

Cost and capital efficient growth - benefiting from a strong Norwegian economy

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DNB



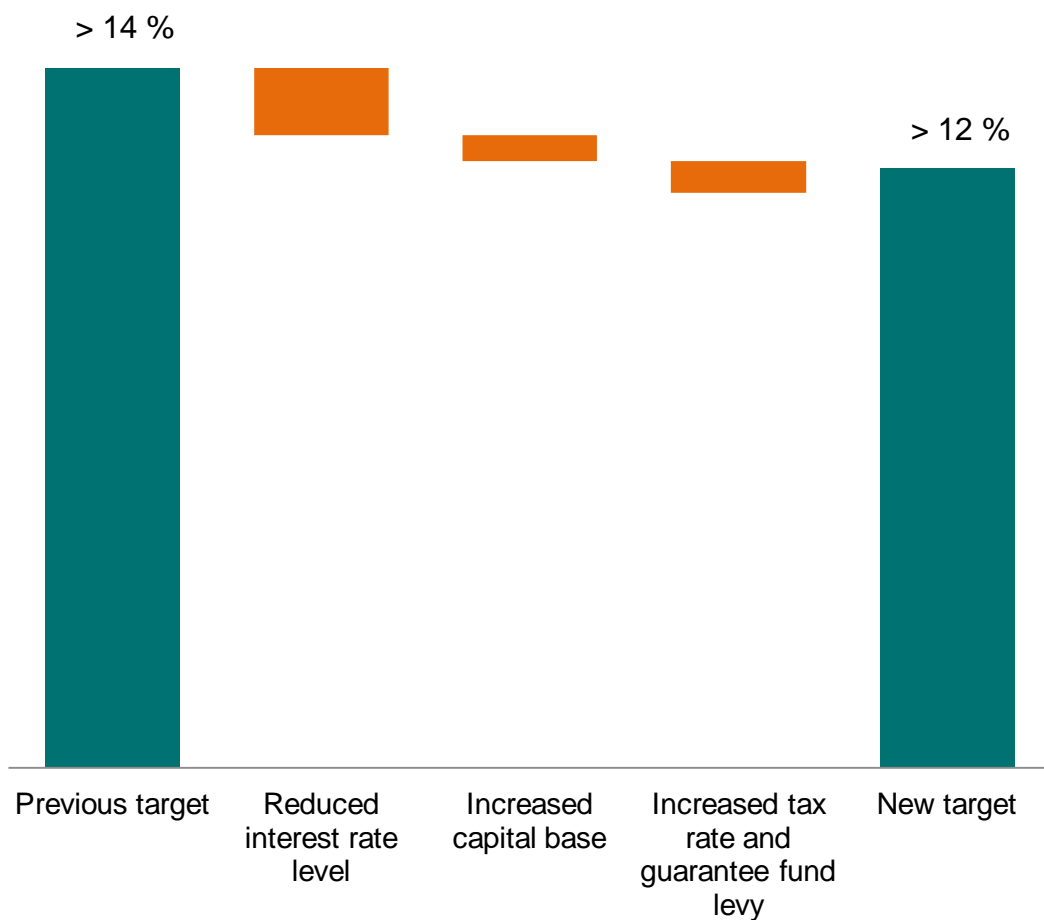
Financial targets towards 2015

NII	Annual NII growth above 6 per cent
Cost	Maximum 2 per cent average annual growth in nominal costs including restructuring costs Cost/income ratio below 45 per cent in 2015
RoE	RoE above 12 per cent in 2015
Capitalisation	CET1 ratio (Basel III) at 12.0 – 12.5 per cent in 2015
Dividend	Unchanged long-term dividend policy at 50 per cent Temporary payout ratio 25-50 per cent 2012-2014

Our ambitions

- Softer on paper, but bolder in reality

Return on equity



- Average interest rate level reduced by 175 basis points
- Increased CET 1 ratio (reduced leverage)
- Tax rate increased from 24 to 26%
- Mandatory guarantee fund levy

Financial guiding 2012

- *Pre-tax operating profit 22 – 25 billion NOK ✓*
- *Annual effect of cost saving measures of NOK 2.3 billion from year-end ✓*
- *Write-downs in line with 2011 ✓*
- *Ordinary Cost/income ratio below 46 per cent*

The most important drivers to achieve financial targets

1

A strong Norwegian economy

2

Prudent growth in quality earnings

3

Rebalancing our portfolio

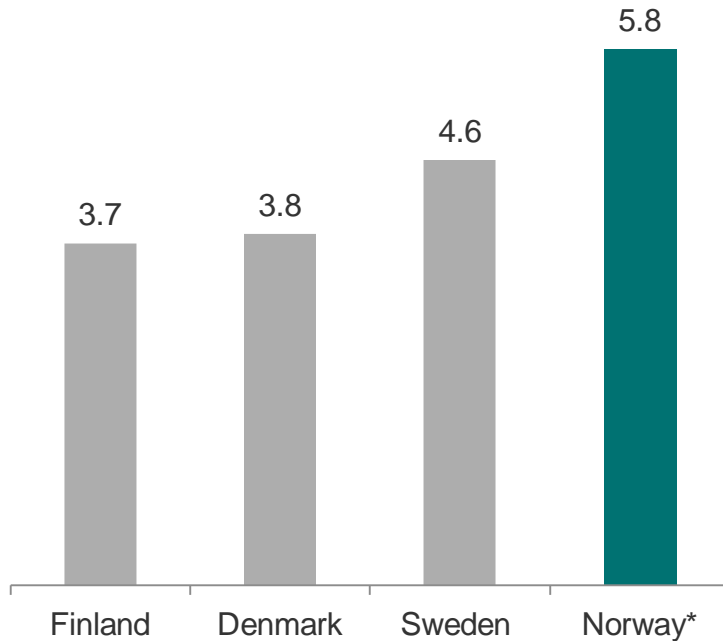
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Capital efficiency and cost control

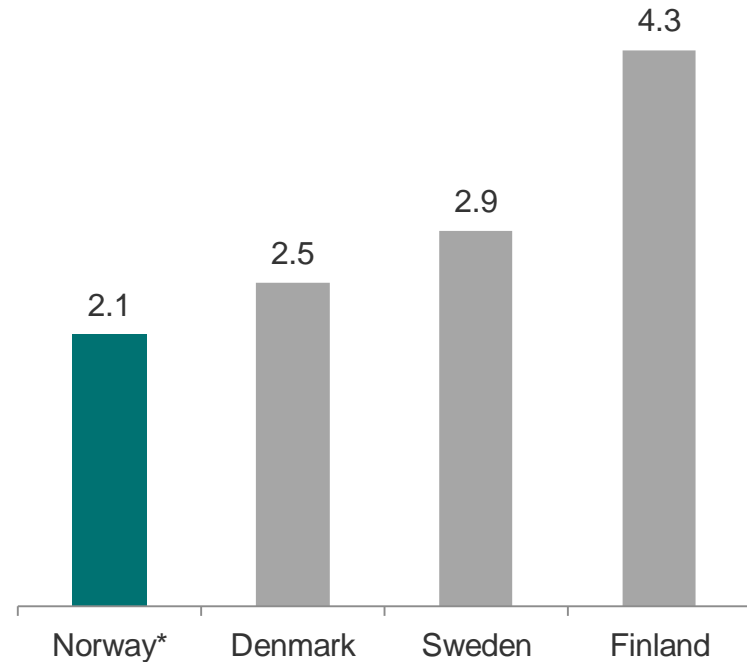
Norway is a very attractive banking market

- Strong growth and low volatility

Annual nominal GDP growth
1990-2010

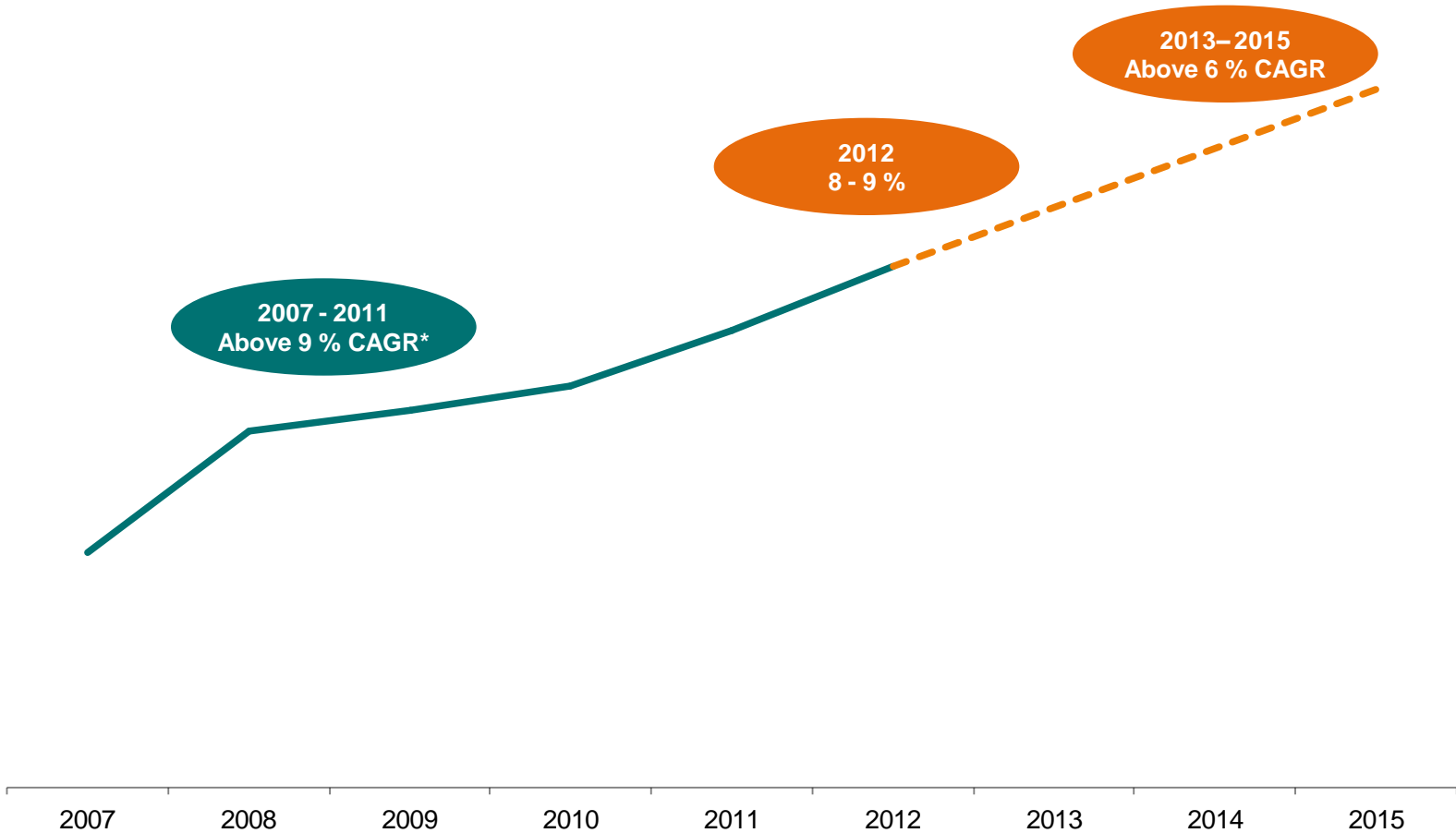


Standard deviation
1990-2010



NII will underpin prudent growth in quality earnings

Net interest income development

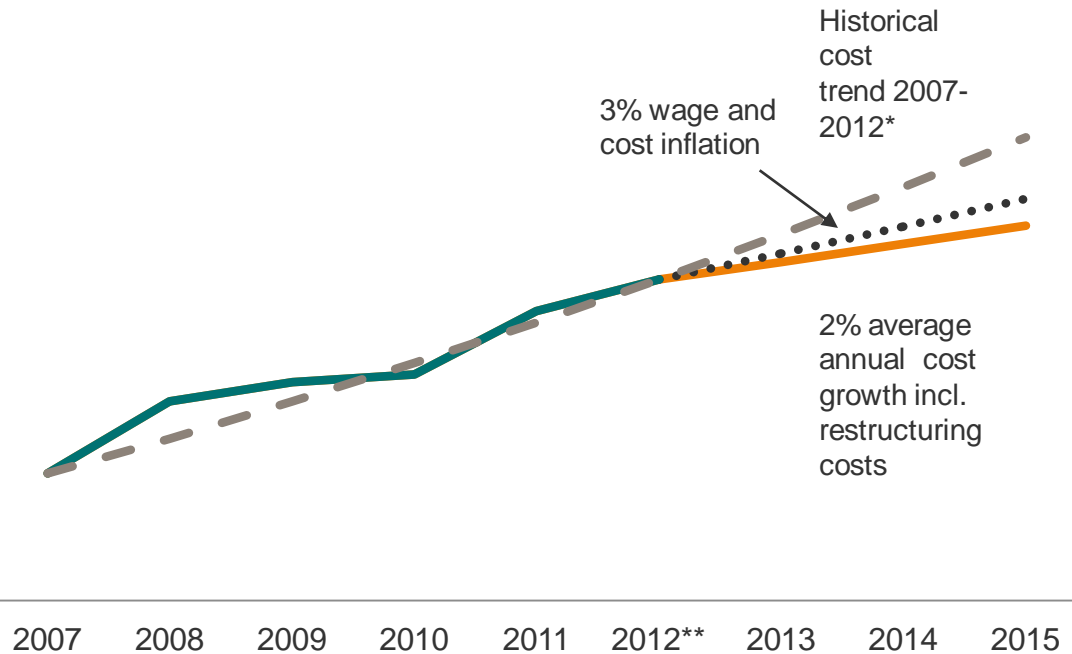


Restructuring cost base to curb cost inflation

Targeted development in operating costs

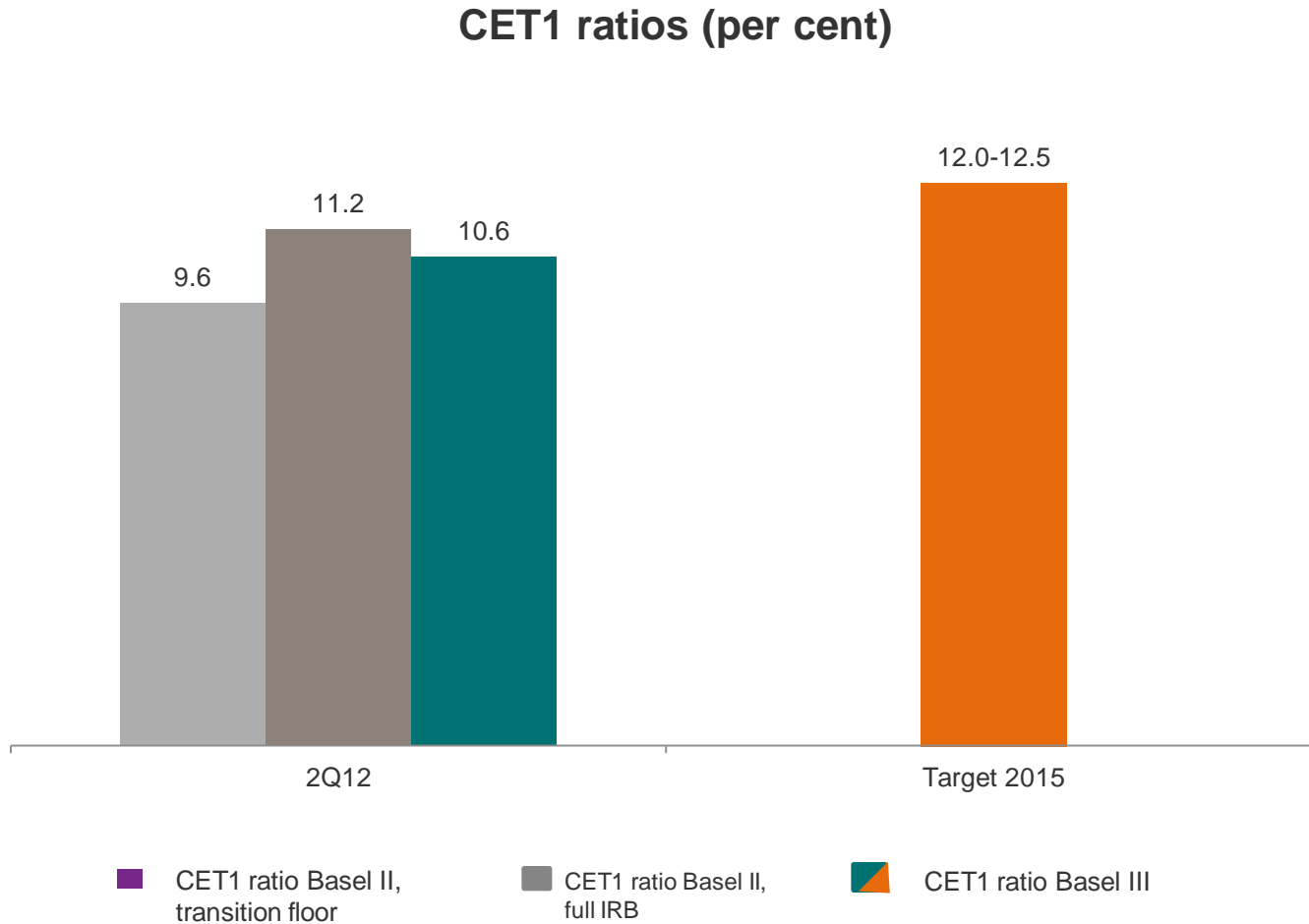
Maximum 2 per cent average annual growth in nominal costs including restructuring costs

Cost/income ratio below 45 per cent in 2015



Well positioned to comply with Basel III requirements

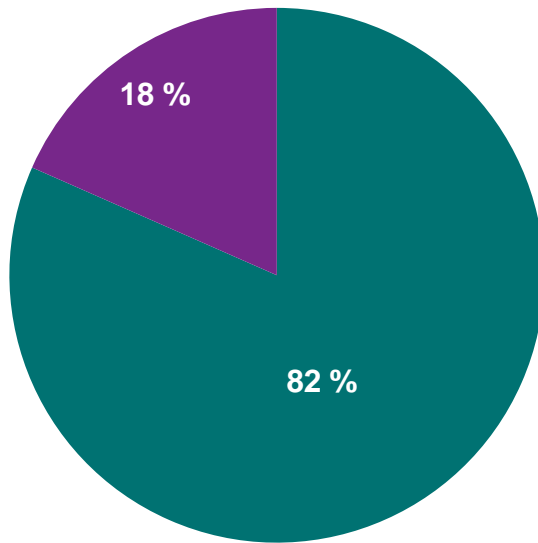
- In spite of higher Norwegian risk weights



Rebalancing our portfolio

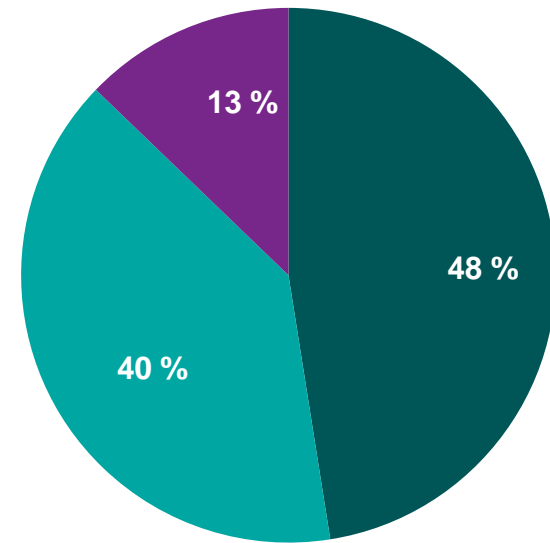
- Prioritise core activities and increase capital efficiency

Share of income Q2 2012



■ Norway ■ International

Share of net lending Q2 2012



■ Private individuals ■ Large corporates ■ SME

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