



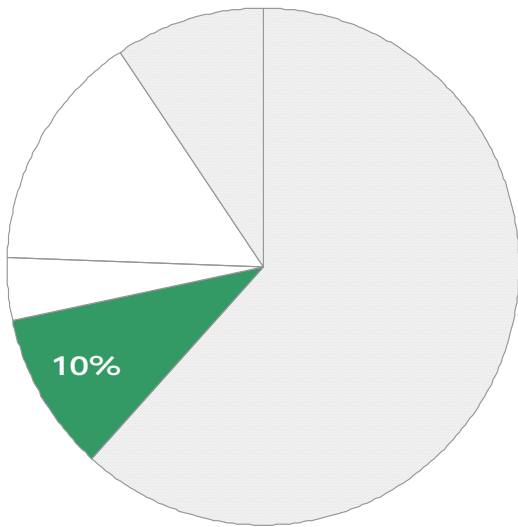
*Capital Markets Day 2009
26 March 2009*

Navigating through troubled waters

Harald Serck-Hanssen, global head of
shipping, offshore and logistics

DnB NOR is proactively addressing the downturn

Shipping portfolio (%)
Exposure at default (EaD)



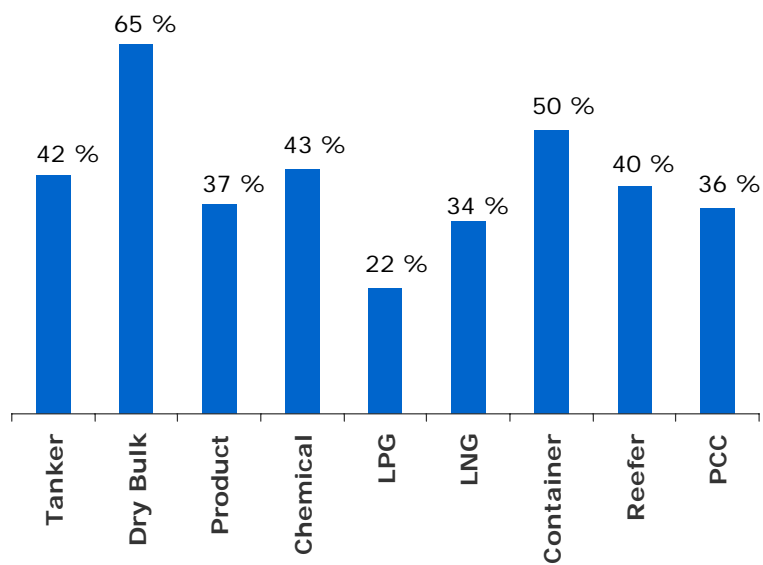
Minimise and prevent loan losses

Maintain core client relations

Maintain high earnings

Positive long-term shipping trends – large order book a challenge

Order book in per cent of existing fleet



Trends



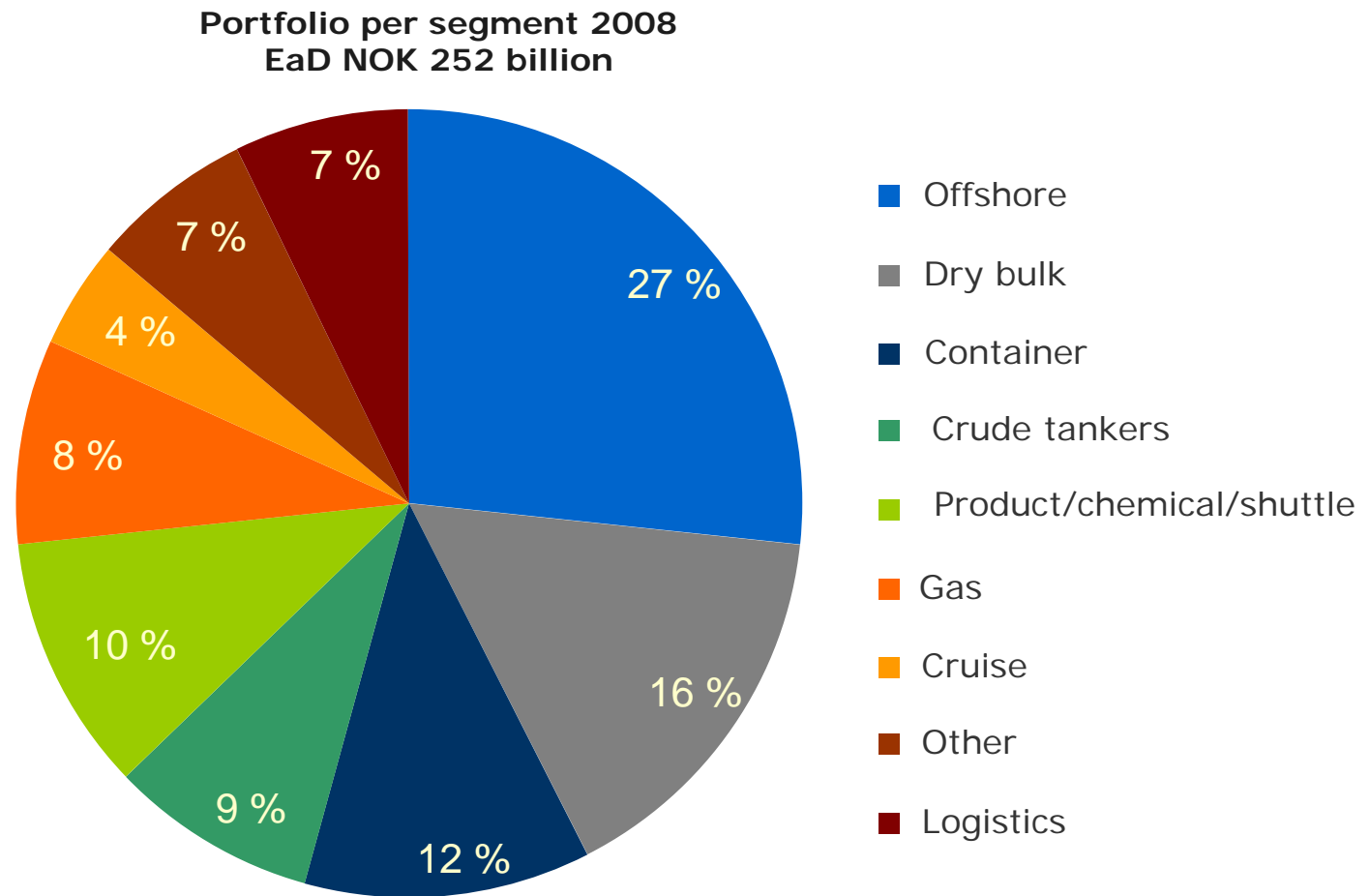
- International trade will drive growth in Shipping and Logistics
- Strong underlying growth in energy demand

DnB NOR: a leading worldwide shipping bank based in an important maritime nation



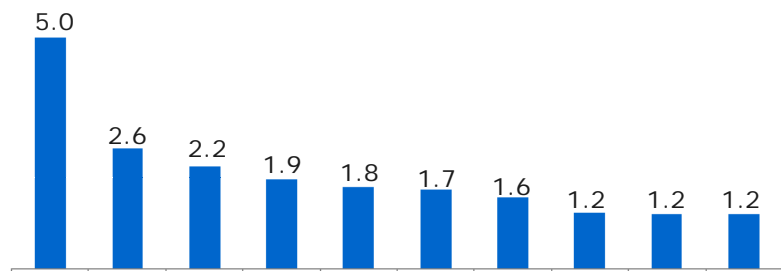
- Norway's merchant fleet is the world's fifth largest
- Norway is among the five largest net exporters of oil and gas
- Shipping companies are mostly industrial in nature with a long-term focus
- DnB NOR has expanded through prudent organic growth

Diversified portfolio in the maritime sector



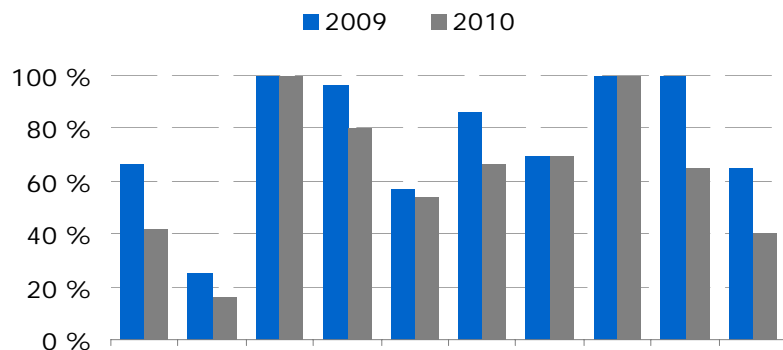
Dry-bulk portfolio: Clients are mainly well-established operators with good contract coverage

10 largest dry-bulk clients (EaD NOK bn)



- 10 largest clients represent 50 % of the dry-bulk portfolio
- 16% of the portfolio is dry-bulk clients

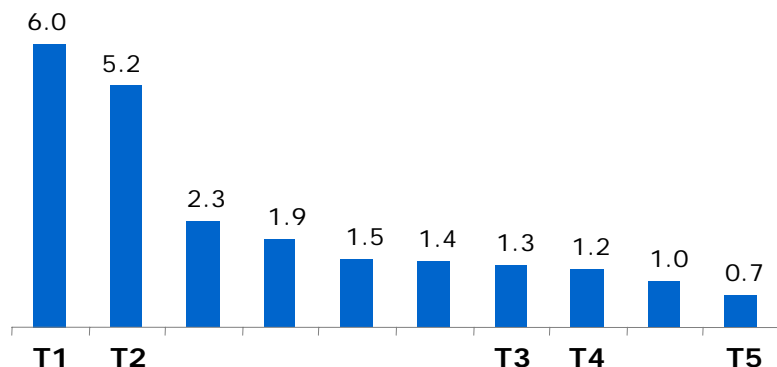
Corresponding time-charter coverage



- 20 largest dry-bulk clients represent close to 75 % of the dry-bulk portfolio
- Their average time charter coverage in 2009 and 2010 is approximately 65 % and 50 %, respectively

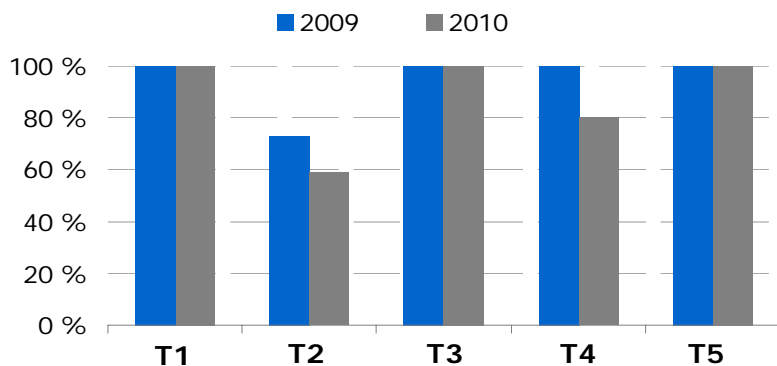
Container portfolio: Clients are among the major operators and tonnage providers

10 largest container clients (EaD NOK bn)



- 10 largest clients represent 75 % of the container portfolio
- 12% of the portfolio is container clients

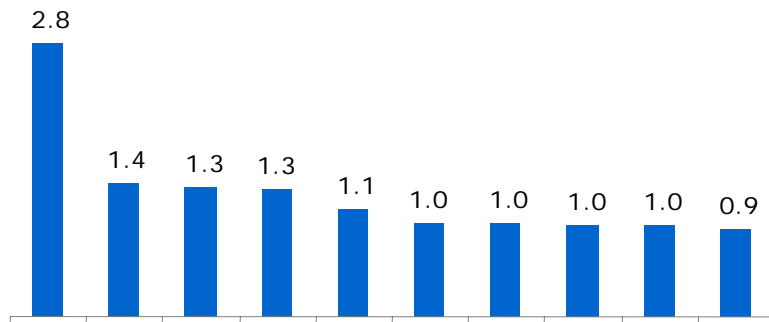
Corresponding time-charter coverage



- Five of the main clients in this segment are tonnage providers
- Their average time charter coverage in 2009 and 2010 is 94 % and 88 %, respectively

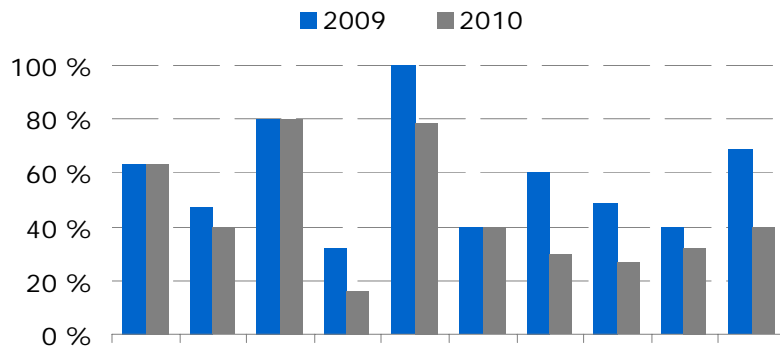
Crude tanker portfolio: Clients are mainly leading international tanker owners

10 largest crude tanker clients (EaD NOK bn)



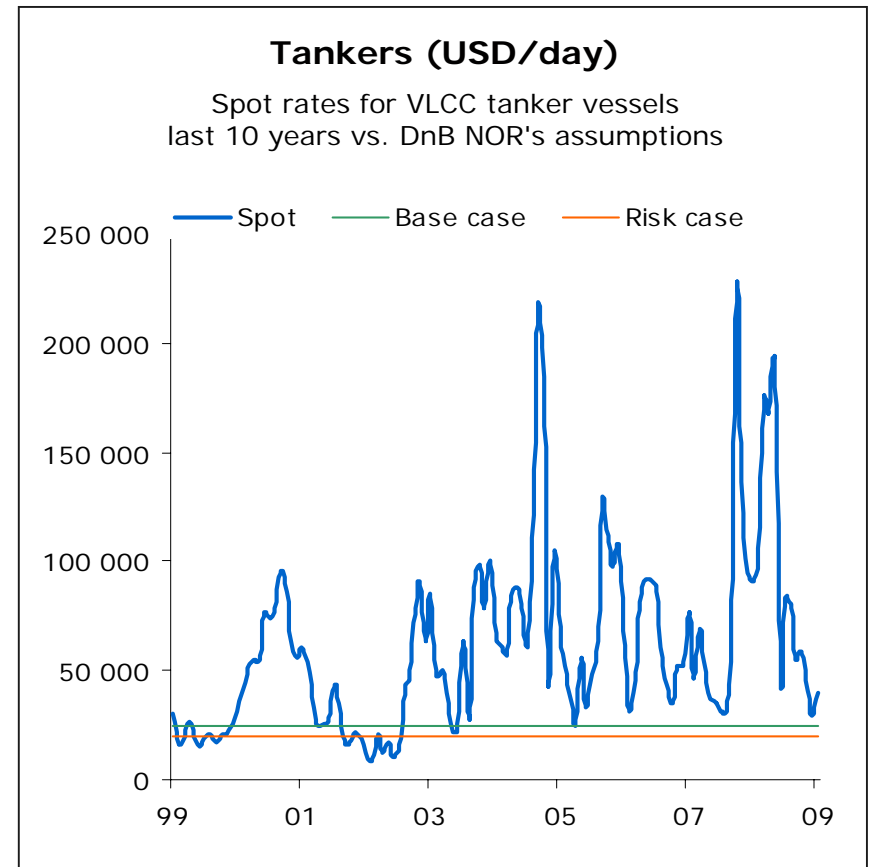
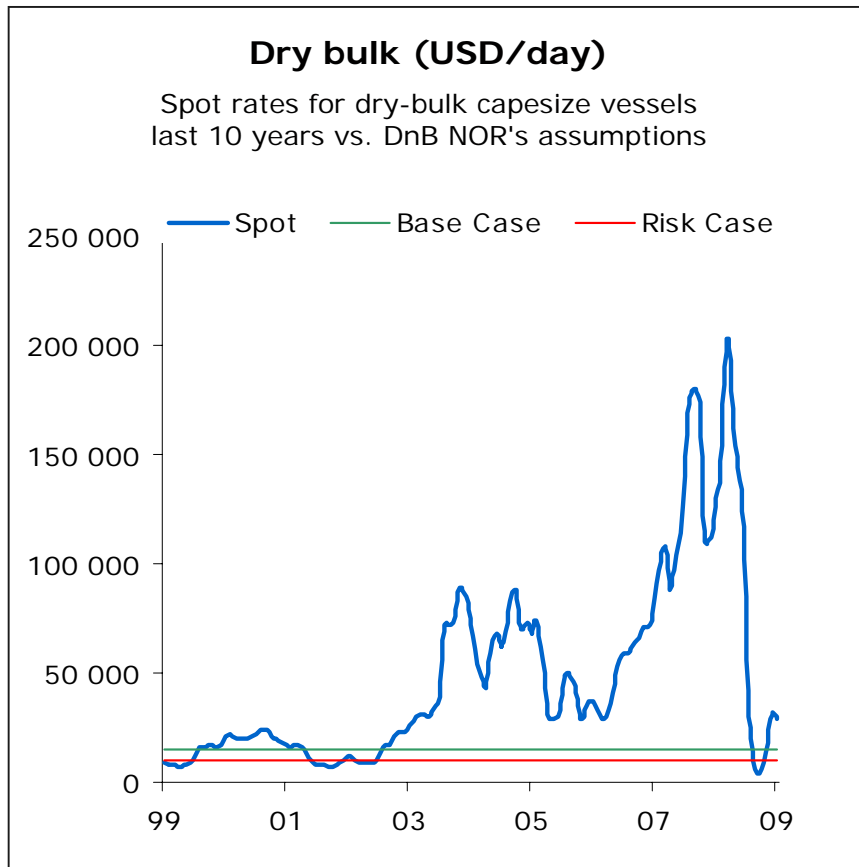
- 10 largest clients represent 60 % of the tanker portfolio
- More comfortable supply/demand balance
- 9% of the portfolio is crude tanker clients

Corresponding time-charter coverage



- 20 largest tanker clients represent close to 90 % of the tanker portfolio
- Their average time charter coverage in 2009 and 2010 is approximately 53 % and 40 %, respectively

Internal credit analysis has been based on low rate estimates



Shipping companies taking action



- Reducing or stopping dividends
- Cancelling or postponing newbuildings
- Raising additional capital
- Scrapping vessels
- Cutting costs

Financial covenants actively used in risk management

<i>Some of the most common covenants</i>	<i>Common requirements</i>
Minimum value clause	Usually > 120 %
Minimum cash	A fixed amount, often related to the number of vessels
Debt/EBITDA	Usually < 6
EBITDA/interest	Usually > 2
Net worth	A fixed amount or a percentage, often > 30 %

- The main purpose of the covenants is to be in a negotiating position when markets weaken
- Seek to establish covenants enabling us to take early action
- 'Early warning covenants' usually give ample warning before a possible payment default

DnB NOR is actively addressing the current downturn

STANDARD &POOR'S

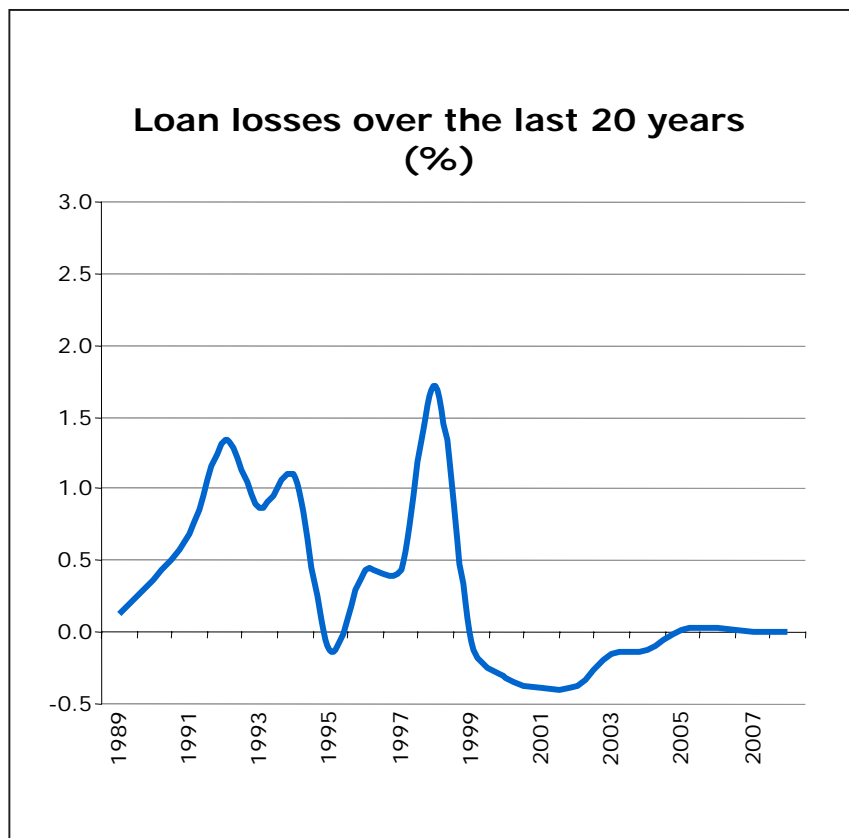
Banks' underwriting quality and industry expertise will help curtail prospective losses

Our view is that, historically, a combination of high-quality underwriting and prudent collateral management in times of stress have enabled many surviving specialized ship finance banks to contain their losses

Quote: Shipping review report , S&P, March 2009

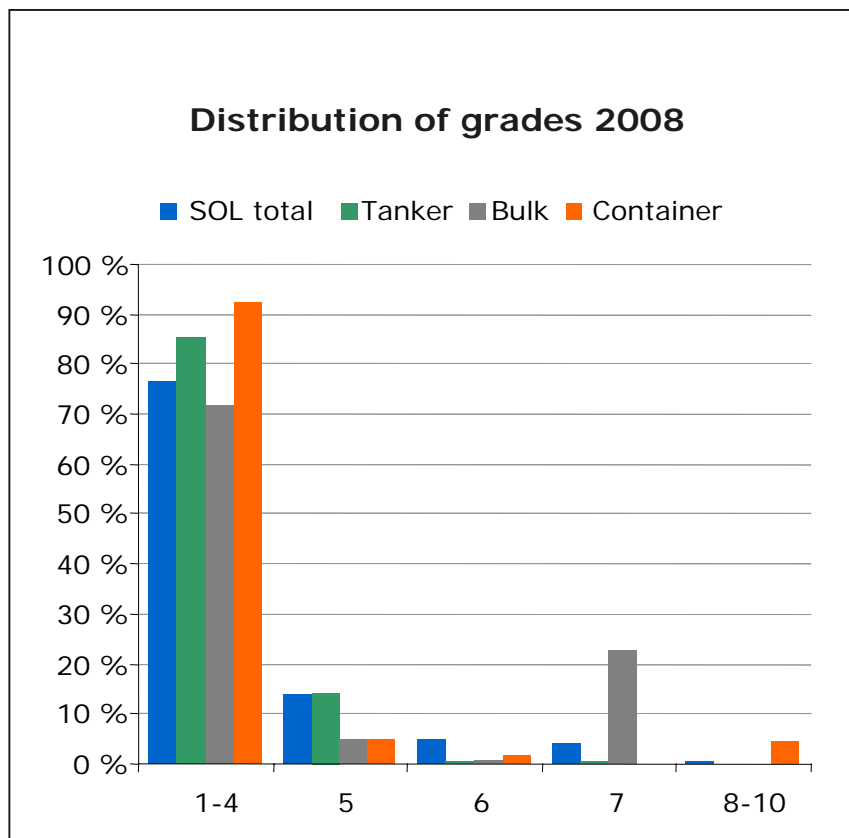
- Task force established to work actively across the division
- Continuous evaluation of which clients to put on the Watch List
- Early and constructive interaction with our clients

Lessons learned from the previous downturn help reduce future losses



- Low loan losses (0.29 % on average) over the last 20 years
- The credit analysis is based on the overall financial position of the companies we finance
- Larger transactions are syndicated to other shipping banks
- Financial covenants are established and monitored closely
- Security is mainly first priority mortgages
- Less 'steel-oriented' than other banks

Some negative migration of the portfolio so far



- 77 % in grades 1–4 at year-end 2008
- The negative migration is mainly due to developments in the dry-bulk sector
- A further negative migration is to be expected, especially in the dry-bulk and container segments

Shipping strategy remains firm

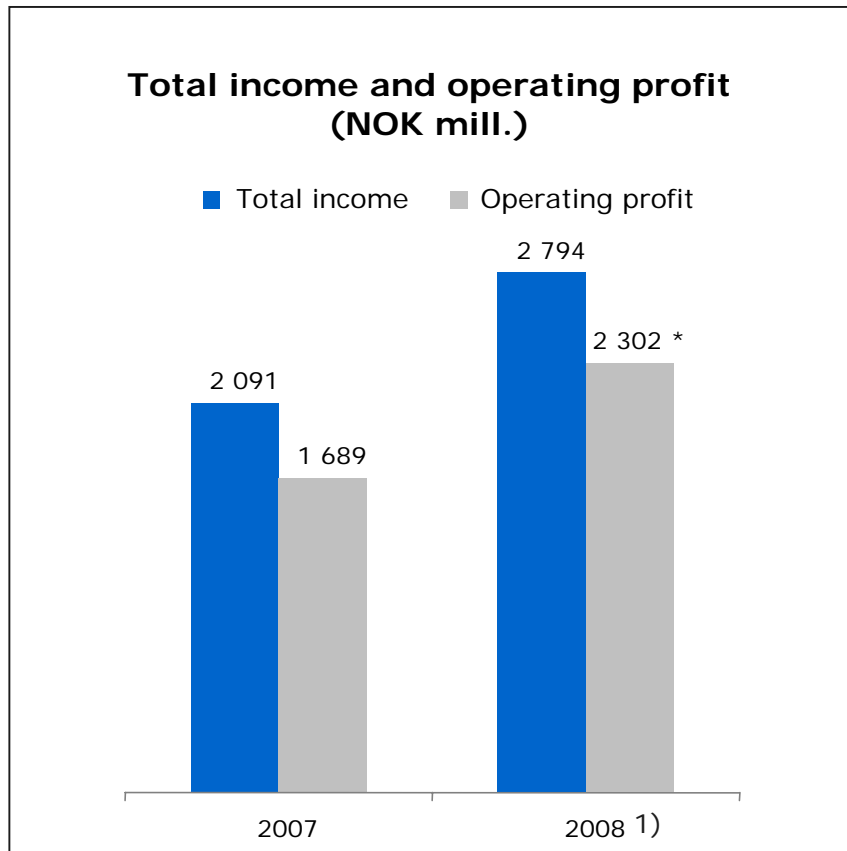
Emphasis on core client relations

- The leading companies in the main shipping segments
- Long-term perspective and relationship-focused
- Good credit risk
- Acceptable loan amounts
- Additional sources of income for the bank

Operational implications

- Loan amounts are lower
- Terms are stricter
- Margins and fees are higher
- Tenors are shorter
- Syndication is challenging

Solid profits in 2008 and focus on limiting losses in 2009



Focus areas 2009

- Minimise and prevent further loan losses
- Maintain core client relations
- Maintain high earnings

1) Non-lending income approaching 40 % of total income 2008