

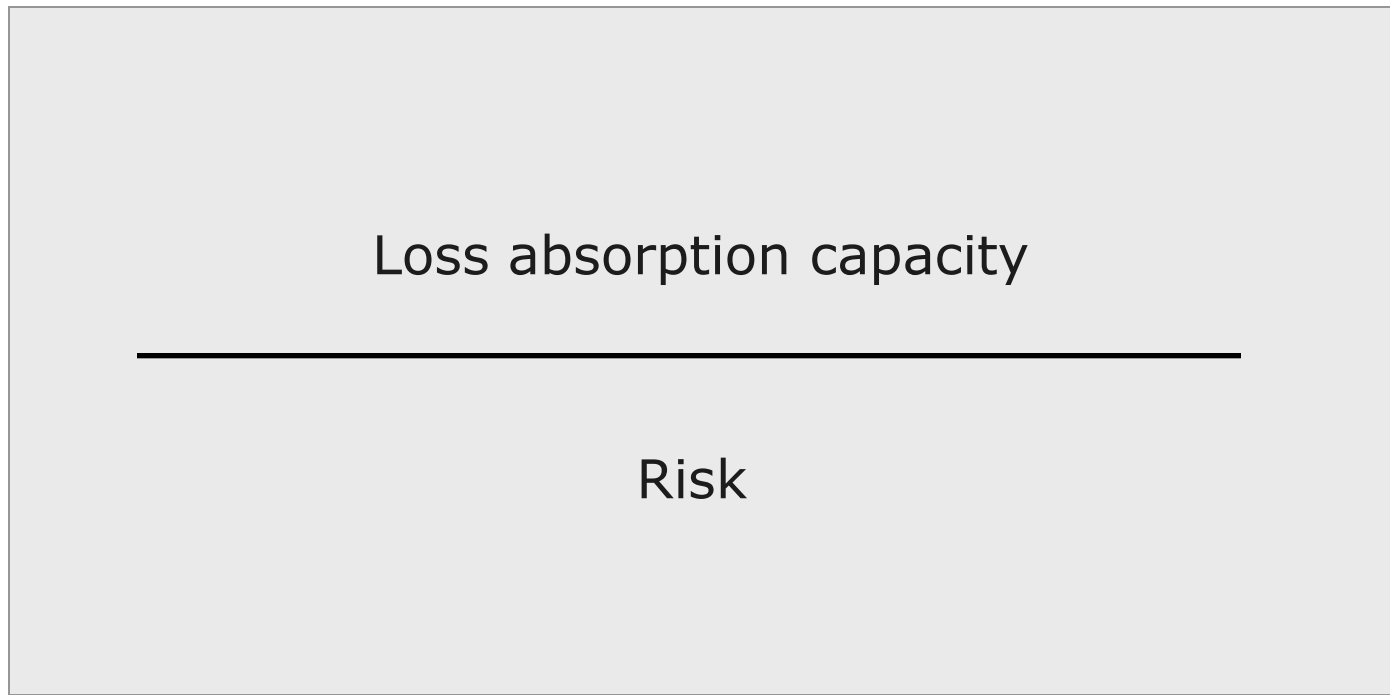


*Capital Markets Day 2009
26 March 2009*

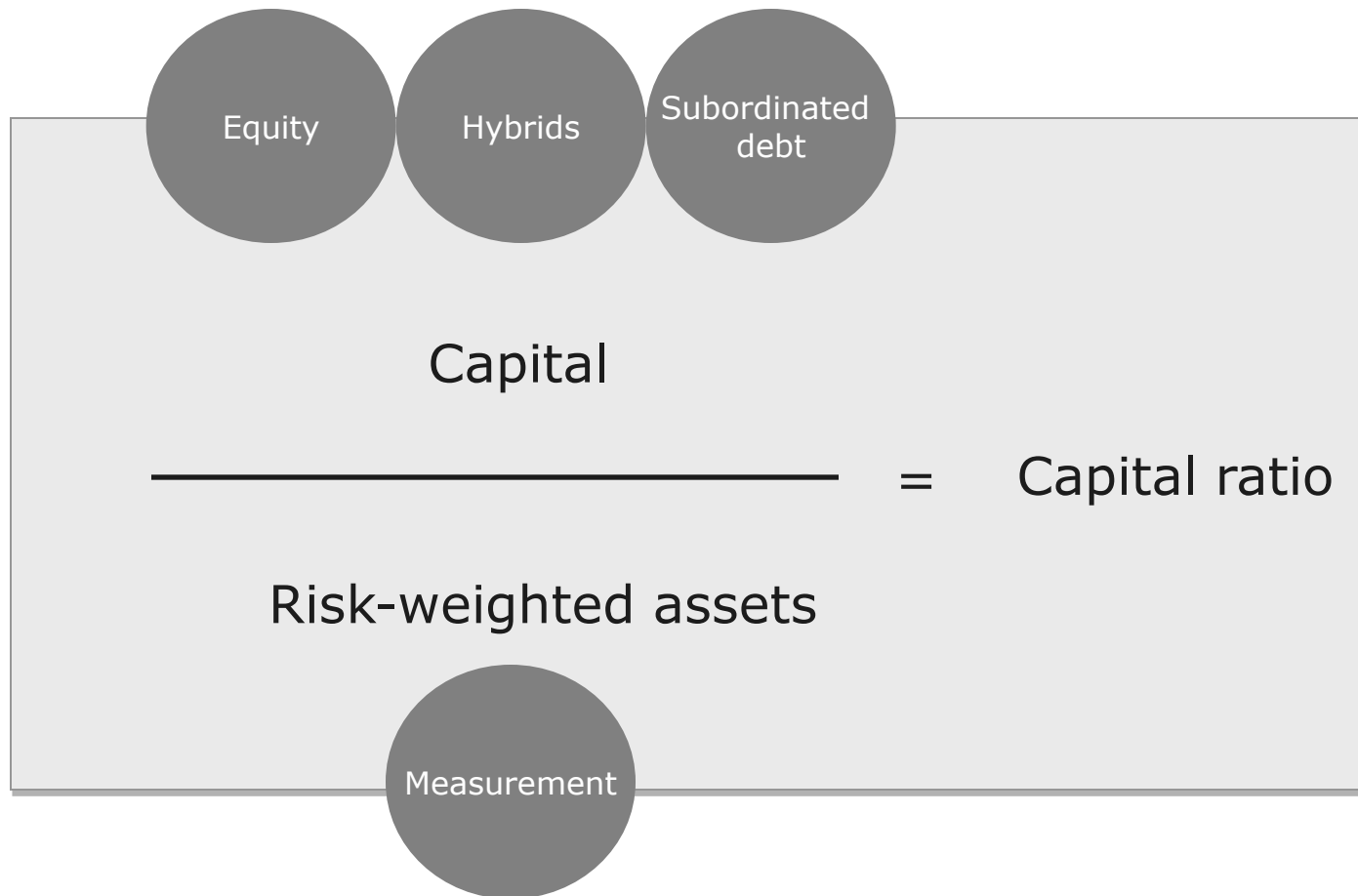
A guide to capitalisation

Roar Hoff, chief risk officer

Capitalisation is a risk-mitigating factor



Capitalisation has to be interpreted



Capital strength – for whom?



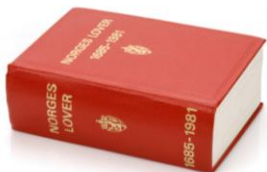
Shareholders' perspective

- Going concern
- Avoid regulatory interference



Bondholders' / rating agencies' perspective

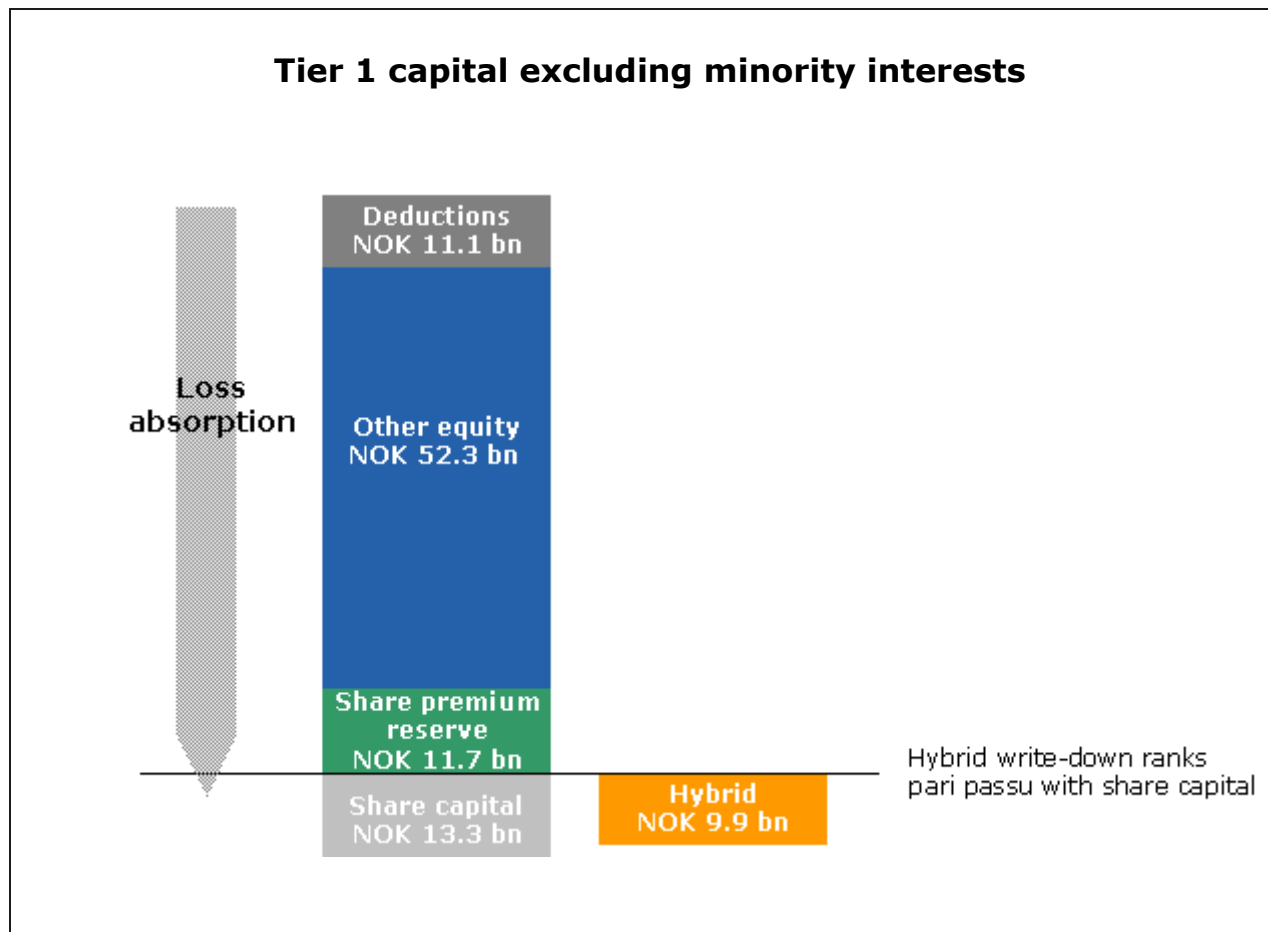
- Protection in a winding-up situation
- Going concern is the best safeguard



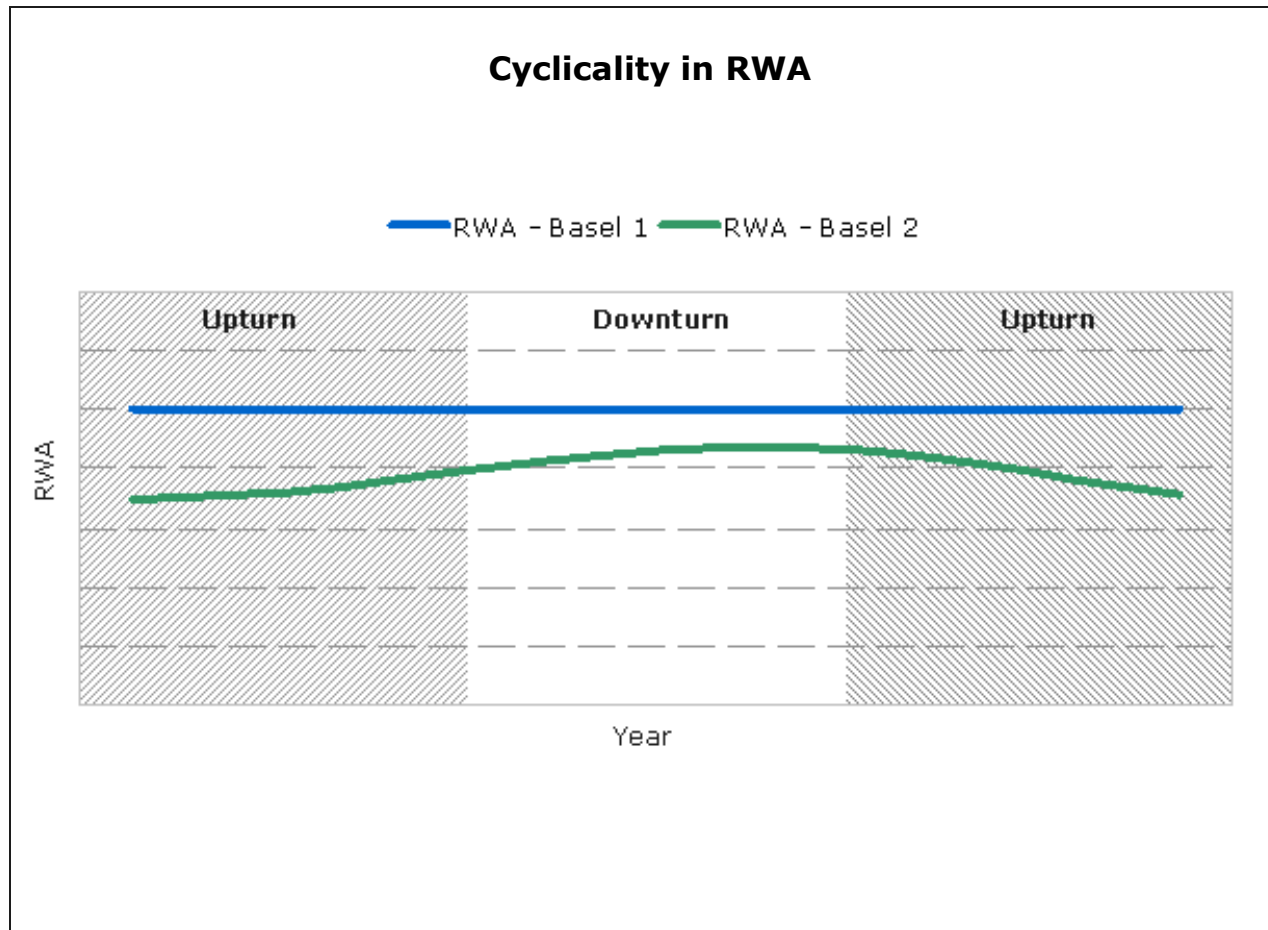
Regulators' perspective

- Minimum cost to society for reorganising banks
- Financial stability
- Going concern is the best safeguard

Traditional hybrid does not share risk with common equity

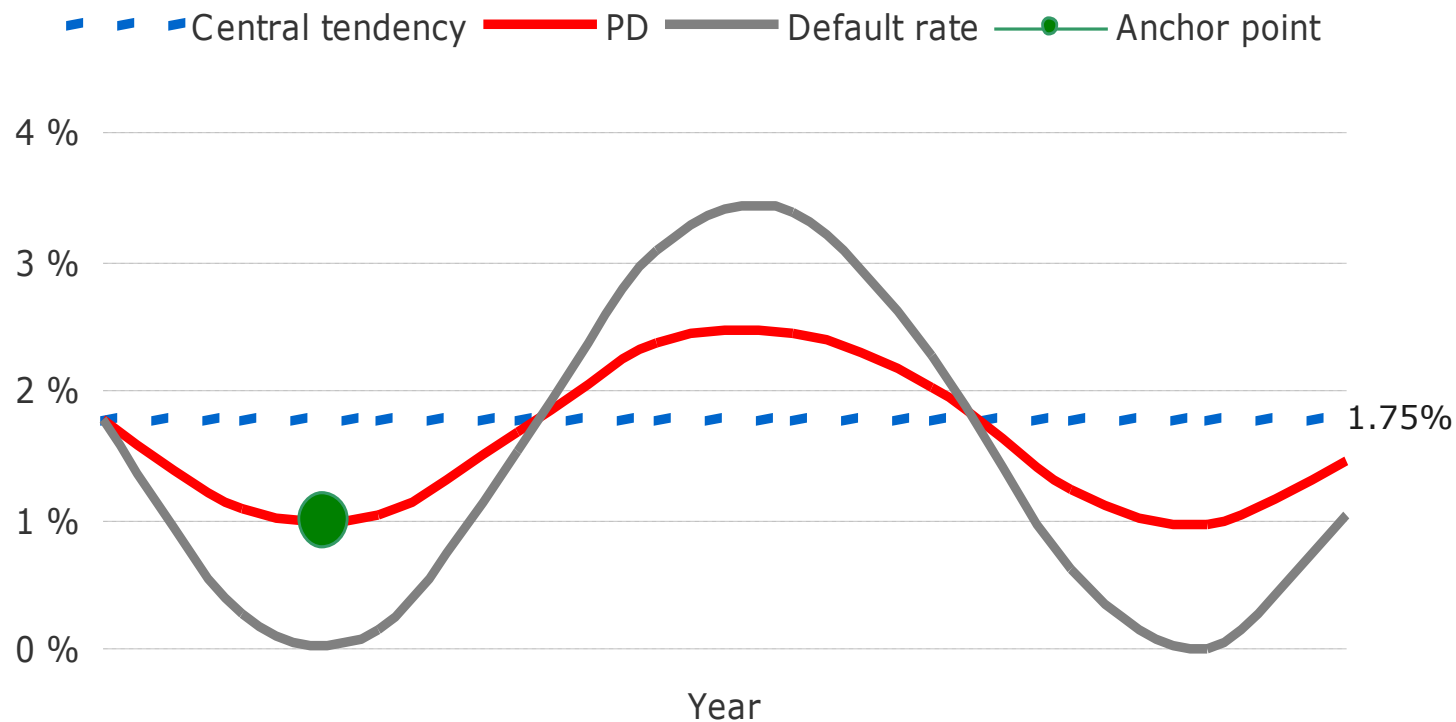


The pro-cyclicality in risk-weighted assets (RWA) has to be planned for



Even through-the-cycle models will lead to cyclicity in RWA

Calibration and cyclicity of large corporate PD models



Current IRB volume less than one third

Development in RWA ¹⁾

31.12.2008

Portfolio	EaD	RWA%	RWA
IRB			
- Corporate	114	75 %	85
- Private real estate	443	11 %	48
Standard			
- Governments	80	7 %	5
- Institutions	158	21 %	33
- Corporate	665	100 %	666
- Other	196	43 %	84
- DnB NORD	131	77 %	101
Total credit risk	1 787	57 %	1 024
Other risk (Vital, market, operational)			176
Group total			1 200
Core capital			80
Capital ratio			6.7%

1) Scenario is based on static considerations of 2008 balance sheet

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Potential reduction in RWA of 28 per cent

Development in RWA ¹⁾

<i>Portfolio</i>	31.12.2008			Full IRB excl. DnB NORD upturn	
	<i>EaD</i>	<i>RWA%</i>	<i>RWA</i>	<i>RWA%</i>	<i>RWA</i>
IRB					
- Corporate	114	75 %	85	48 %	55
- Private real estate	443	11 %	48	11 %	48
Standard					
- Governments	80	7 %	5	7 %	5
- Institutions	158	21 %	33	21 %	33
- Corporate	665	100 %	666	56 %	373
- Other	196	43 %	84	38 %	74
- DnB NORD	131	77 %	101	77 %	101
Total credit risk	1 787	57 %	1 024	39 %	689
Other risk (Vital, market, operational)			176		176
Group total			1 200		865
Core capital			80		80
Capital ratio			6.7%		9.3%

1) Scenario is based on static considerations of 2008 balance sheet

Lower potential reduction in downturn scenario

Development in RWA ¹⁾

Portfolio	EaD	31.12.2008		Full IRB excl. DnB NORD upturn		Full IRB excl. DnB NORD downturn	
		RWA%	RWA	RWA%	RWA	RWA%	RWA
IRB							
- Corporate	114	75 %	85	48 %	55	63 %	72
- Private real estate	443	11 %	48	11 %	48	15 %	66
Standard							
- Governments	80	7 %	5	7 %	5	7 %	5
- Institutions	158	21 %	33	21 %	33	21 %	33
- Corporate	665	100 %	666	56 %	373	79 %	526
- Other	196	43 %	84	38 %	74	38 %	74
- DnB NORD	131	77 %	101	77 %	101	77 %	101
Total credit risk	1 787	57 %	1 024	39 %	689	49 %	878
Other risk (Vital, market, operational)			176		176		176
Group total			1 200		865		1 053
Core capital			80		80		80
Capital ratio			6.7%		9.3%		7.6%

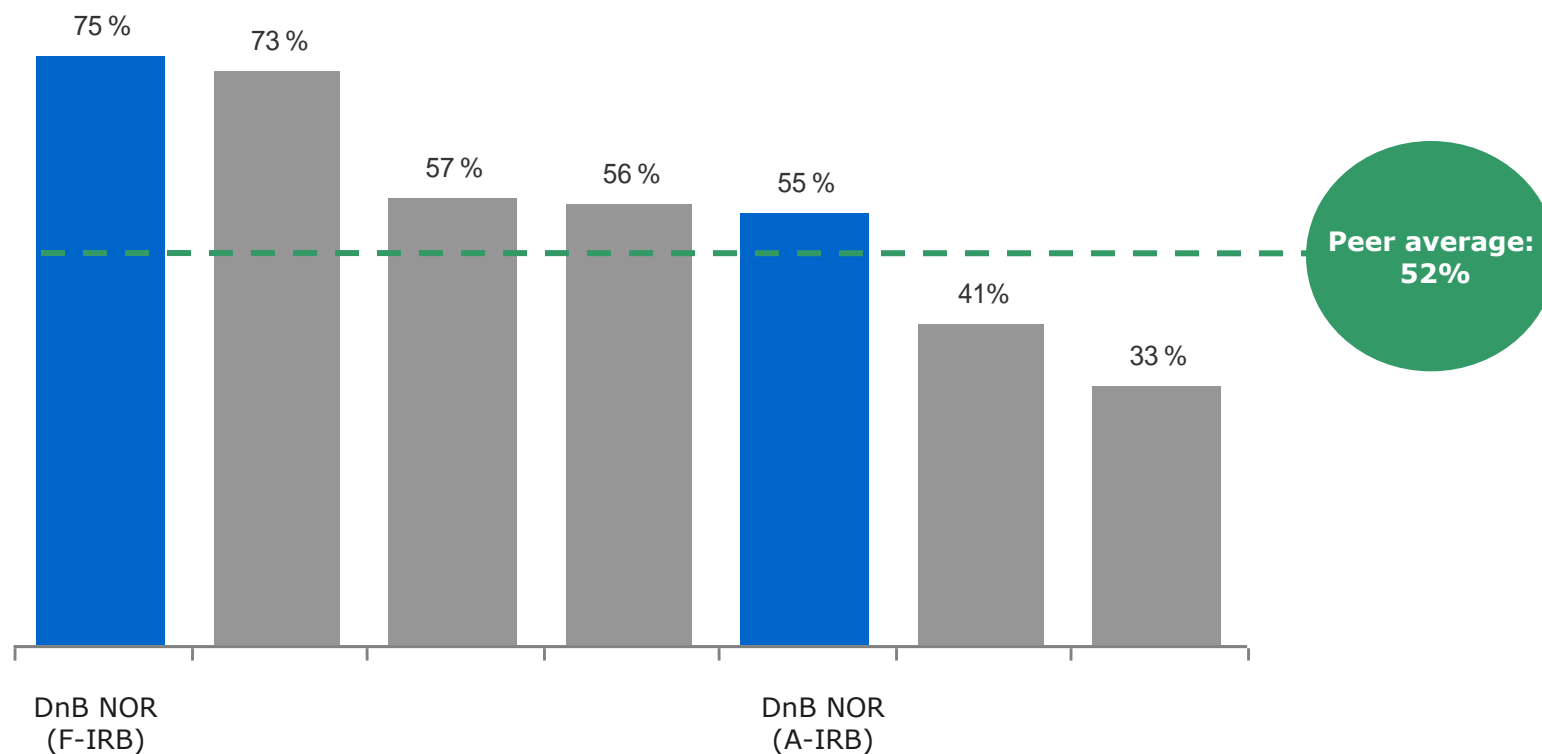
1) Scenario is based on static considerations of 2008 balance sheet

Timeline for IRB implementation

	Current	SME on A-IRB + Credit cards + SME increased	No change	Large corporates on A-IRB (Norway)	Large corporates on A-IRB (int. operations)	Downturn
	31.12.2008	30.06.2009	31.12.2009	30.06.2010	31.12.2010	31.12.2010
RWA	1200	1143	1143	953	865	1053
Capital ratio	6.7%	7.0%	7.0%	8.4%	9.3%	7.6%

IRB risk weights are not comparable across banks

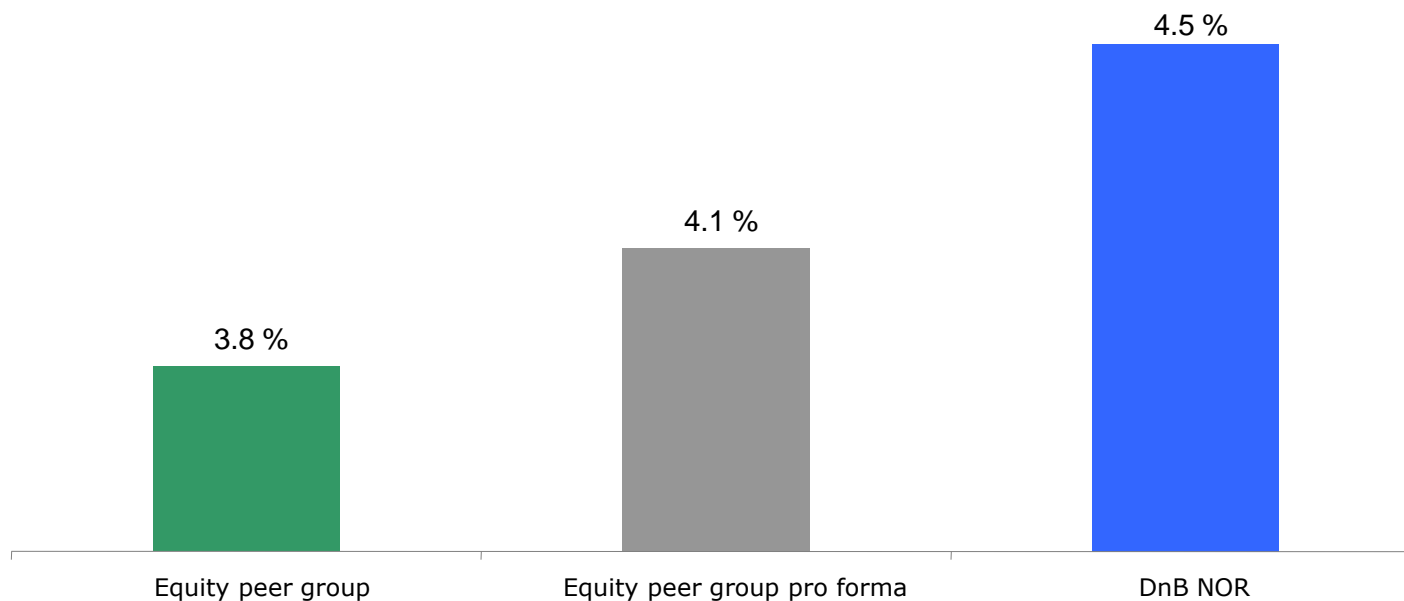
Risk weights for corporates - Nordic peers¹⁾



1) Nordic peers: Swedbank, Danske Bank, Nordea, SHB, SEB
Source: Company pillar 3 report and financial statement
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DnB NOR has modest leverage

Equity in per cent of total assets



Source: Company financial statements

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No major impact expected from proposed changes in regulatory framework

The Turner Review

Increased minimum capital requirements

Increased risk weighting for trading activities

Increased risk weighting related to securitisation

Introduction of maximum leverage ratio



DnB NOR

New capitalisation policy meets the proposed new minimum standards

No significant effect for DnB NOR due to low trading exposures and current method for risk weighting

No exposure has been offloaded through securitisation

Low leverage ratio

Conclusions



For the time being, IRB-based risk weights are not comparable across banks, and capital ratios have to be carefully assessed

DnB NOR's IRB system is rather conservatively calibrated, and the leverage is moderate

Recent proposed changes in regulatory capital requirements will probably have little impact on the capital position of DnB NOR