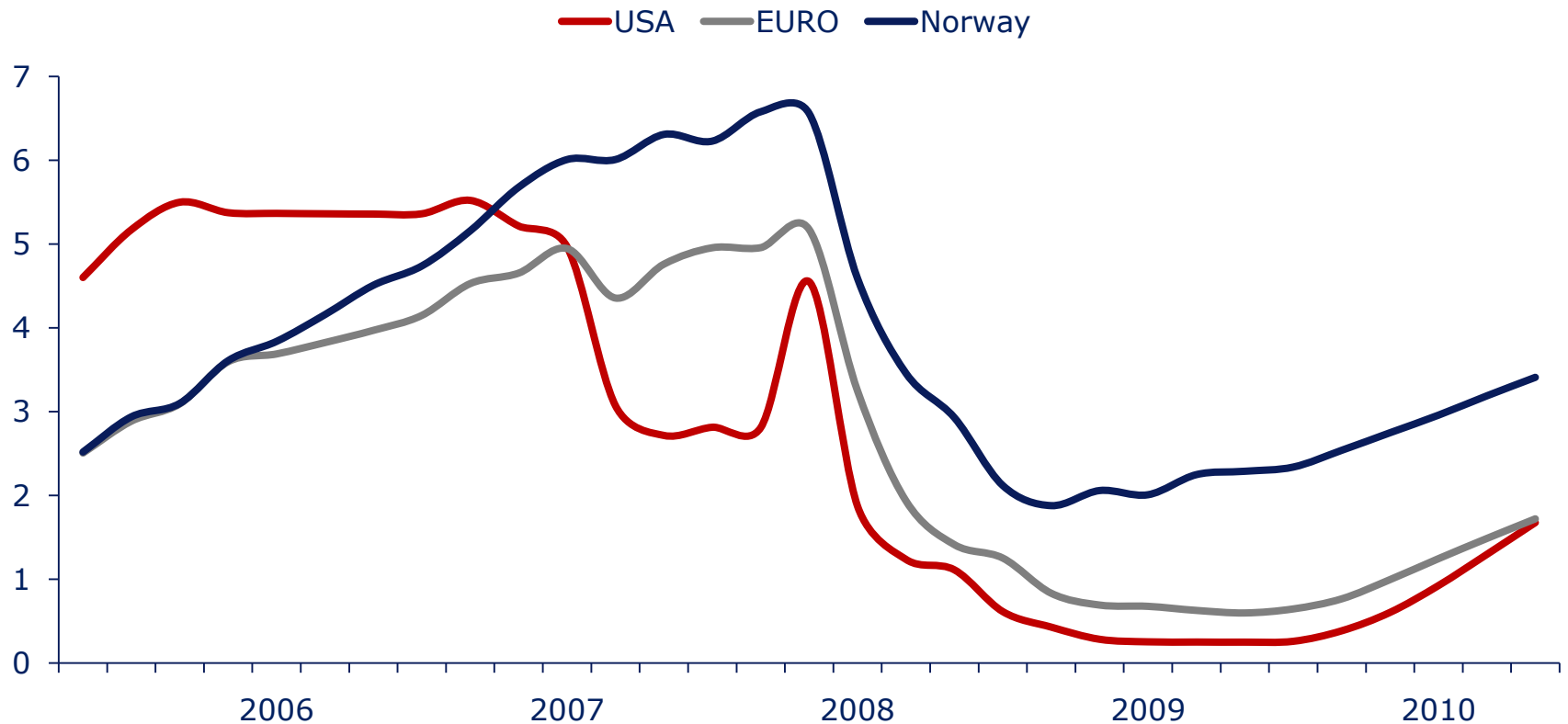
# Low credit growth in Europe and the US

## Net lending year/year (per cent)



# The money market rates are increasing, but somewhat slower than we expected

**3 months money market rate (per cent)**



NOK 20 billion in 2010 will be demanding  
However, several positive effects on the bottom line

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**Somewhat lower write-downs in 2010 than in 2009**

**Lower effective tax rate in 2010 than in 2009**

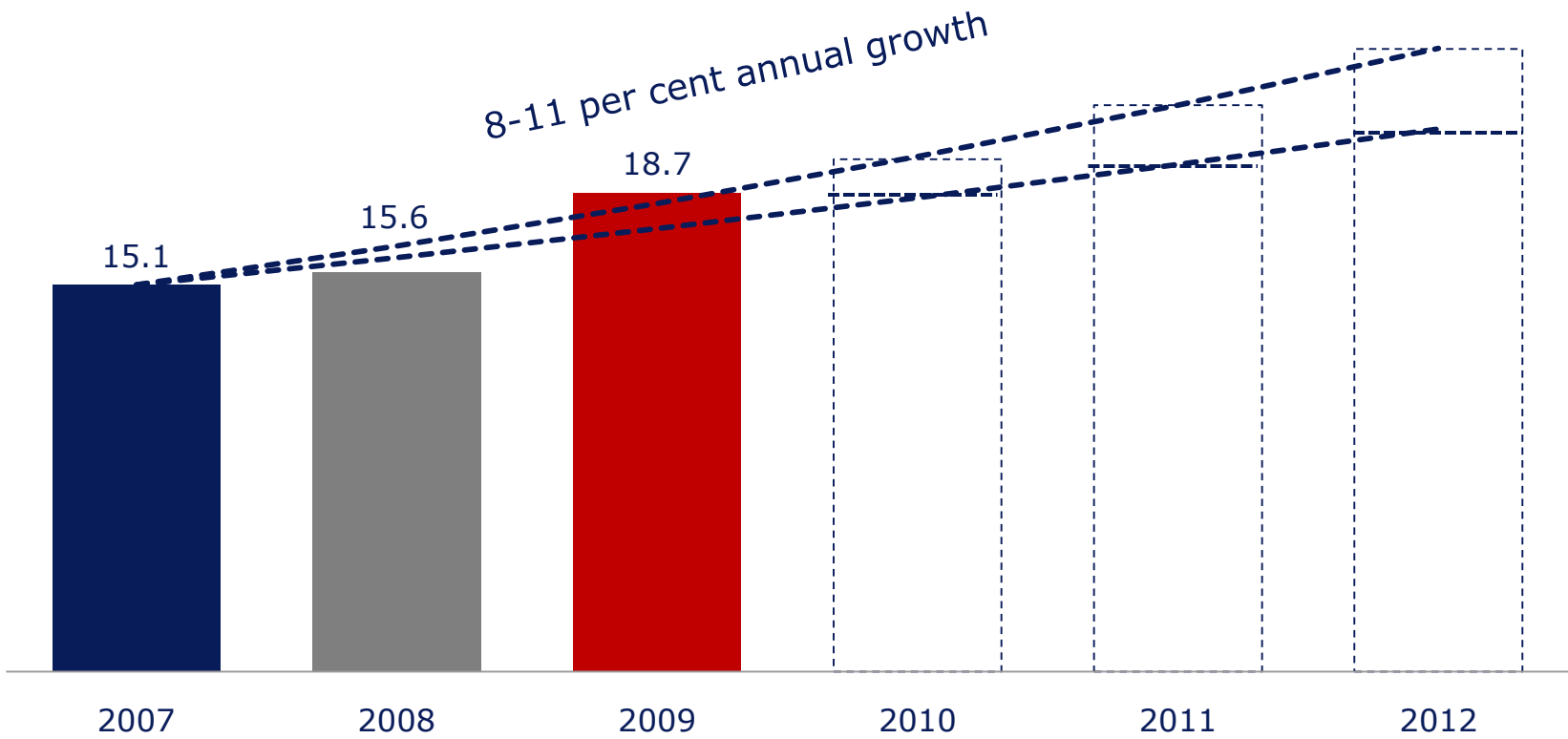
**Cost programme ahead of schedule**

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*What about our  
long-term perspectives?*

# Long-term fundamentals are as positive as they were in 2007

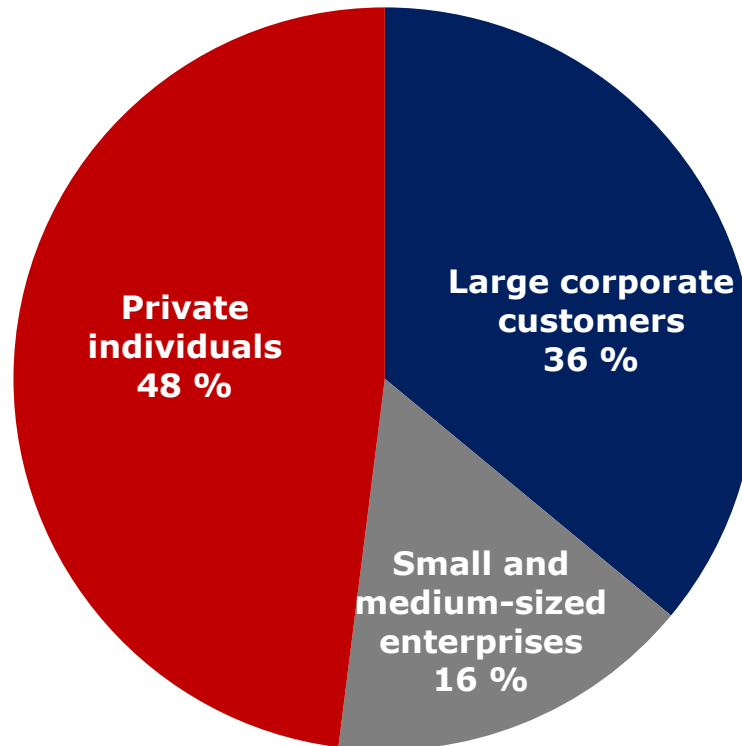
**Development in pre-tax operating profits before write-downs  
(NOK billion)**



# A balanced portfolio - also in the future

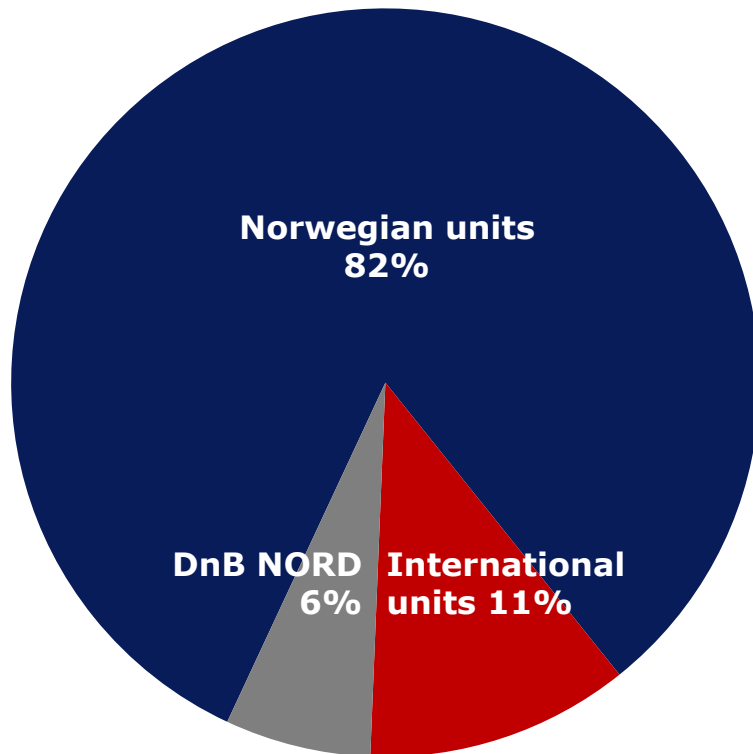
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**Share of net lending,  
per segment - 31 Dec. 2009**



# Norway will continue to be dominant but still international growth ambitions

**Share of group income, 2009**



## **Key figures Norway 2009:**

- 82 per cent of lending
- 88 per cent of deposits
- Cost/income ratio 46 per cent
- 24 bp write-downs



# Evaluation period in DnB NORD

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**Evaluation period until end of July 2010**

**Joint venture will most probably be dissolved**

**We are ready to take over also the Polish operation**

**All conclusions regarding values and future structures will be made no later than end-January 2011**

# Financial ambitions

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## Ambitions 2012

NOK 22-25 billion in pre-tax operating profits before write-downs

NOK 2 billion in cost reductions

Cost/income ratio below 46 per cent

## Long-term ambitions

Return on equity above 13 per cent

Be among the best capitalised banks in the Nordics

Long-term AA rating

Approx 50 per cent dividend