



Financial ambitions and new regulations

Bjørn Erik Næss, CFO



New financial ambitions

Drivers for growth

New regulations

Funding

Financial targets 2012

Business is developing as planned, and we reconfirm the targets set in 2010

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

NOK 2 billion in cost reductions

Cost/income ratio below 46 per cent

Financial ambitions towards 2015

Return on equity above 14 per cent

NOK 30 billion in pre-tax operating profit
before write-downs

NOK 1 billion in **new** cost reductions

Cost/income ratio below 45 per cent

No change in capital strategy and dividend policy

Be among the best capitalised banks in the Nordic region

Long-term AA rating for the bank

Approximately 50% dividend payout ratio

Assumptions underlying our financial ambitions

Basel III

- Basel III will be implemented according to the schedule presented in December 2010

Norwegian regulations

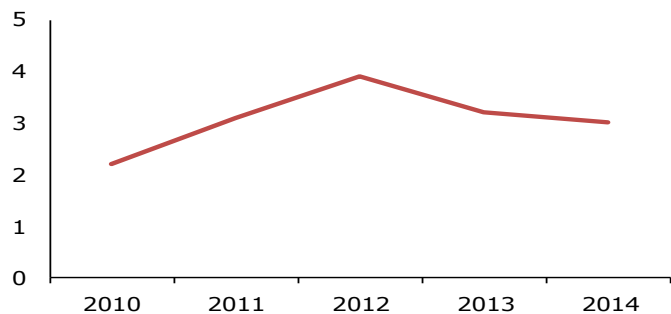
- The Norwegian authorities will not introduce additional regulations or taxes/fees for the Norwegian financial sector

Macroeconomic developments

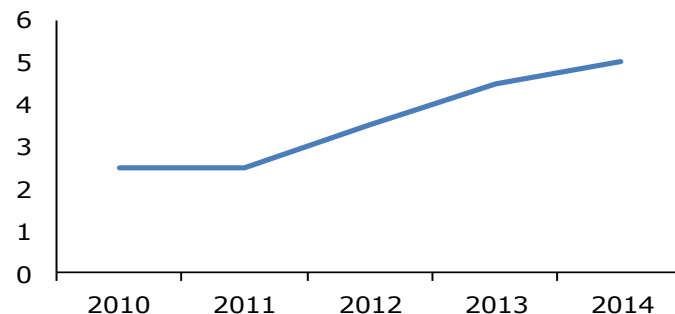
- Increasing economic growth in Norway
- Stable international growth
- NOK money market rates of 5% in 2014

Robust macroeconomic development in Norway

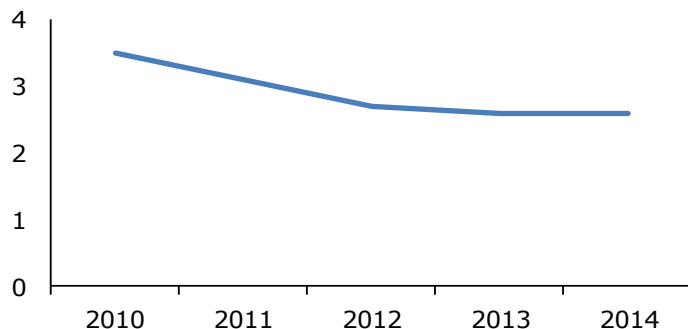
**GDP growth, per cent
excluding the oil and gas sector**



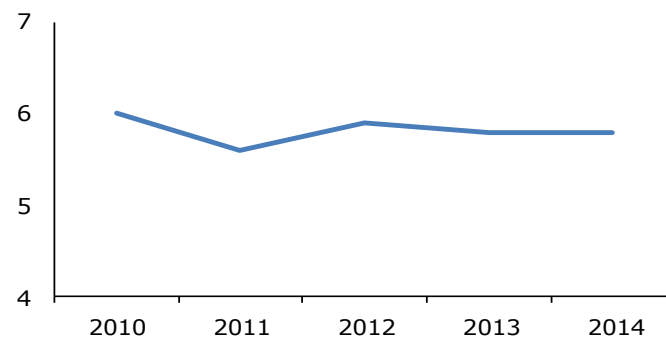
3-month NIBOR, per cent



**Unemployment rate
(In per cent of labour force)**



Exchange rate NOK/USD



New financial ambitions

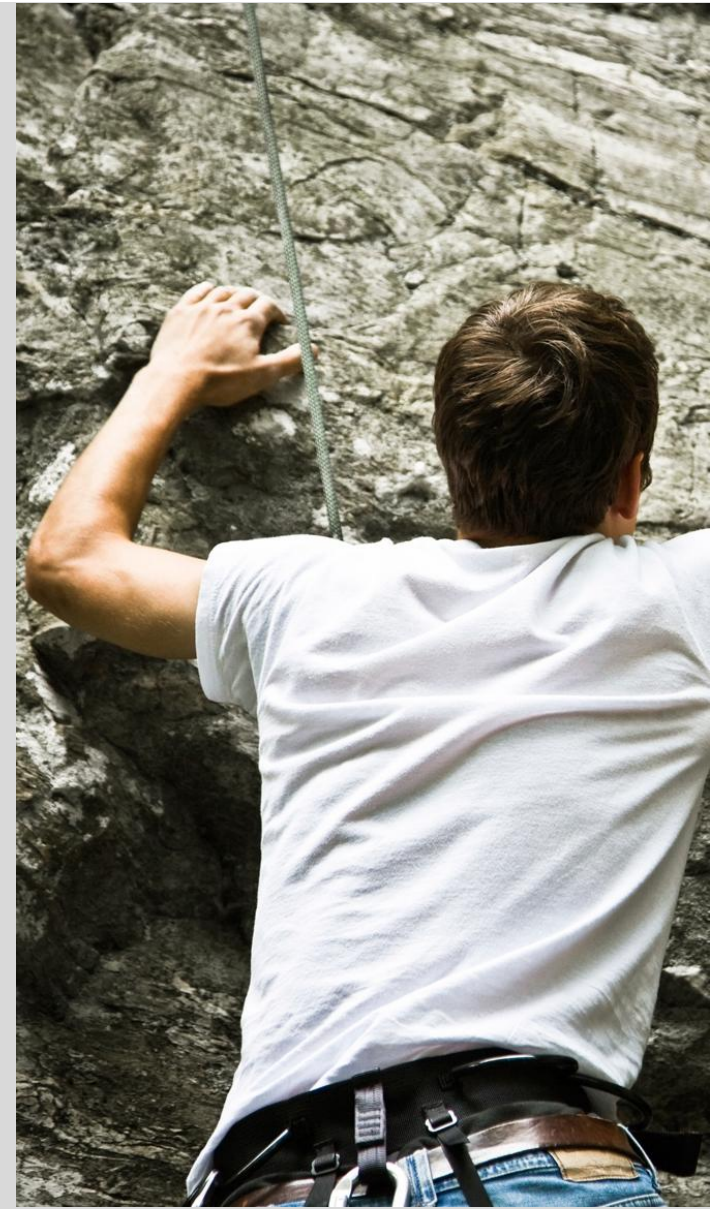
Drivers for growth

New regulations

Funding

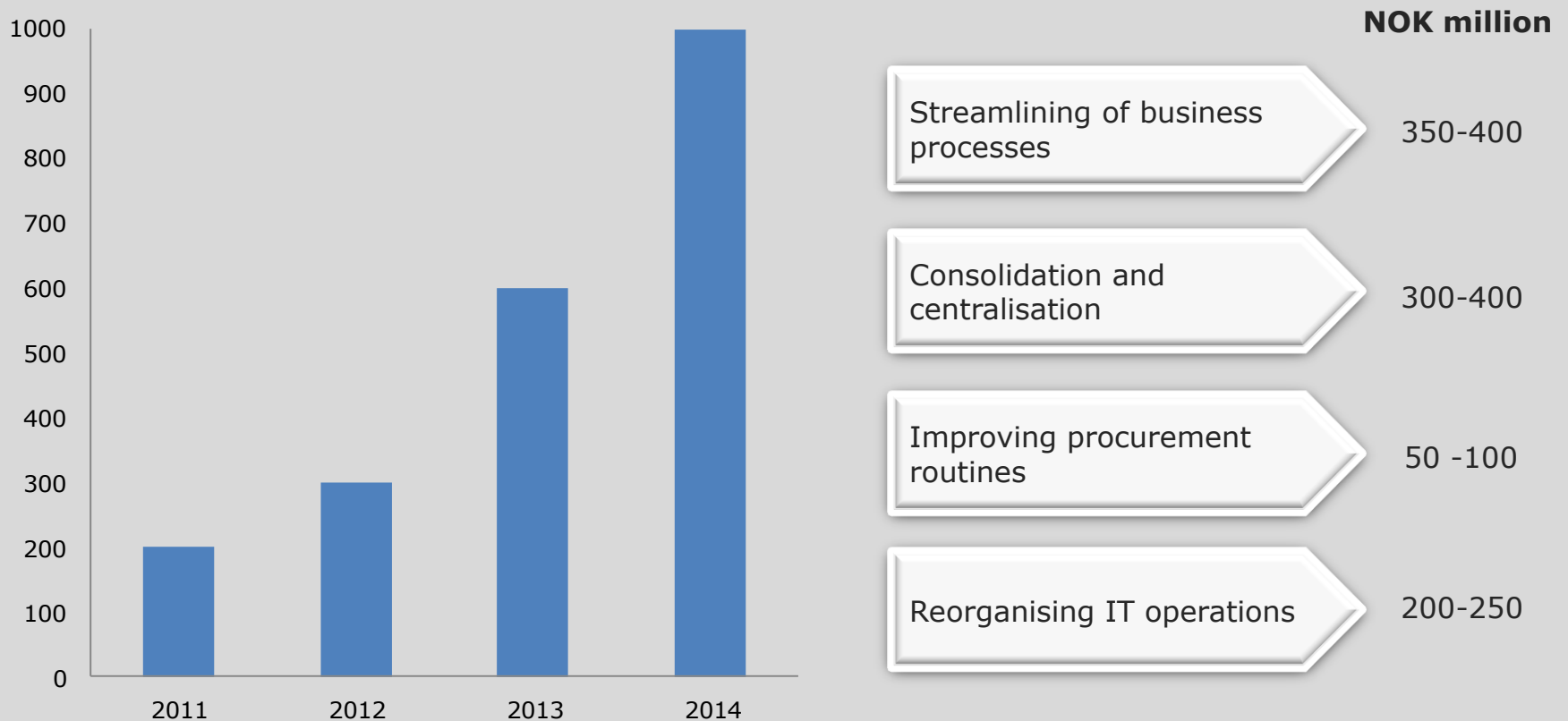
Drivers for profitable growth

- Increase in volume above market growth
- Higher interest rates
- Wider combined spreads
- **Improvement programmes and cost reductions**
- **Low write-downs**



Additional NOK 1 billion in targeted annual cost savings by year-end 2014

Increased cost savings (NOK million)



Streamlining of business processes

**NOK million
350-400**

- Automatisisation
- Digitalisation
- Increased use of self-service options



Consolidation and centralisation

NOK million
300-400

- Postbanken, Vital and other entities united under one brand in Norway
- From 11 marketing units to one
- Streamlined distribution
- Full integration of DnB NOR, including closing down the Copenhagen office



Part of the DnB NOR Group



DNB

Improving procurement routines

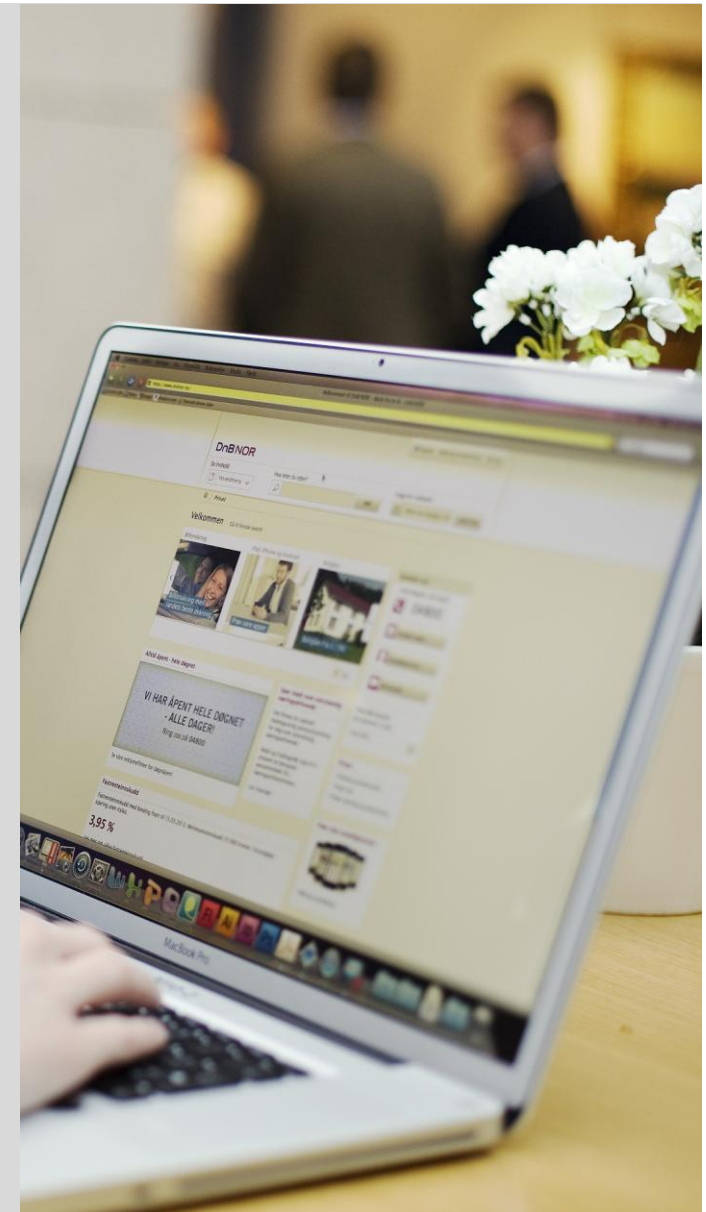
**NOK million
50-100**

- Better prices and terms
- Better allocation of resources
- Coordinated processes

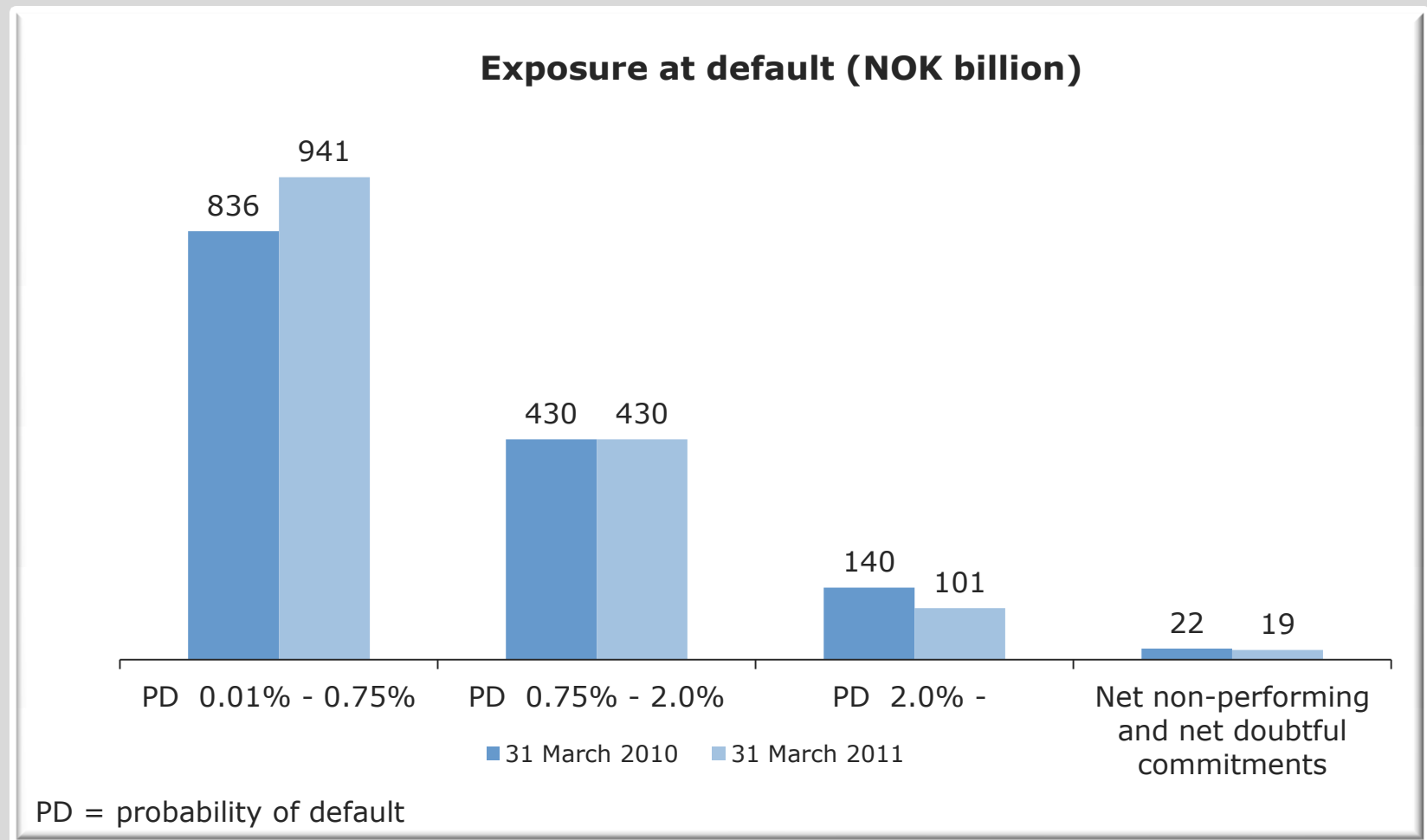
Reorganising IT operations

**NOK million
200-225**

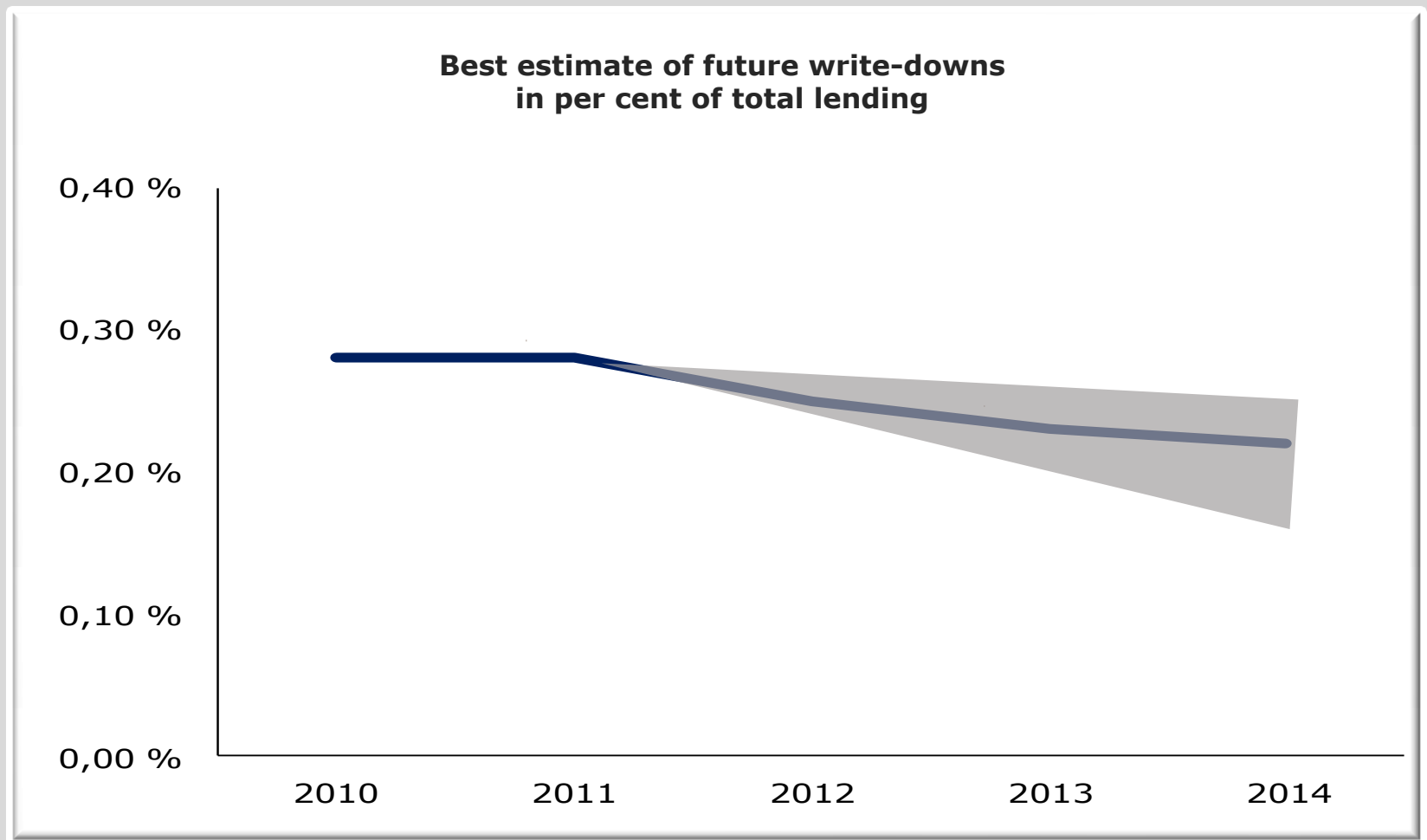
- Simplification and standardisation
- From 14 IT units to one



Portfolio quality remains strong



Low write-downs



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Basel III – four main issues

Implementation

- Prepare for the schedule presented in December 2010

Leverage ratio

- Leverage ratio best among Nordic peers

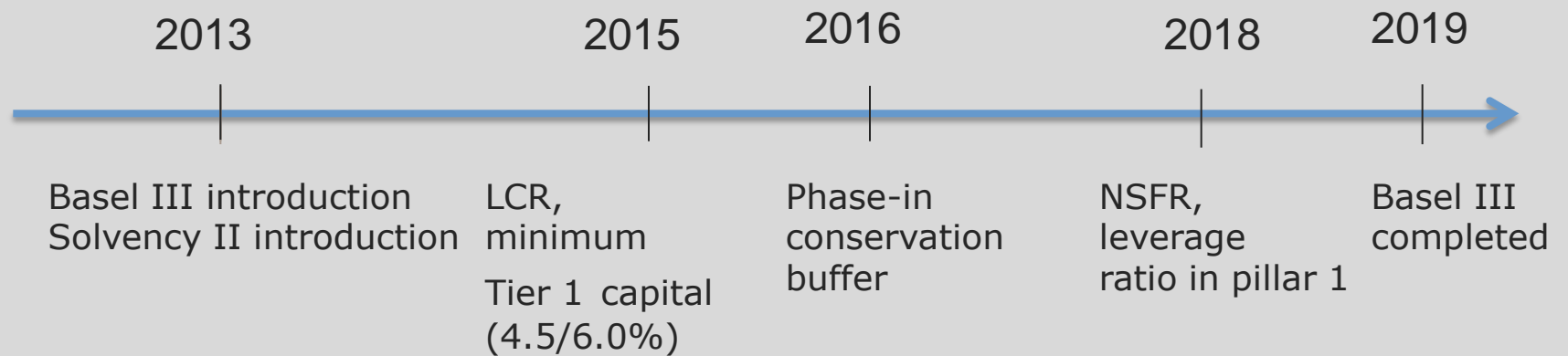
Capitalisation

- Capitalisation above expected requirements

Liquidity

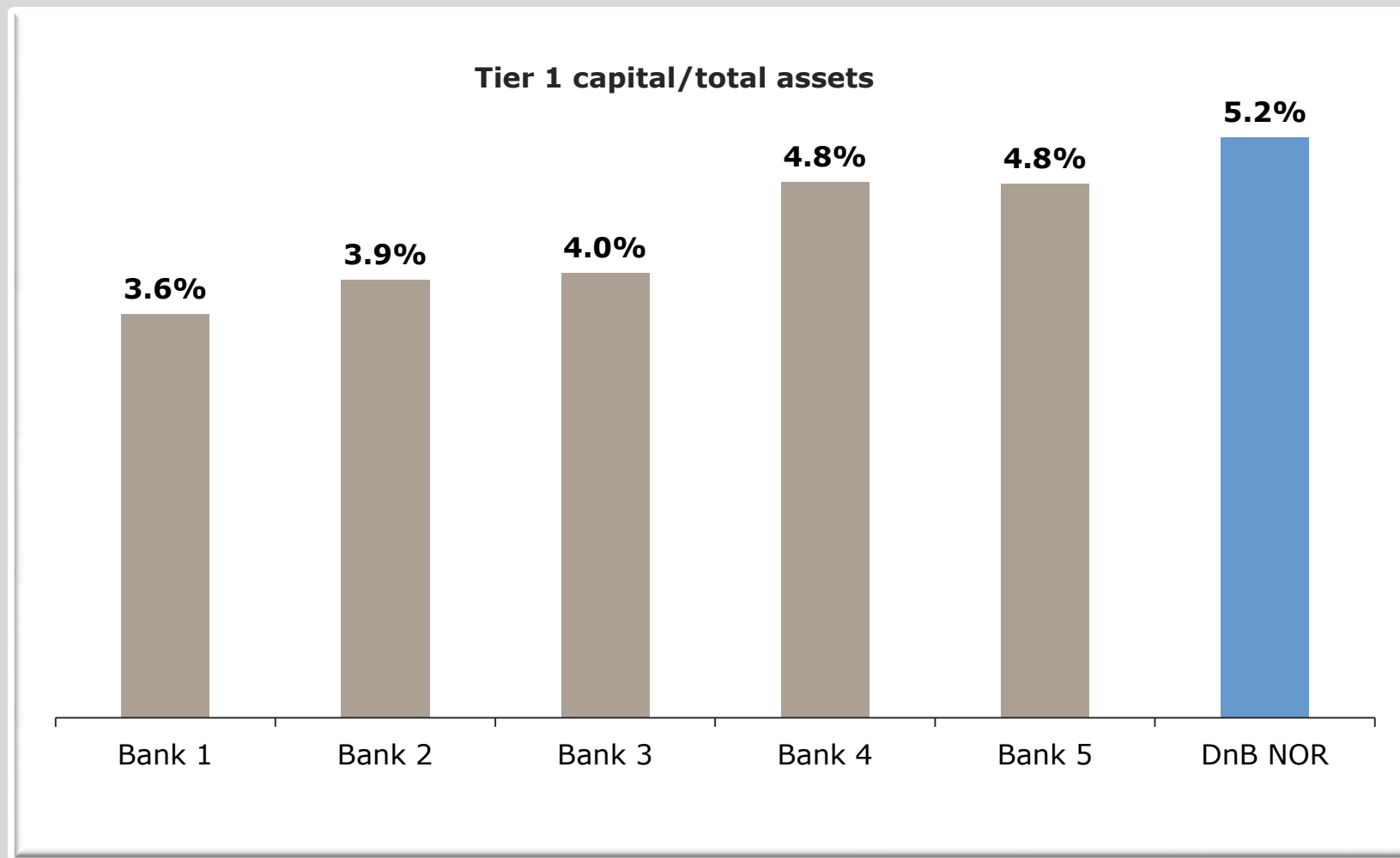
- On track

Expected implementation schedule



- as of 1 January each year

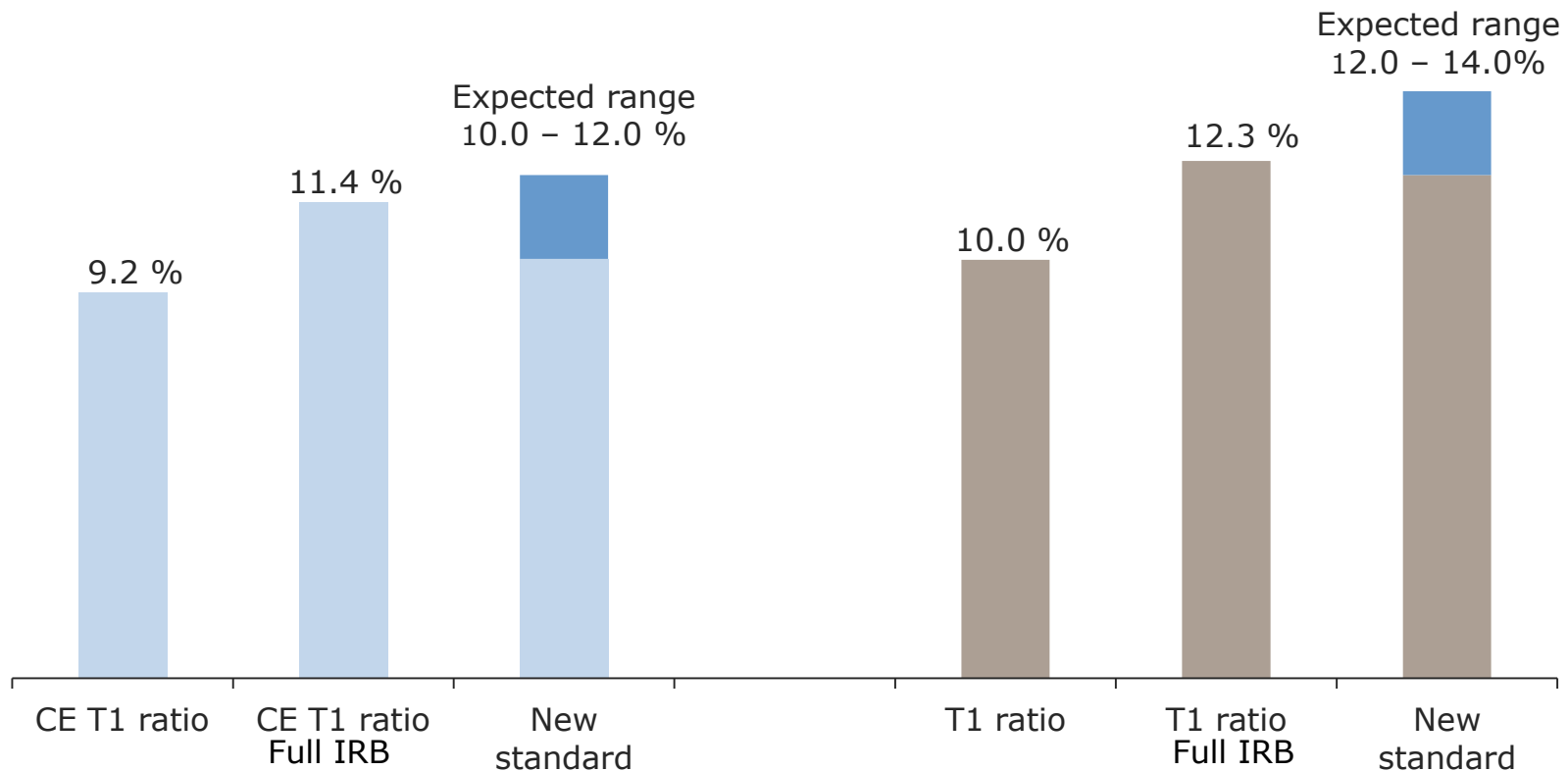
Leverage ratio: best among Nordic peers



19 As of 31 March 2011,
from the quarterly reports of our Nordic peers

DnB NOR is adequately capitalised

Capitalisation of DnB NOR as of 31 March 2011 compared to expected new Basel III standards



Common Equity T1 and Equity T1 for DnB NOR as of 31 March 2011, including 50 per cent of profit for the period

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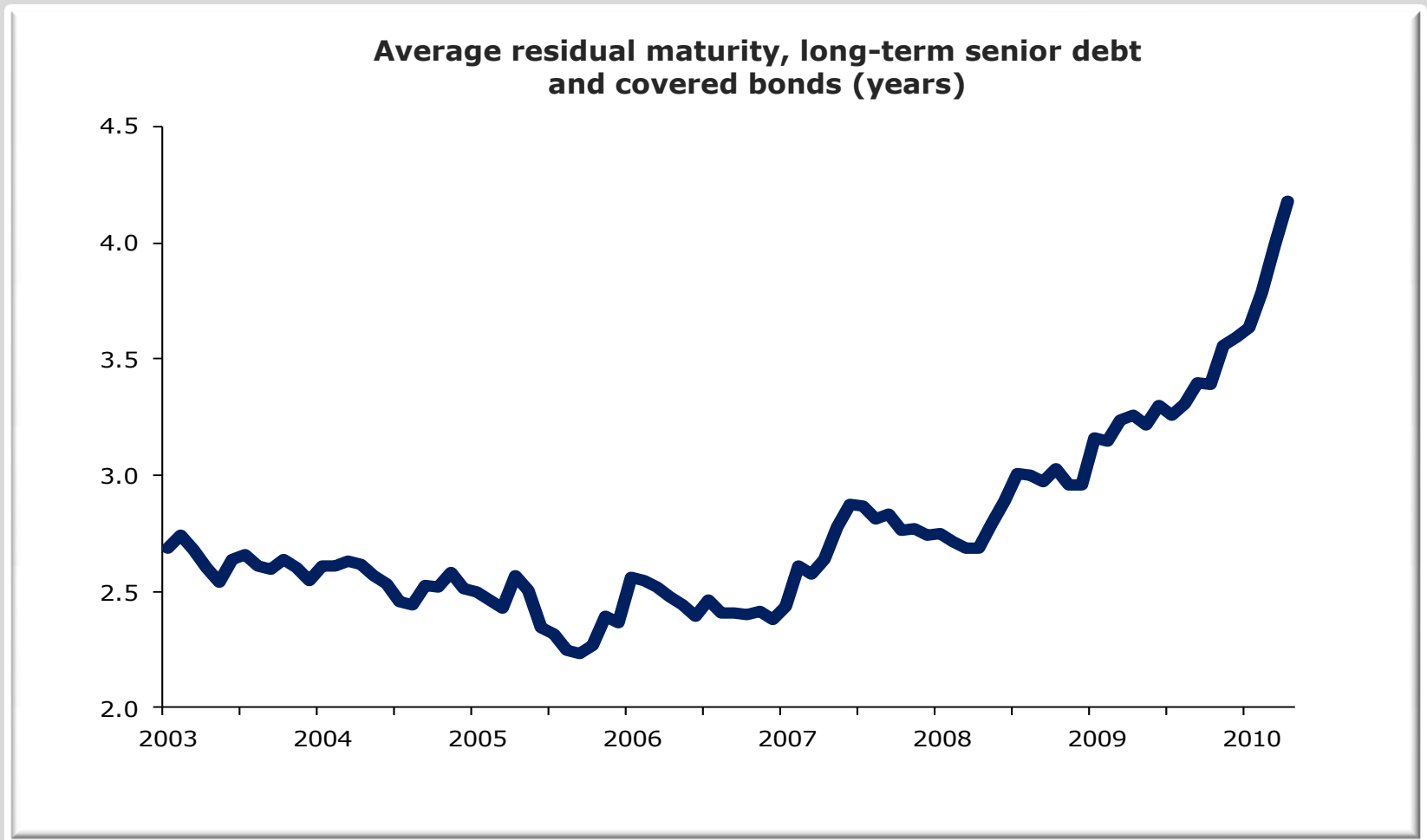
DnB NOR: a strong name in the funding market

Increasing the average residual maturity on long-term senior debt and covered bonds

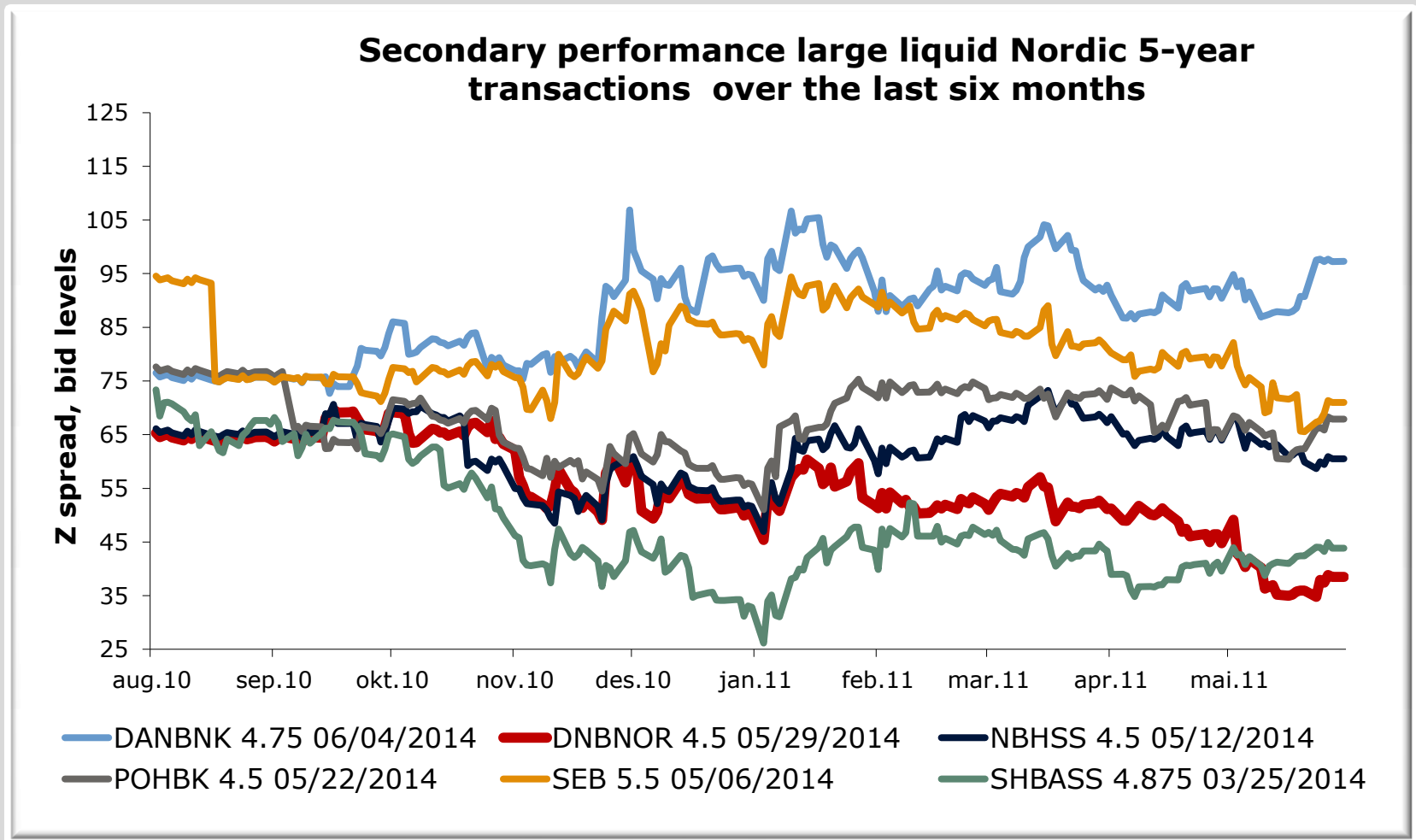
Diversifying funding activities to the USA and Australia with good results, both for long and short-term funding

Stable deposit coverage at about 55%

Average residual maturity is increasing



Long-term funding at competitive prices



Well positioned:

New and strong financial ambitions

Robust and profitable portfolio

Well prepared for new regulations

Good access to funding at competitive prices

DnB NOR