



DnB NOR

Capital Markets Day

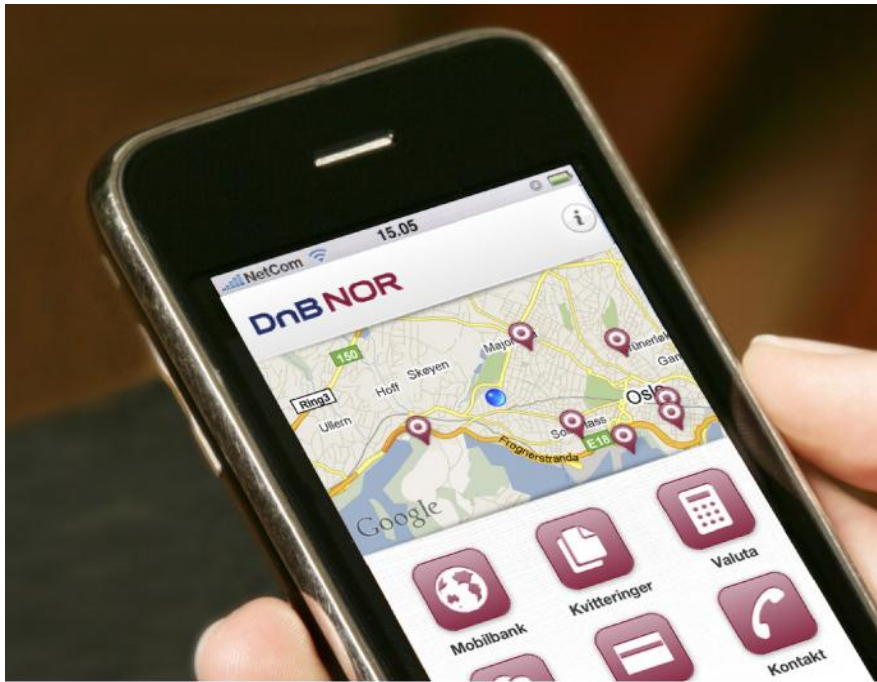
Oslo, 15 June 2011



DnB NOR

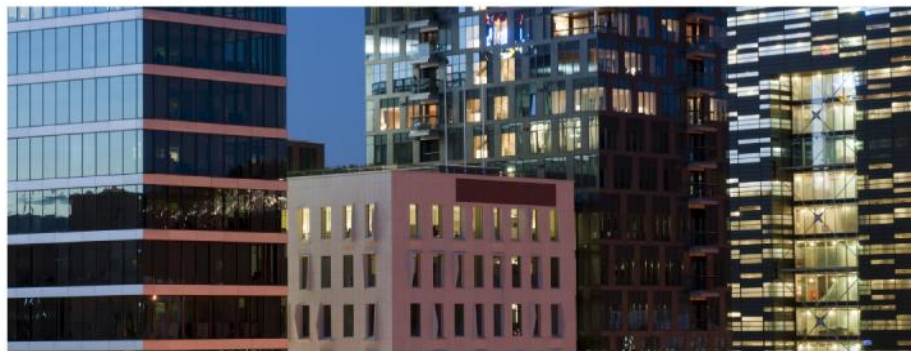
Agenda

9.00 – 9.30	New ambitions for profitable growth	Rune Bjerke
9.30 – 10.10	Financial ambitions and new regulations	Bjørn Erik Næss
10.10 – 10.35	Break	
10.35 – 11.20	Growth in Norway	Karin B. Orgland
11.20 – 11.50	International growth in the large corporate segment	Leif Teksum
11.50 – 12.15	Break	
12.15 – 12.40	The Baltics – Raising the bar	Terje Turnes
12.40 – 13.40	Q&A	
13.40 – 14.00	Concluding Remarks	Rune Bjerke



New ambitions for profitable growth

Rune Bjerke, CEO



Financial ambitions towards 2015

Return on equity above 14 per cent

**NOK 30 billion in pre-tax operating profits
before write-downs**

Cost/income ratio below 45 per cent

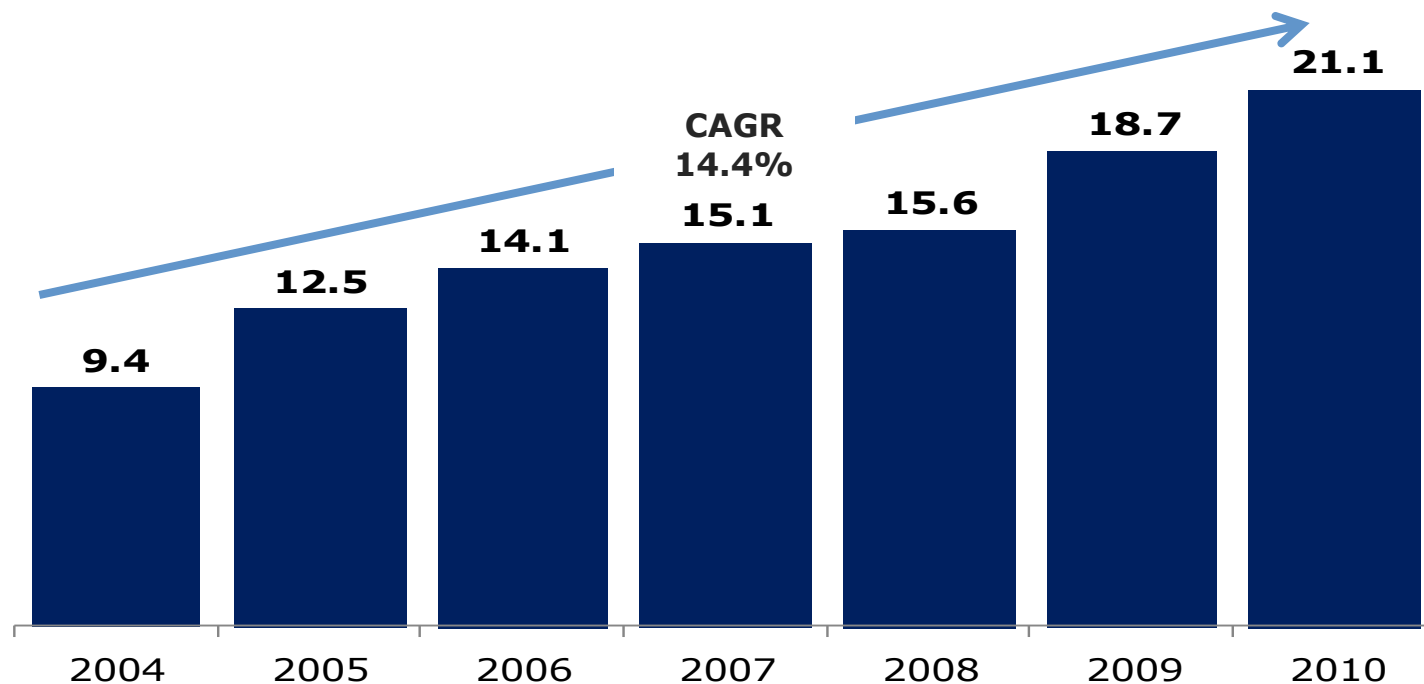
Strong platform

Untapped opportunities

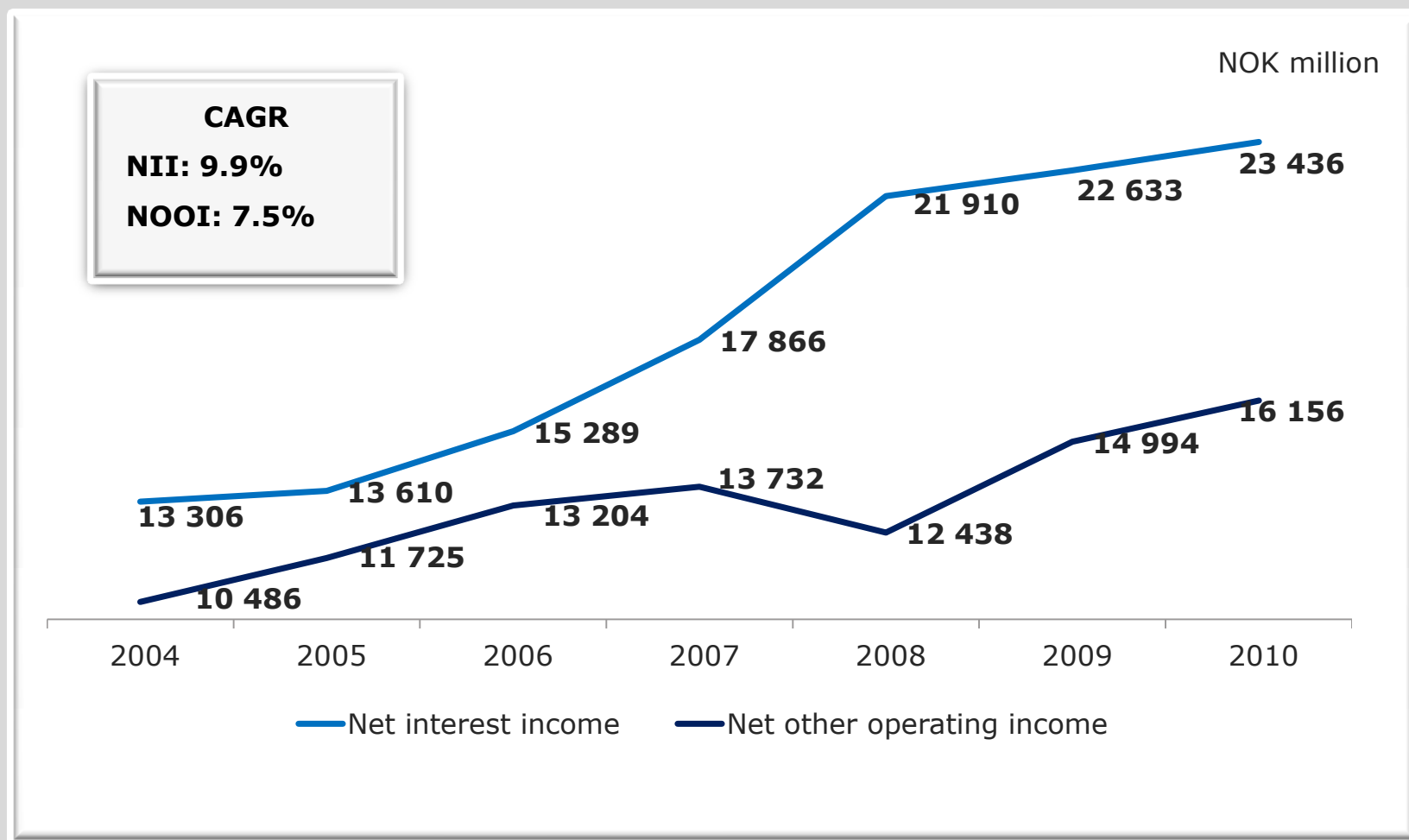
Robust strategy for profitable growth

Strong development in operating profit

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

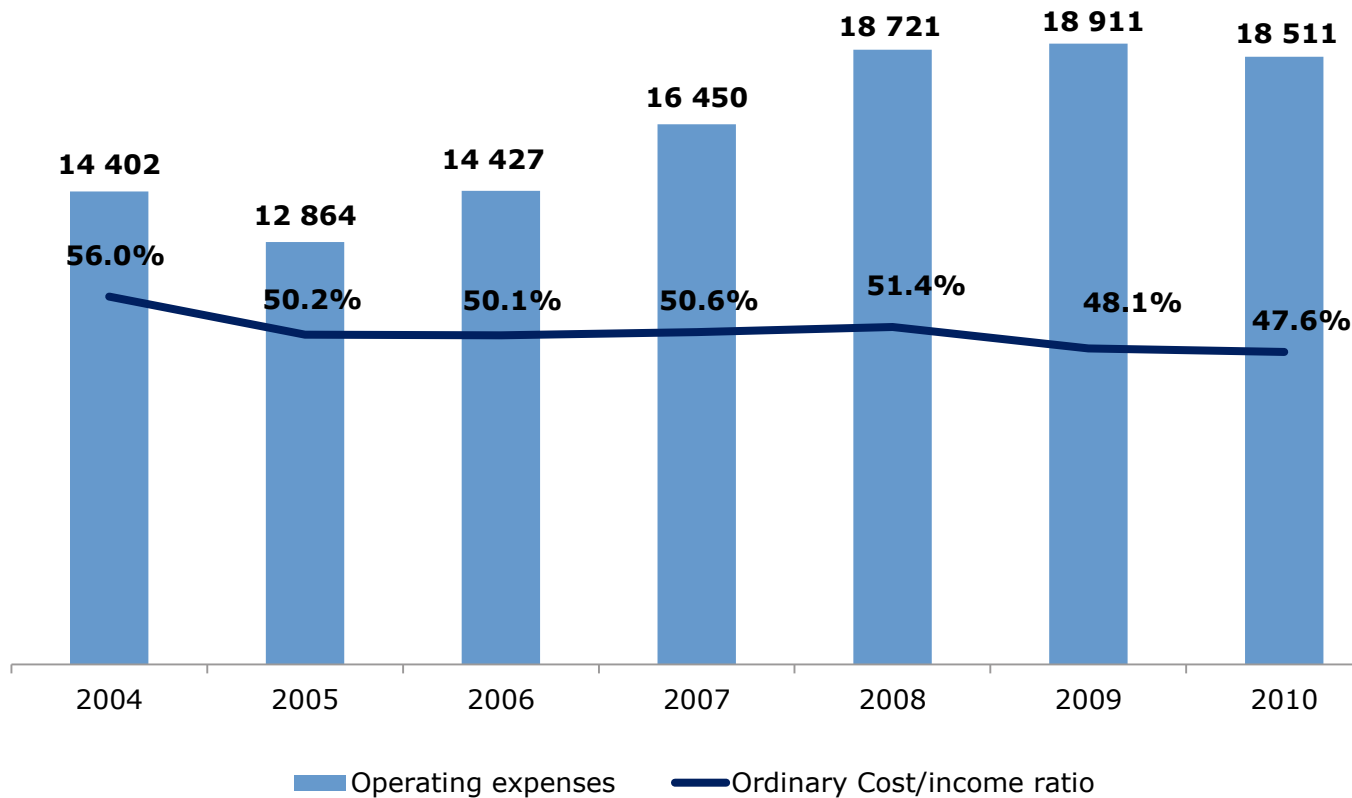


Significant growth in income



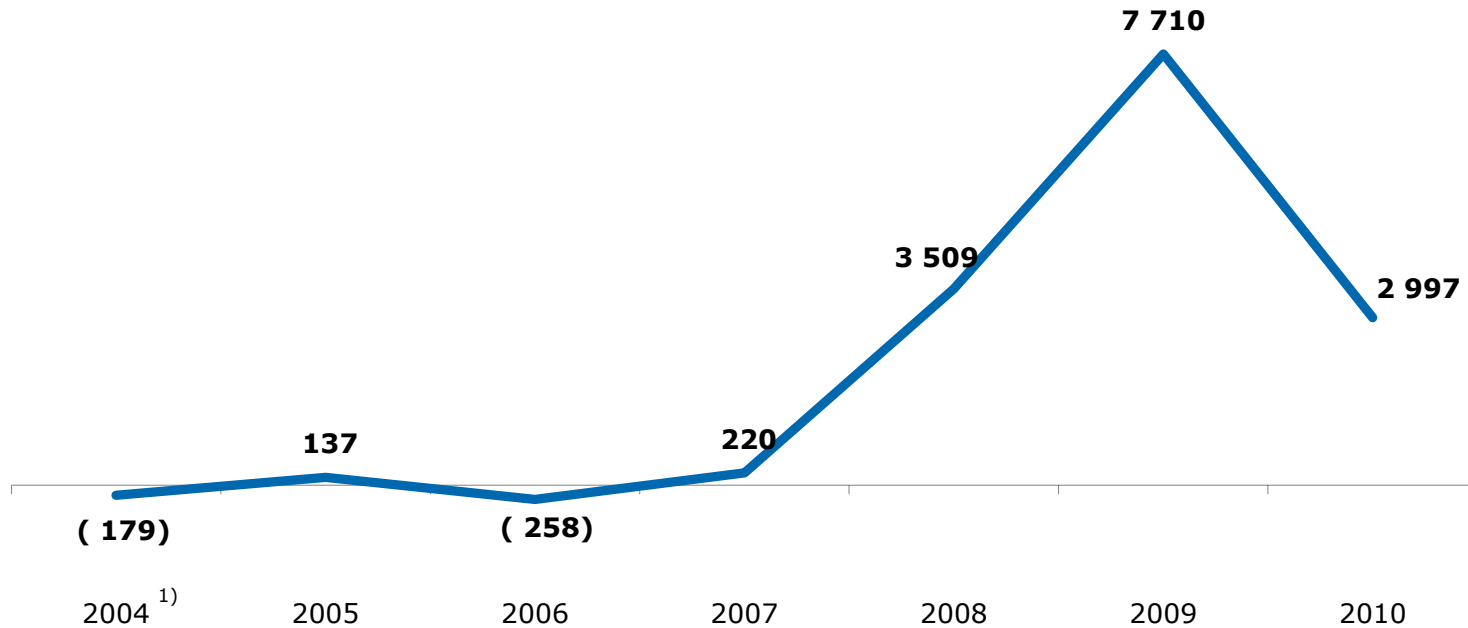
Improved cost efficiency

NOK million



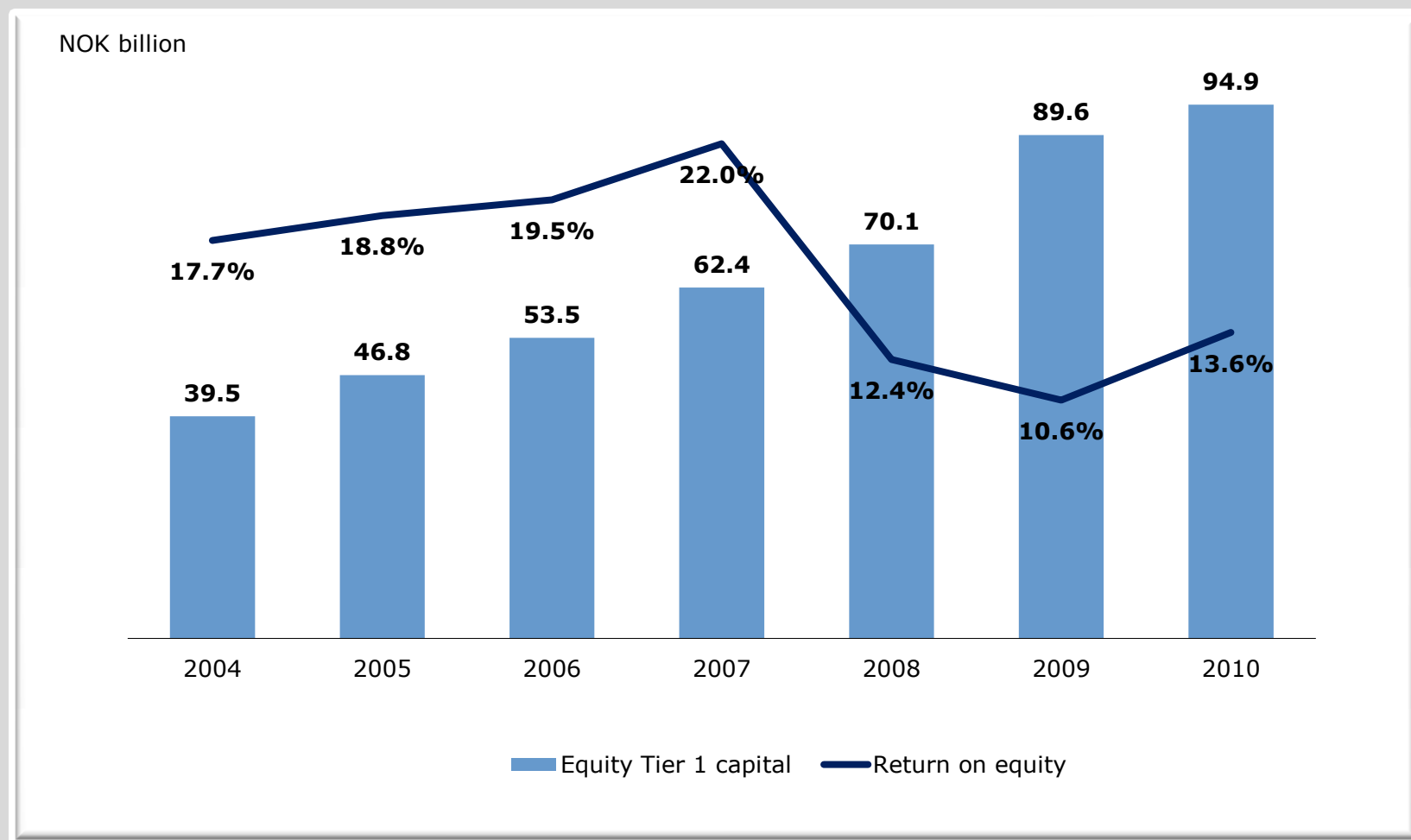
Sharp decline in loan losses after a peak in 2009

NOK million

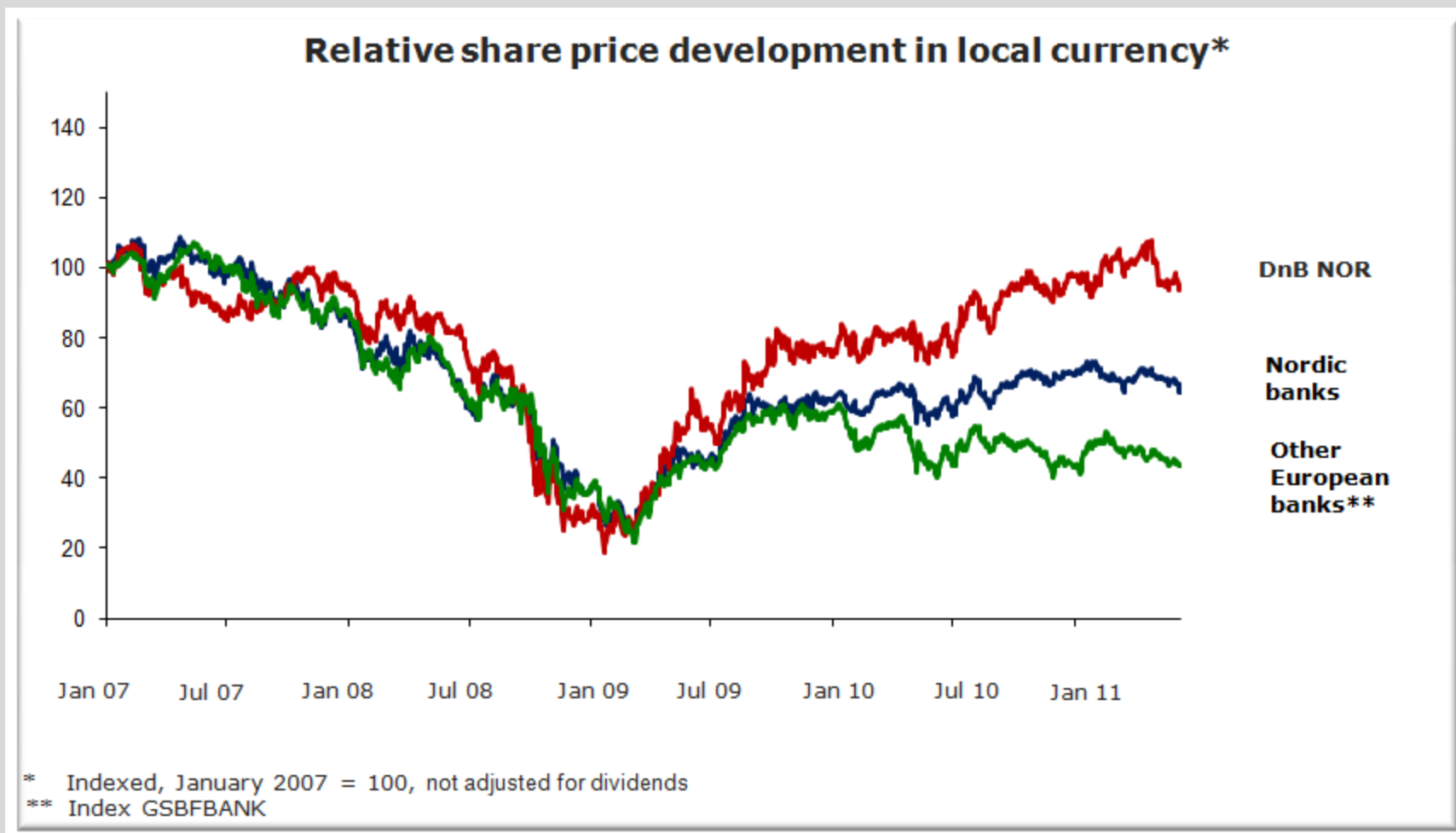


1) Pro forma figures including effects resulting from the implementation of IAS 39

Strong ROE also in post-crisis environment



Strong share price development relative to peers



Strong platform

Untapped opportunities

Robust strategy for profitable growth

The Norwegian bank

Share of group income

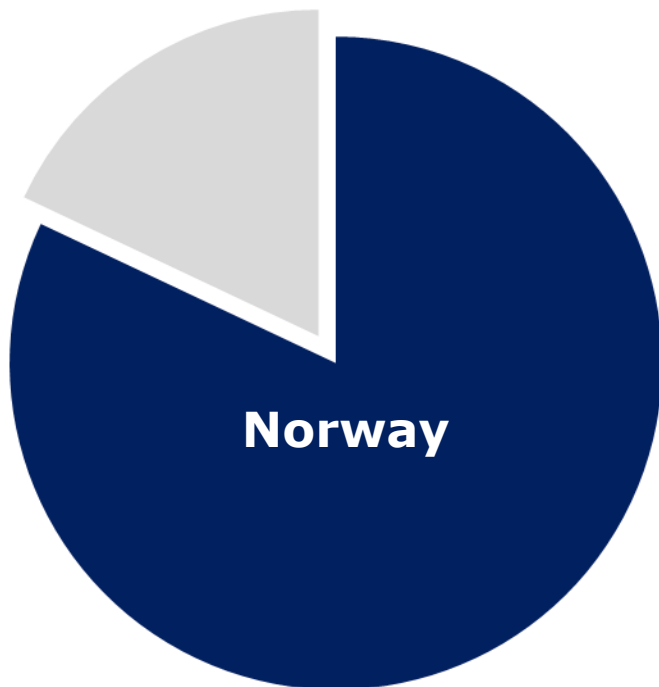
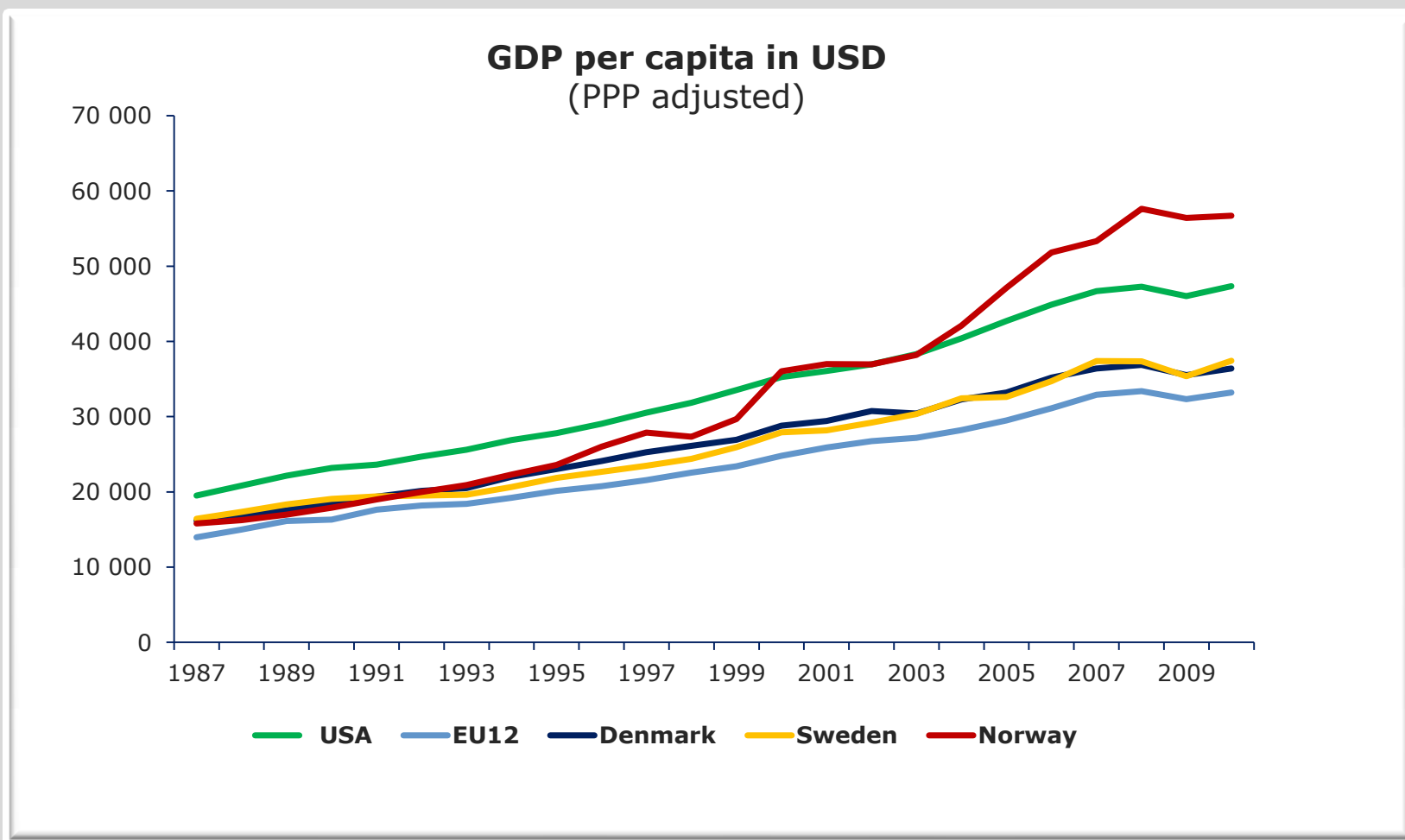


Photo: Erik Berg

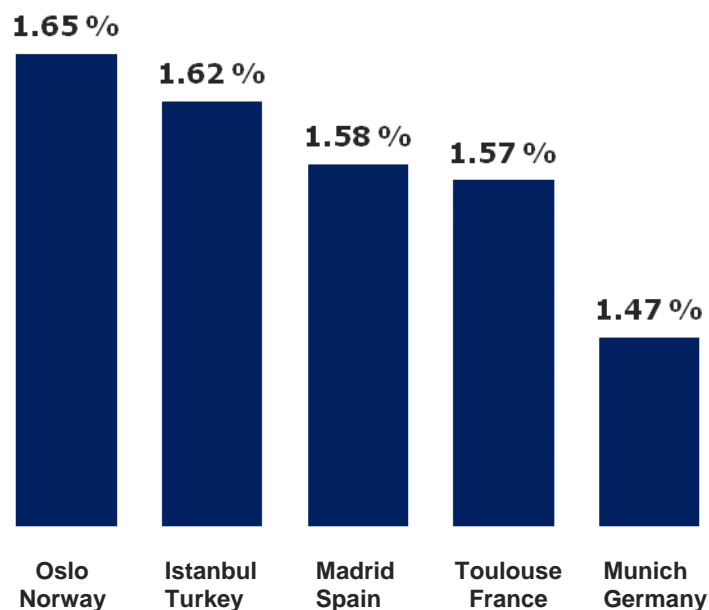
Norwegians - The most attractive customers



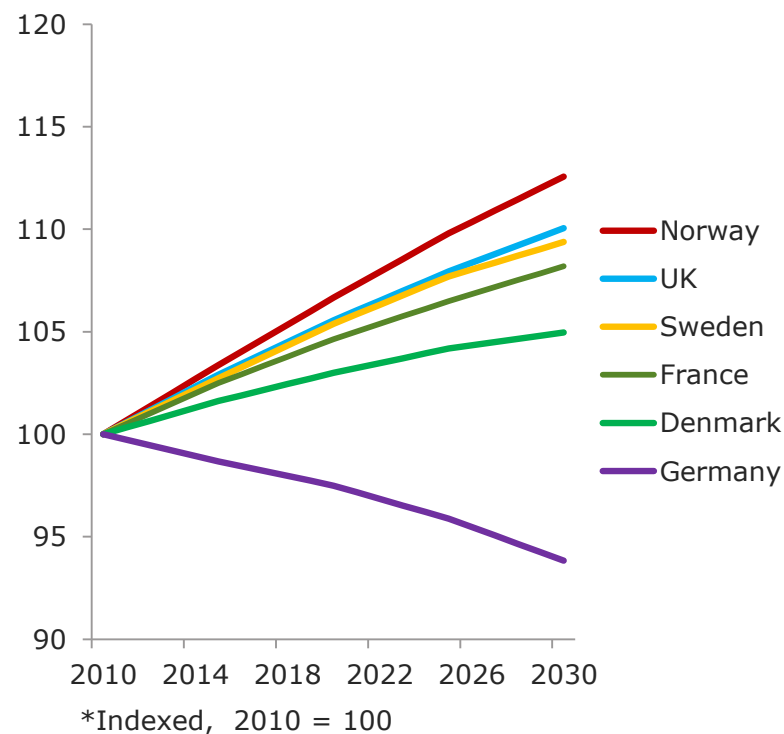
Among the fastest growing populations in Europe

Annual population growth in urban areas > 750 000 inhabitants, 2005-2010

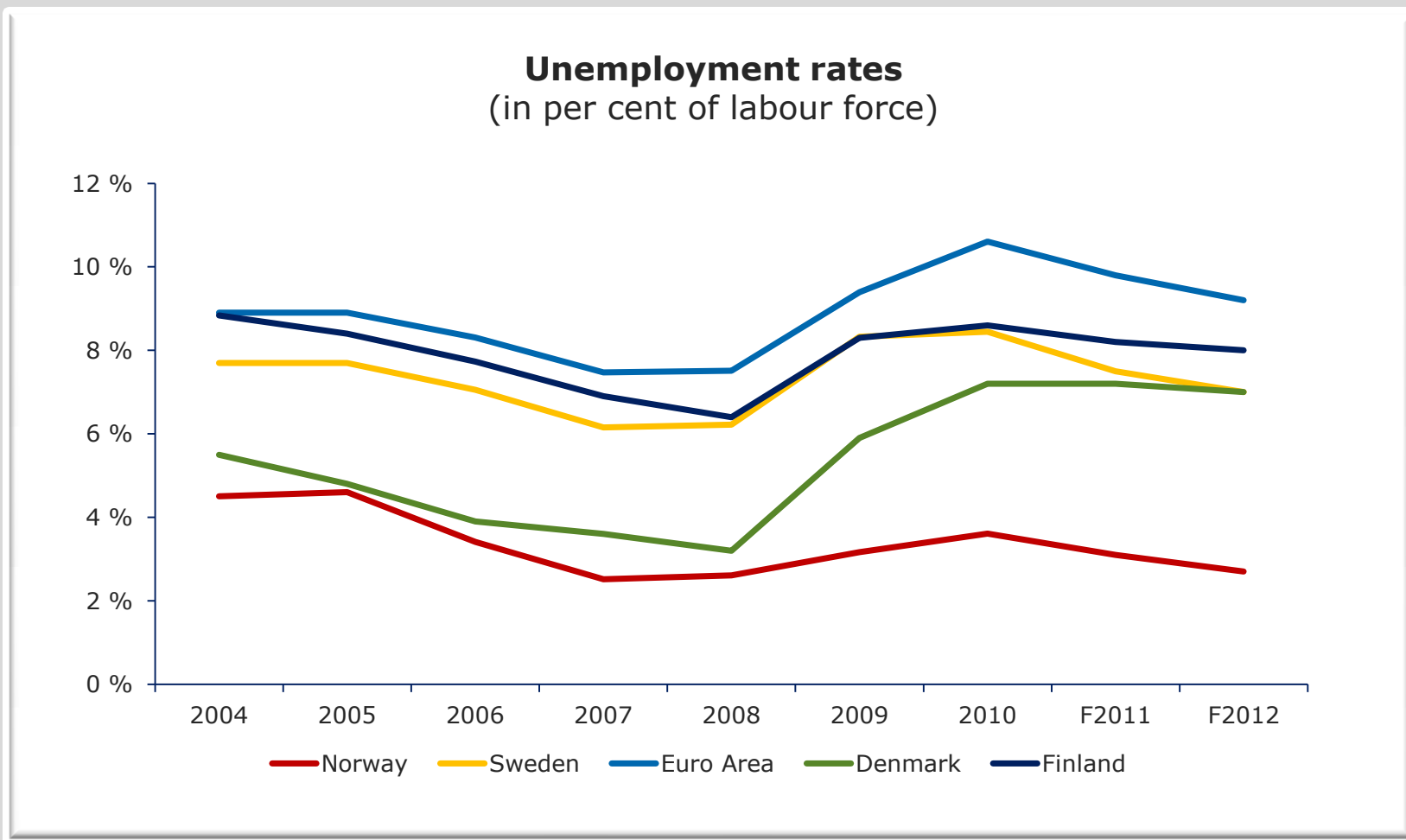
Per cent



Estimated population growth in Europe 2010-2030*

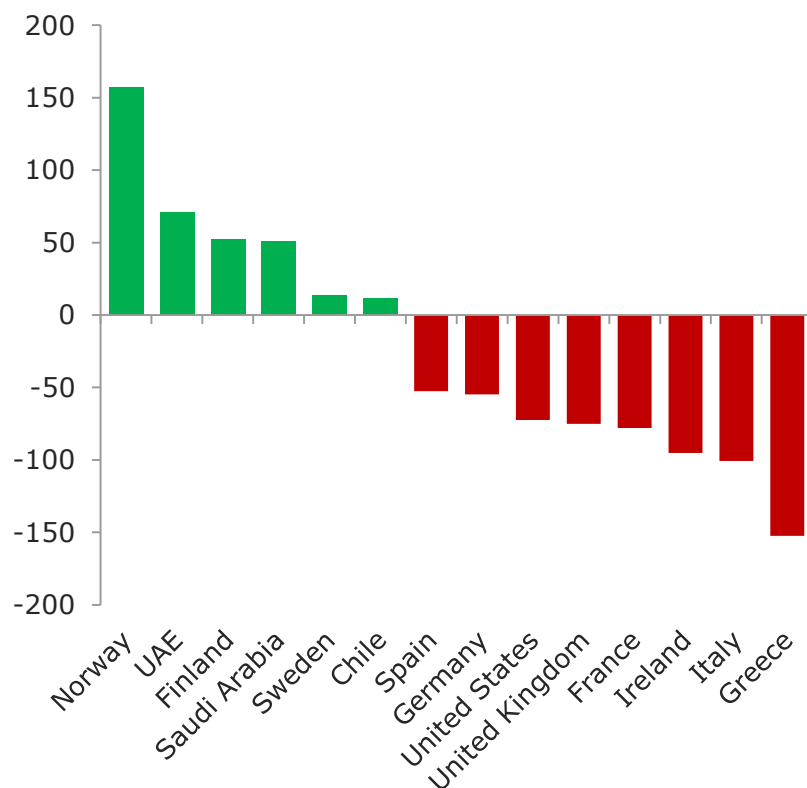


Stable low unemployment rates

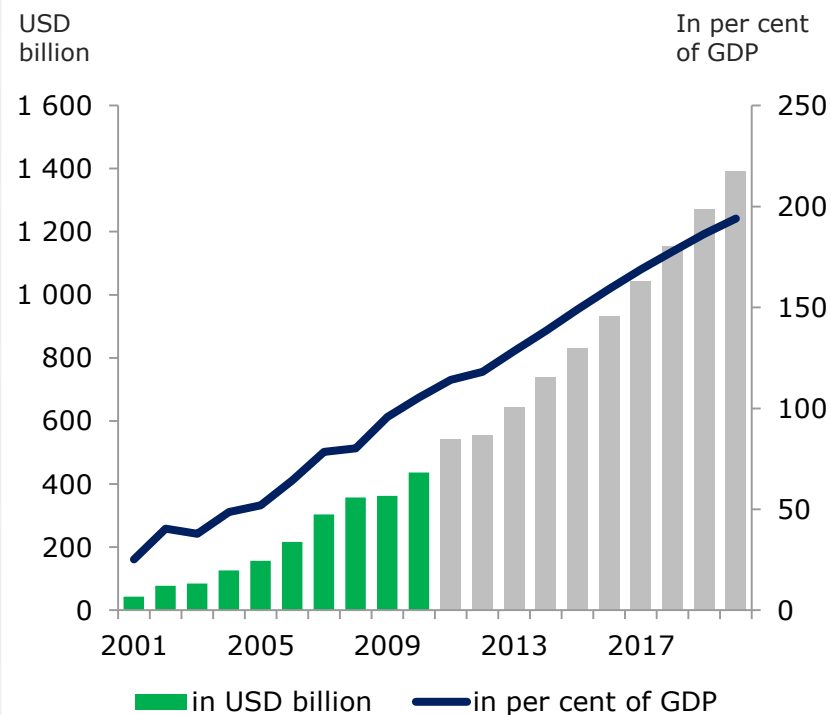


Norway - An economy in a unique position

Public net wealth, per cent of GDP (2011)

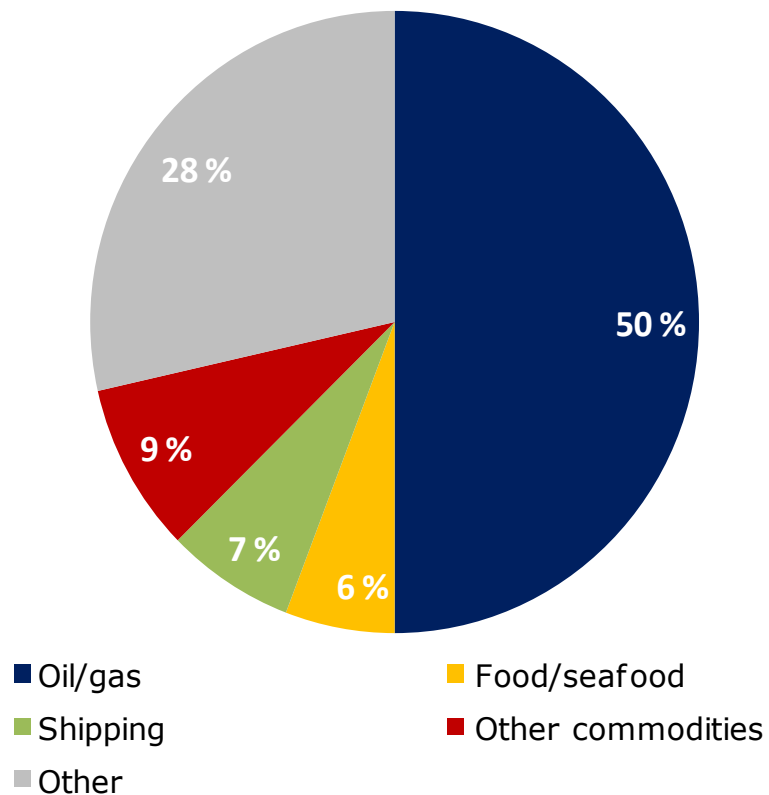


The Sovereign Wealth Fund
(based on DnB NOR's oil price estimates)



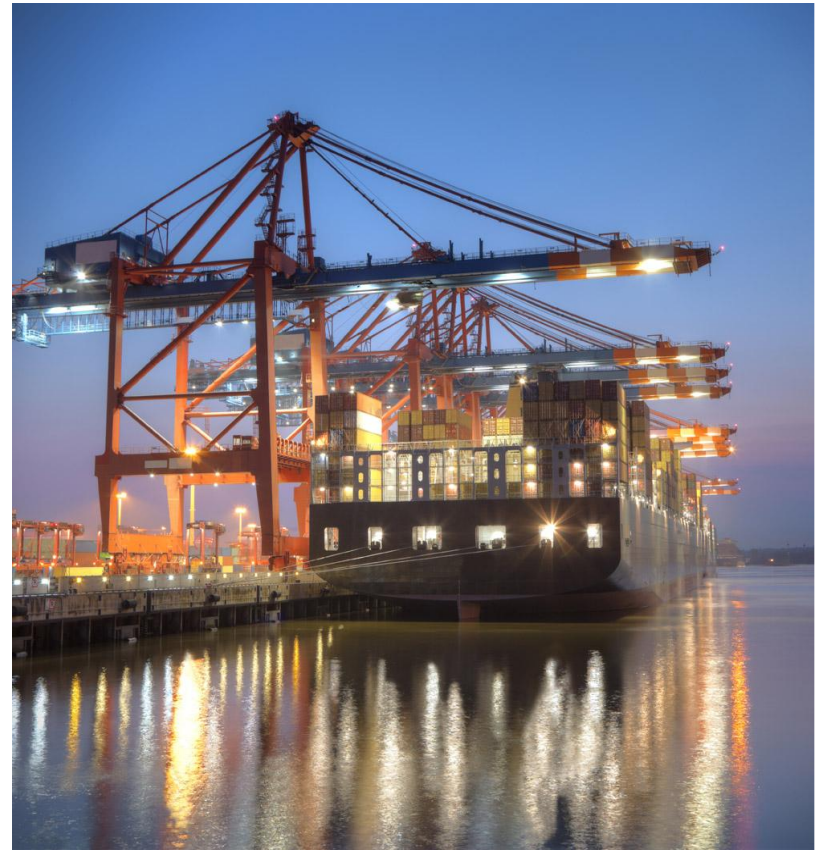
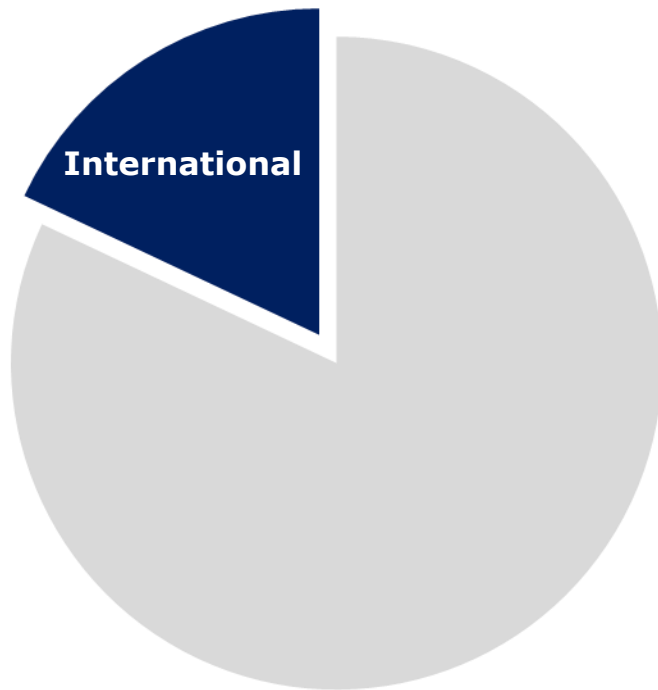
Still rich in natural resources

Norwegian exports by sector in 2010



The Norwegian bank – also internationally

Share of group income



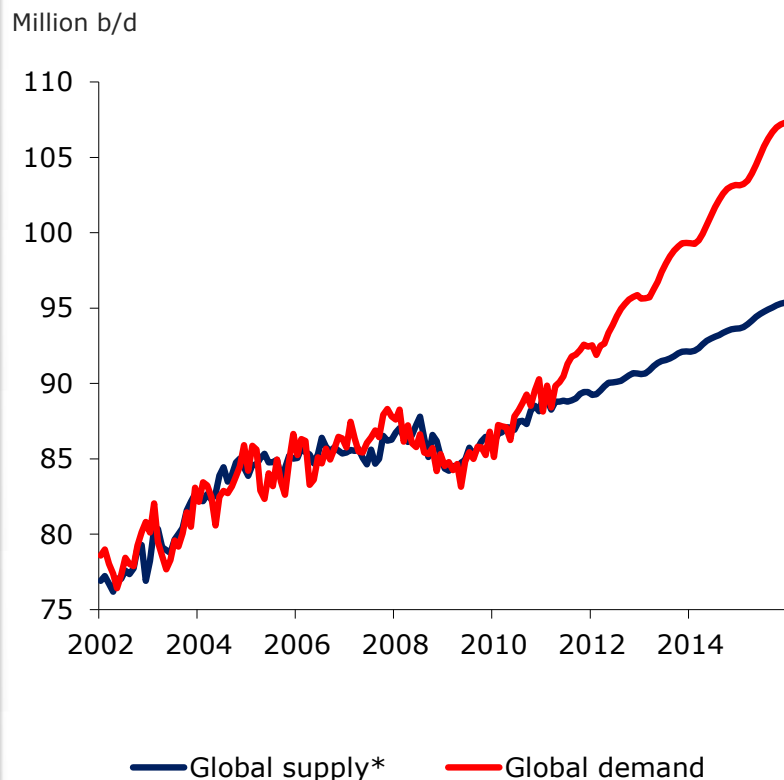
Increasing international activity

- presence in 20 countries



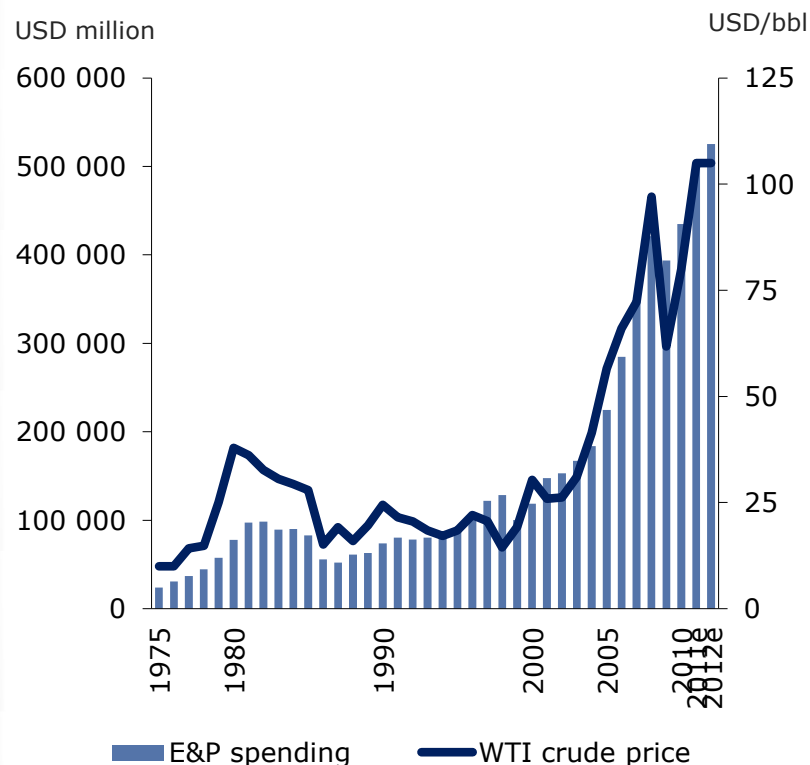
Oil demand exceeding supply - greater investment required

Global oil supply vs demand

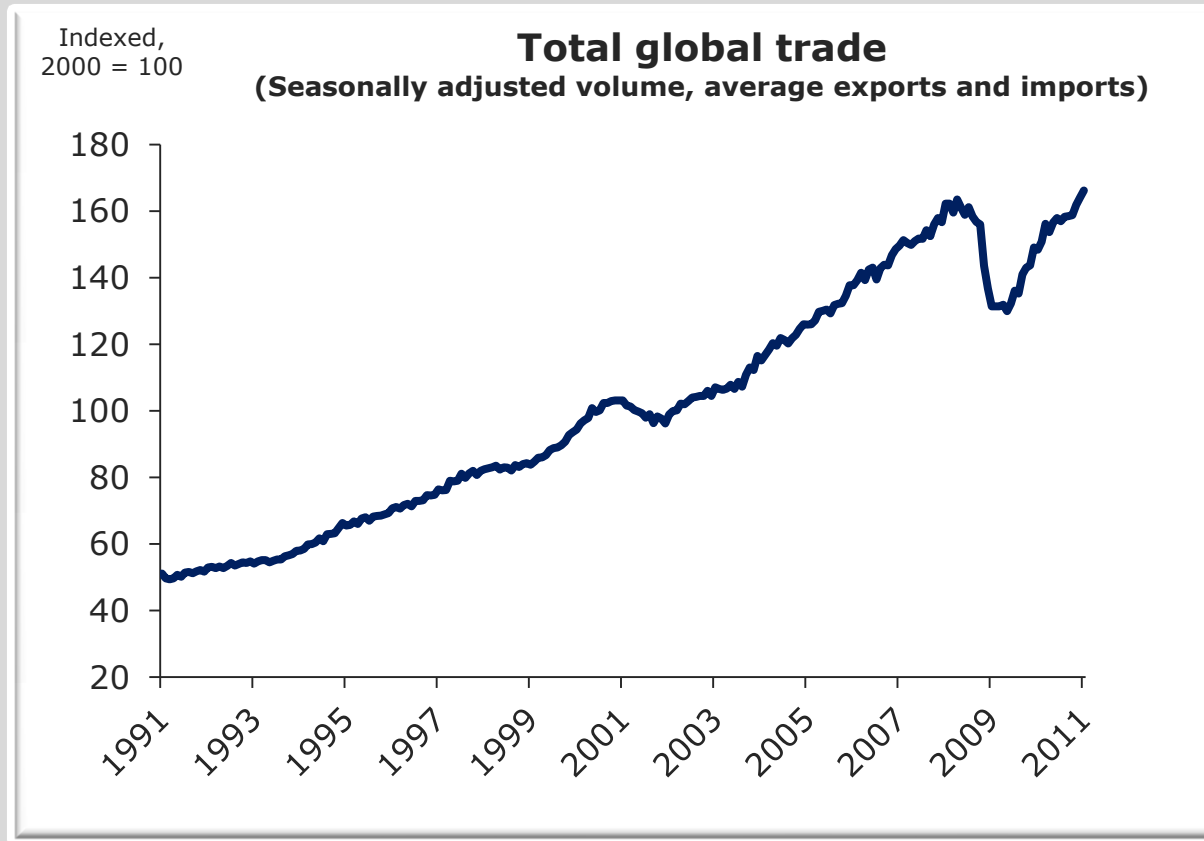


* Assuming OPEC producing at current level

E&P spending among 70 oil companies



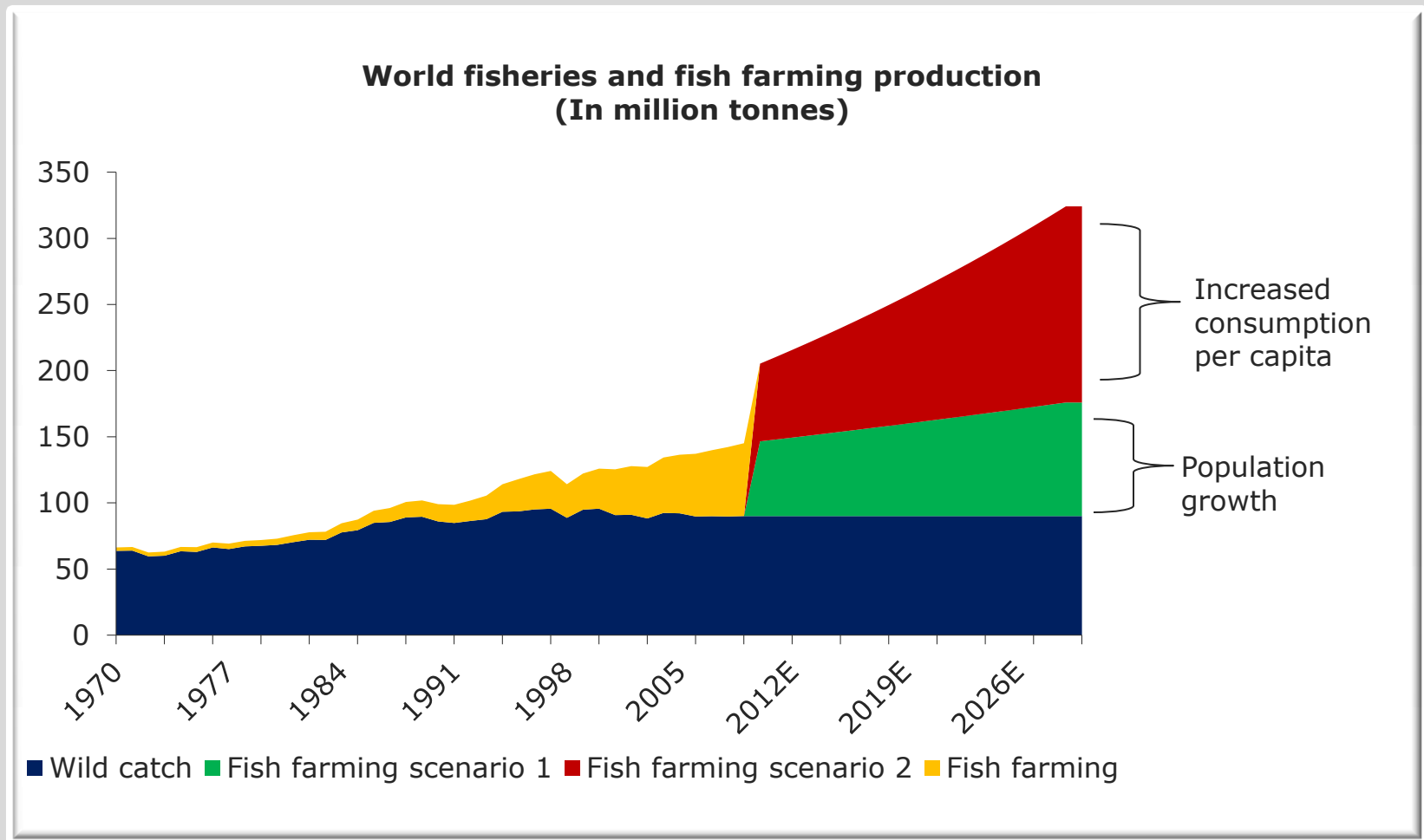
Global trade is back on track



**2-3 per cent higher
growth in global exports
than in global GDP**

**80-90 per cent of global
trade goes by sea**

Population growth and health focus drive demand for seafood



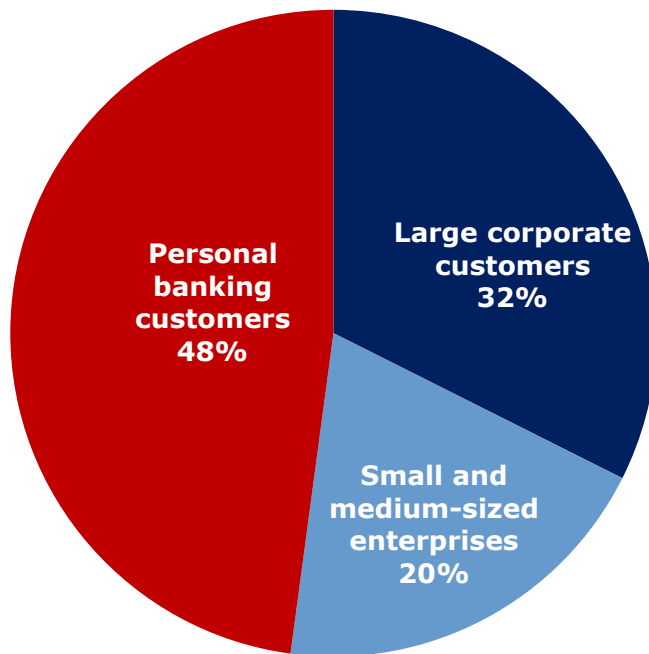
Strong platform

Untapped opportunities

Robust strategy for profitable growth

How to grow?

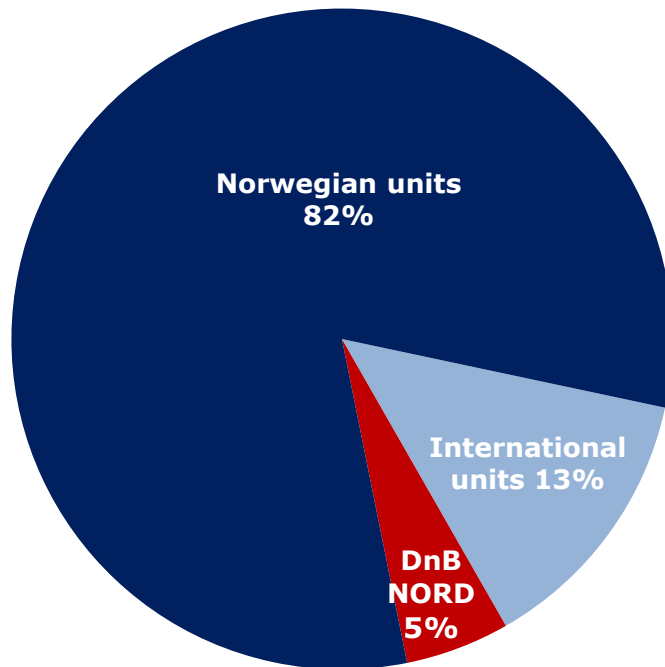
Share of net lending Q1 2011



**Maintain an even balance
between personal
banking customers and
corporates**

Where to grow?

Share of group income Q1 2011



Norway
- Personal banking customers
and corporates

Internationally
- Strategic core industries

Nordics and the Baltics
- Selective retail growth

Consider sale of Polish division

- Modest position
- Highly competitive market
- Costly to achieve a favourable strategic position
- Safeguard interests of both customers and employees

Stronger and united
– one group, one brand

DnB NOR



Bank **DnB NORD**

CARLSON

Part of the DnB NOR Group



Sustainable strategy

Growth opportunities

More of the same

DnB NOR



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

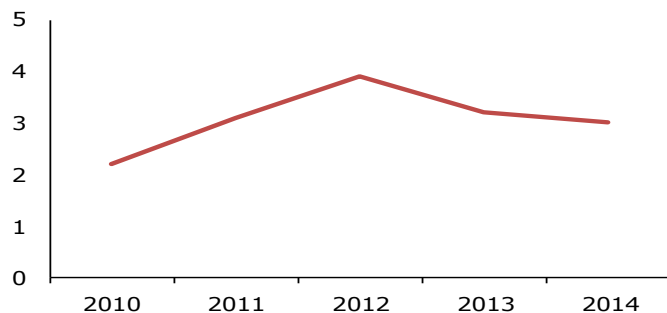
- The Norwegian authorities will not introduce additional regulations or taxes/fees for the Norwegian financial sector

Macroeconomic developments

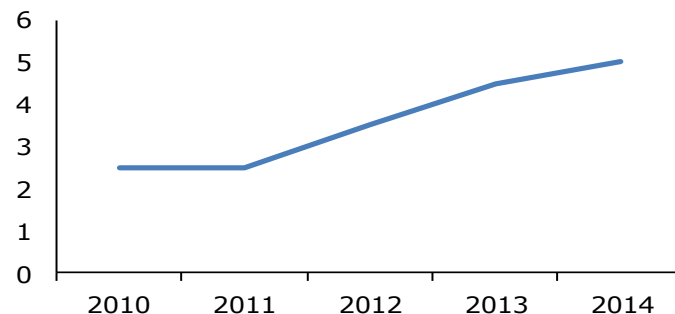
- Increasing economic growth in Norway
- Stable international growth
- NOK money market rates of 5% in 2014

Robust macroeconomic development in Norway

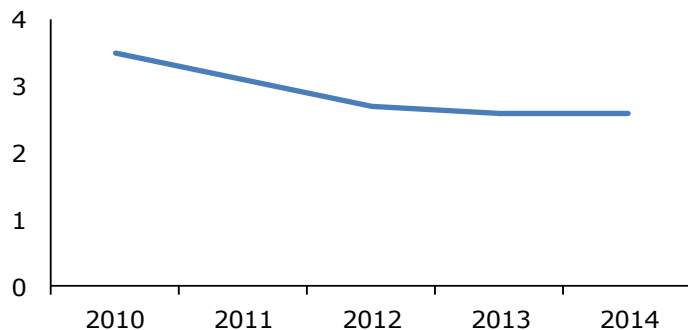
**GDP growth, per cent
excluding the oil and gas sector**



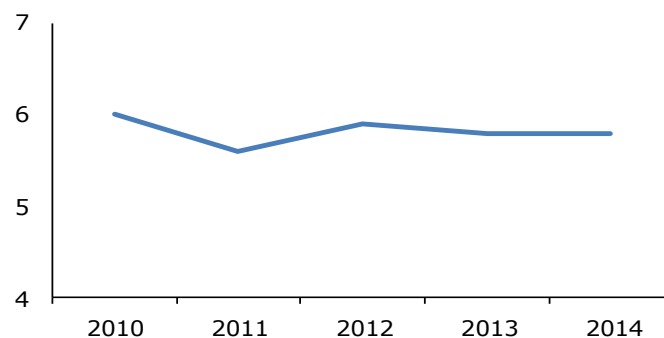
3-month NIBOR, per cent



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



Exchange rate NOK/USD



New financial ambitions

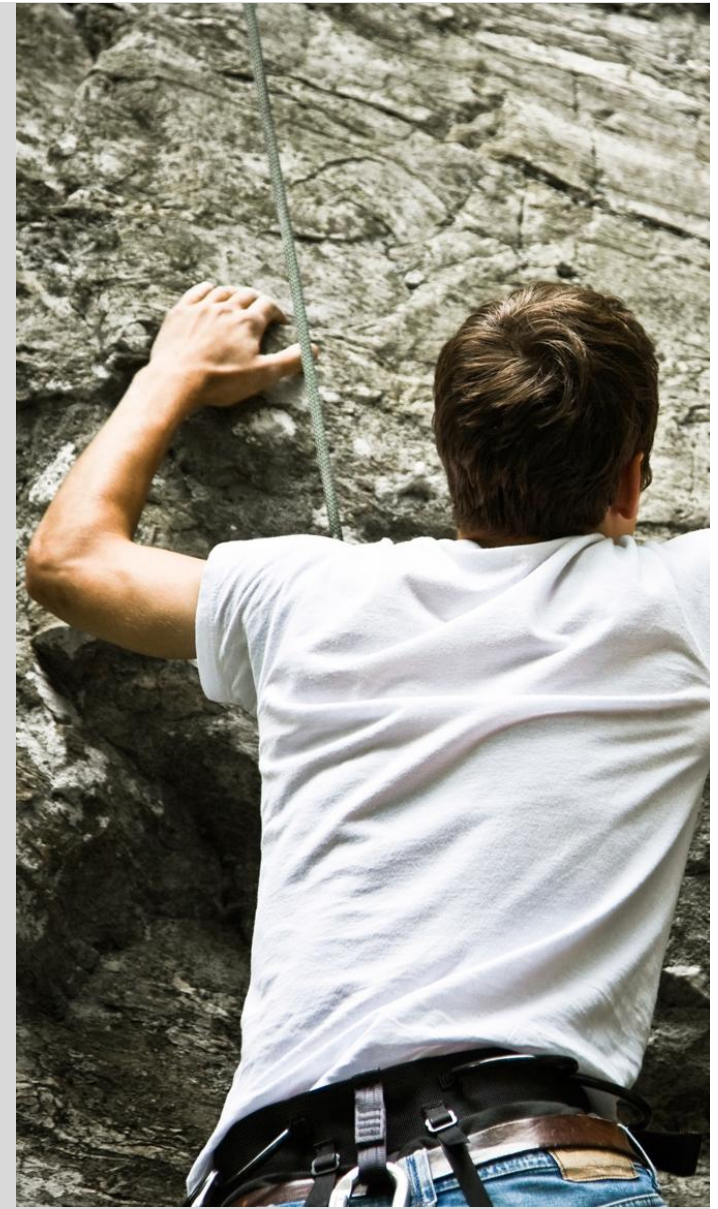
Drivers for growth

New regulations

Funding

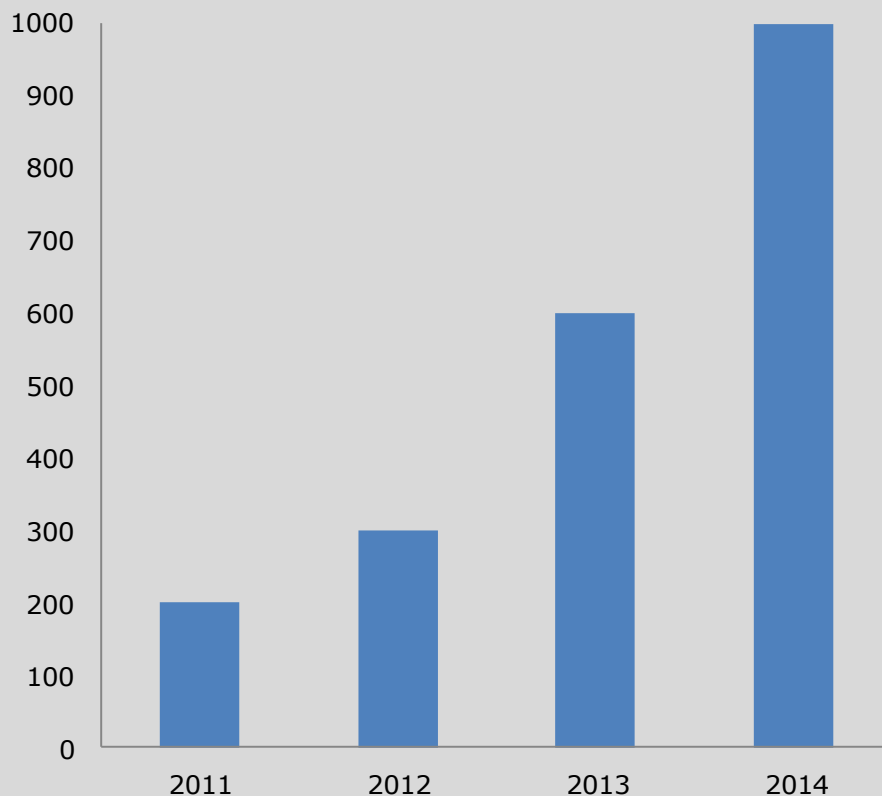
Drivers for profitable growth

- 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

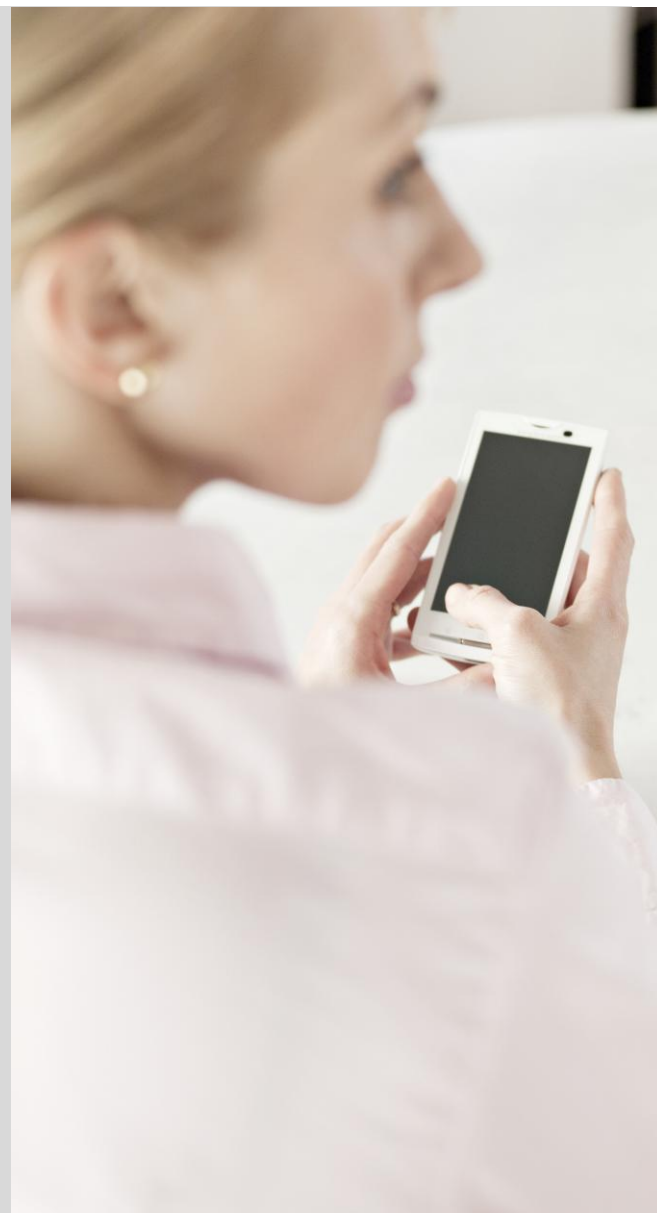
Increased cost savings (NOK million)



Streamlining of business processes

**NOK million
350-400**

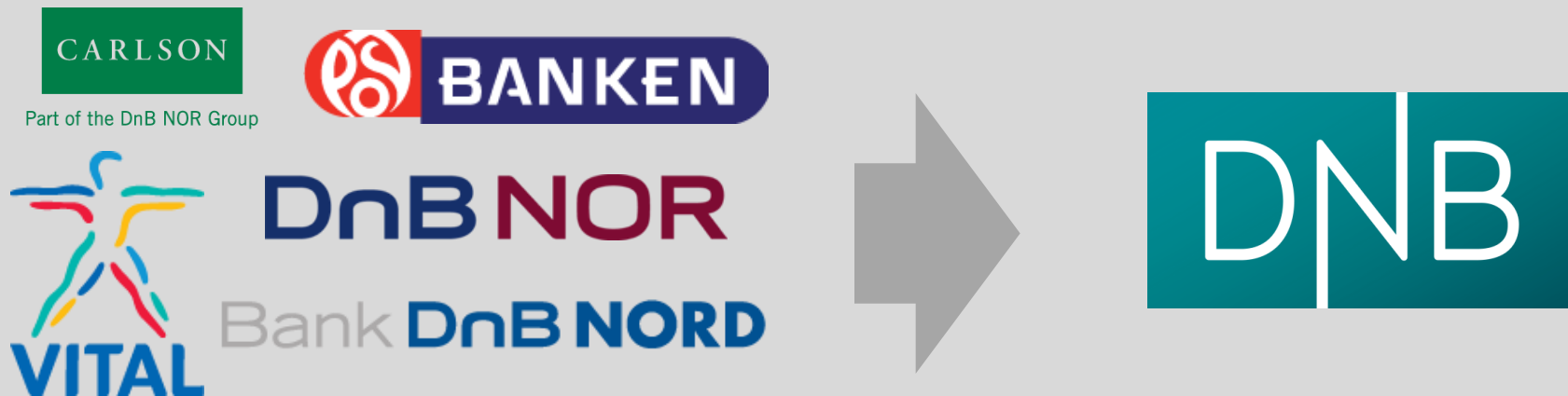
- Automatisatation
- Digitalisation
- Increased use of self-service options



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 NORD, including closing down the Copenhagen office



Improving procurement routines

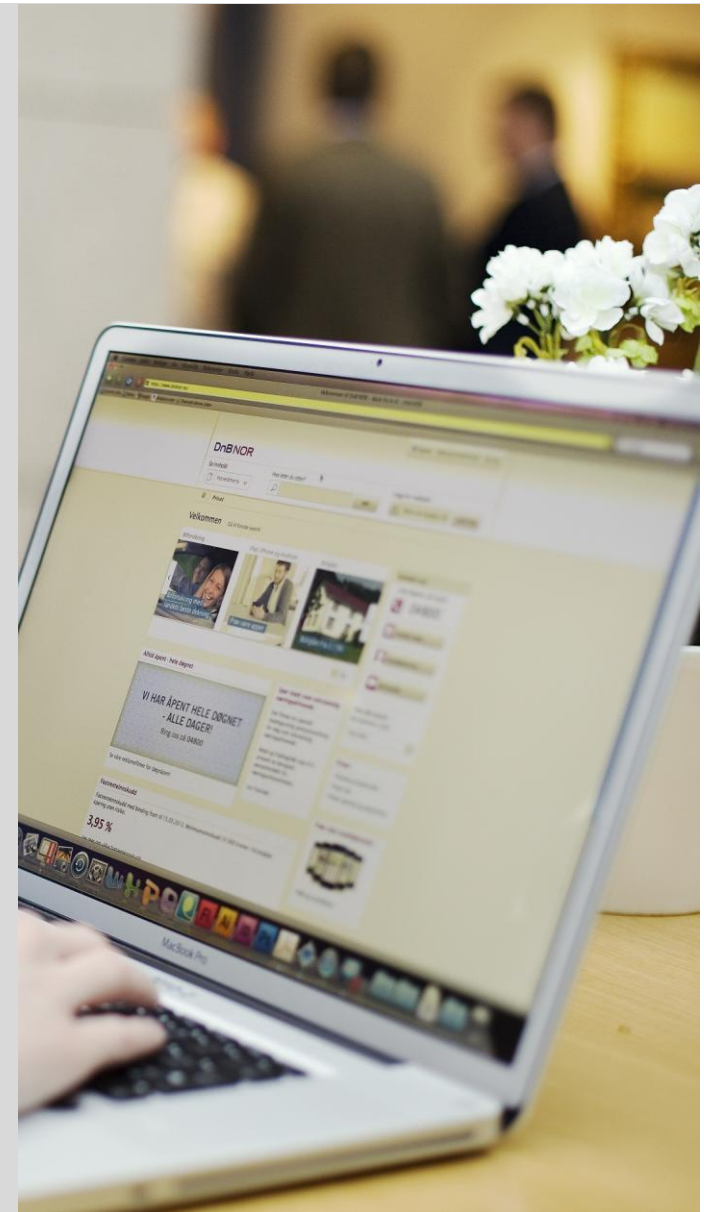
**NOK million
50-100**

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

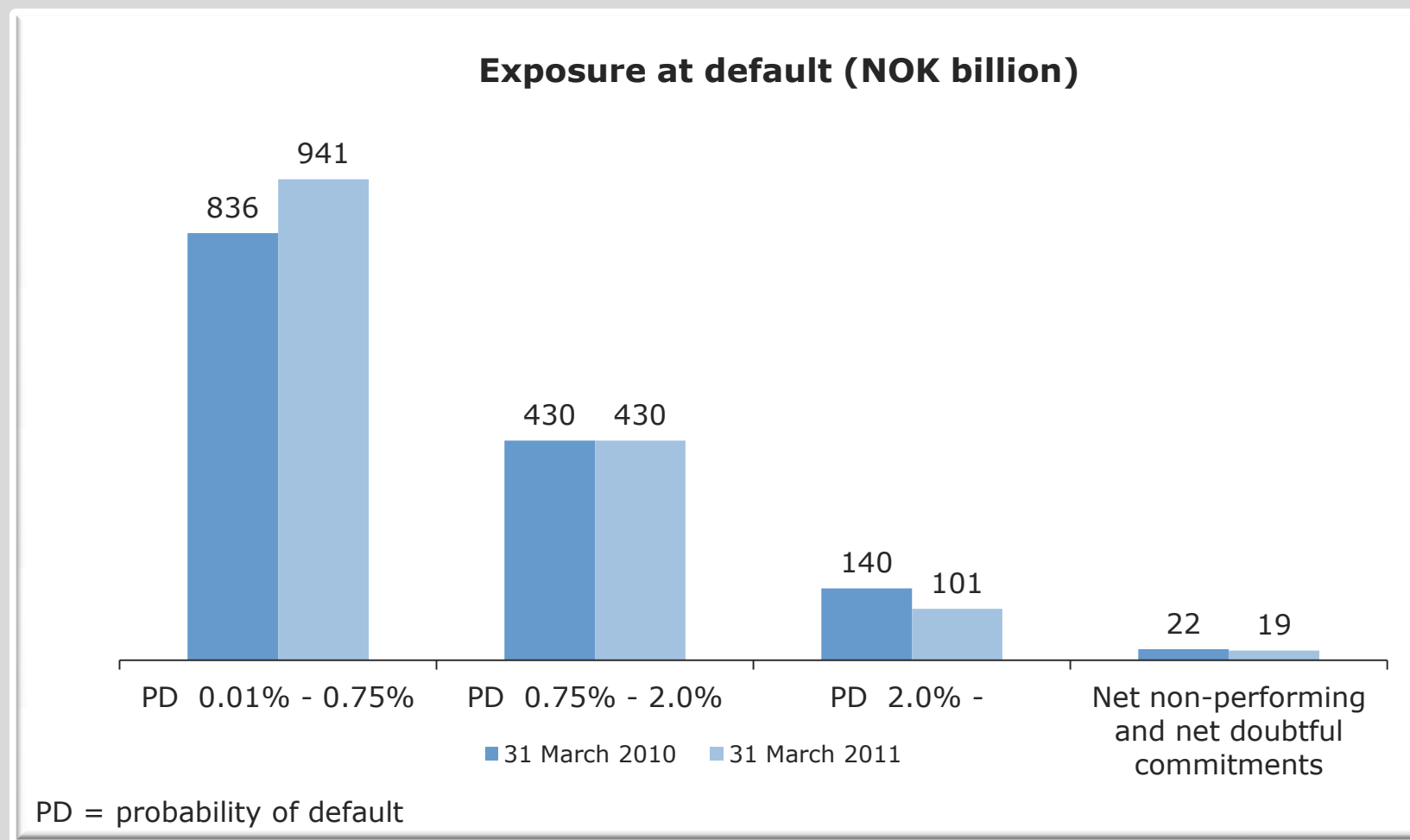
Reorganising IT operations

**NOK million
200-225**

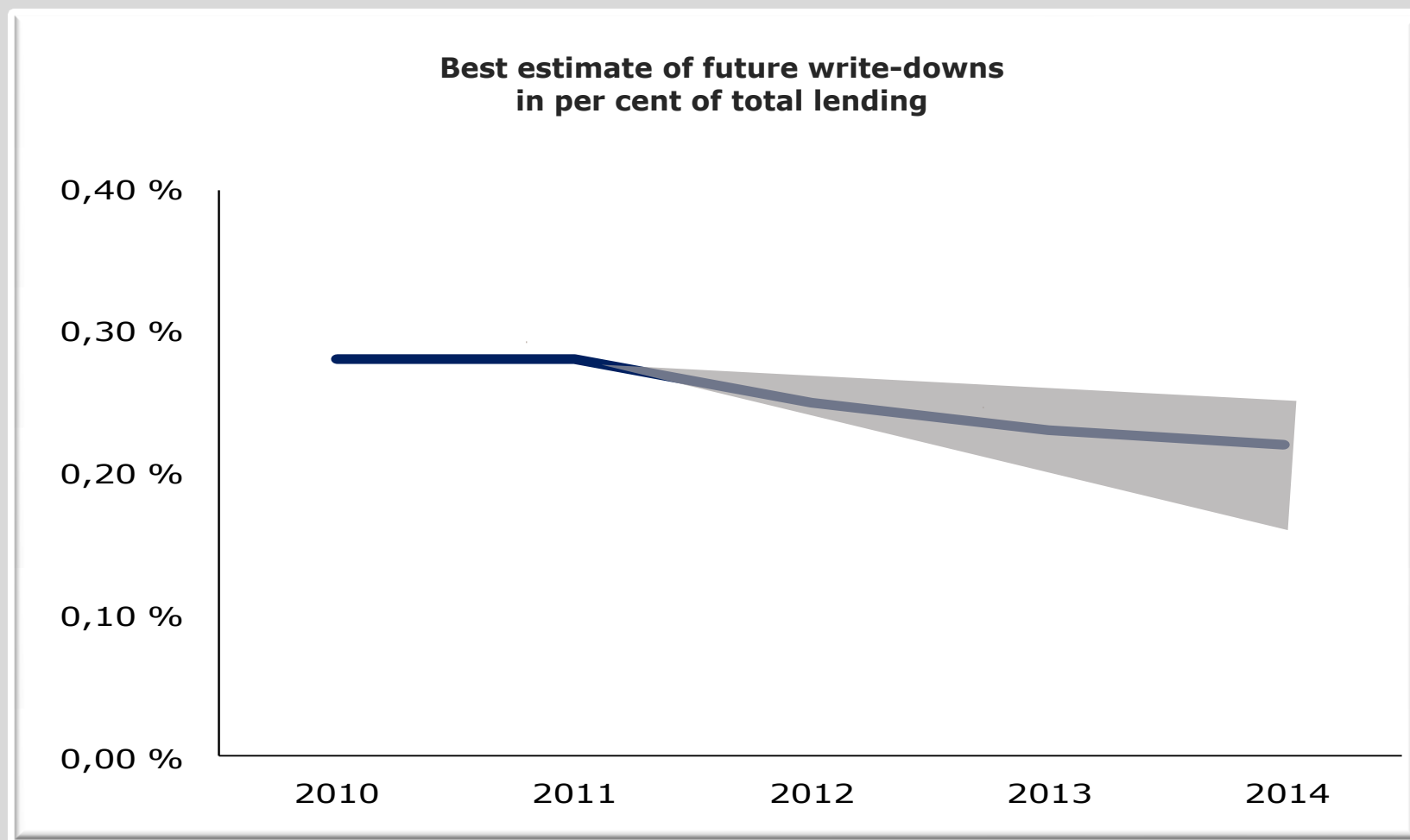
- Simplification and standardisation
- From 14 IT units to one



Portfolio quality remains strong



Low write-downs



New financial ambitions

Drivers for growth

New regulations

Funding

Basel III – four main issues

Implementation

- Prepare for the schedule presented in December 2010

Leverage ratio

- Leverage ratio best among Nordic peers

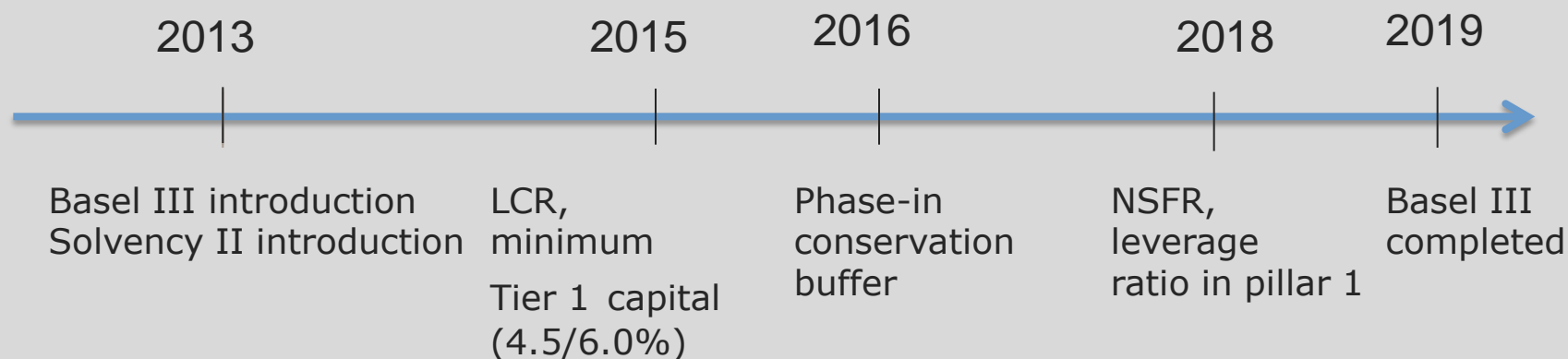
Capitalisation

- Capitalisation above expected requirements

Liquidity

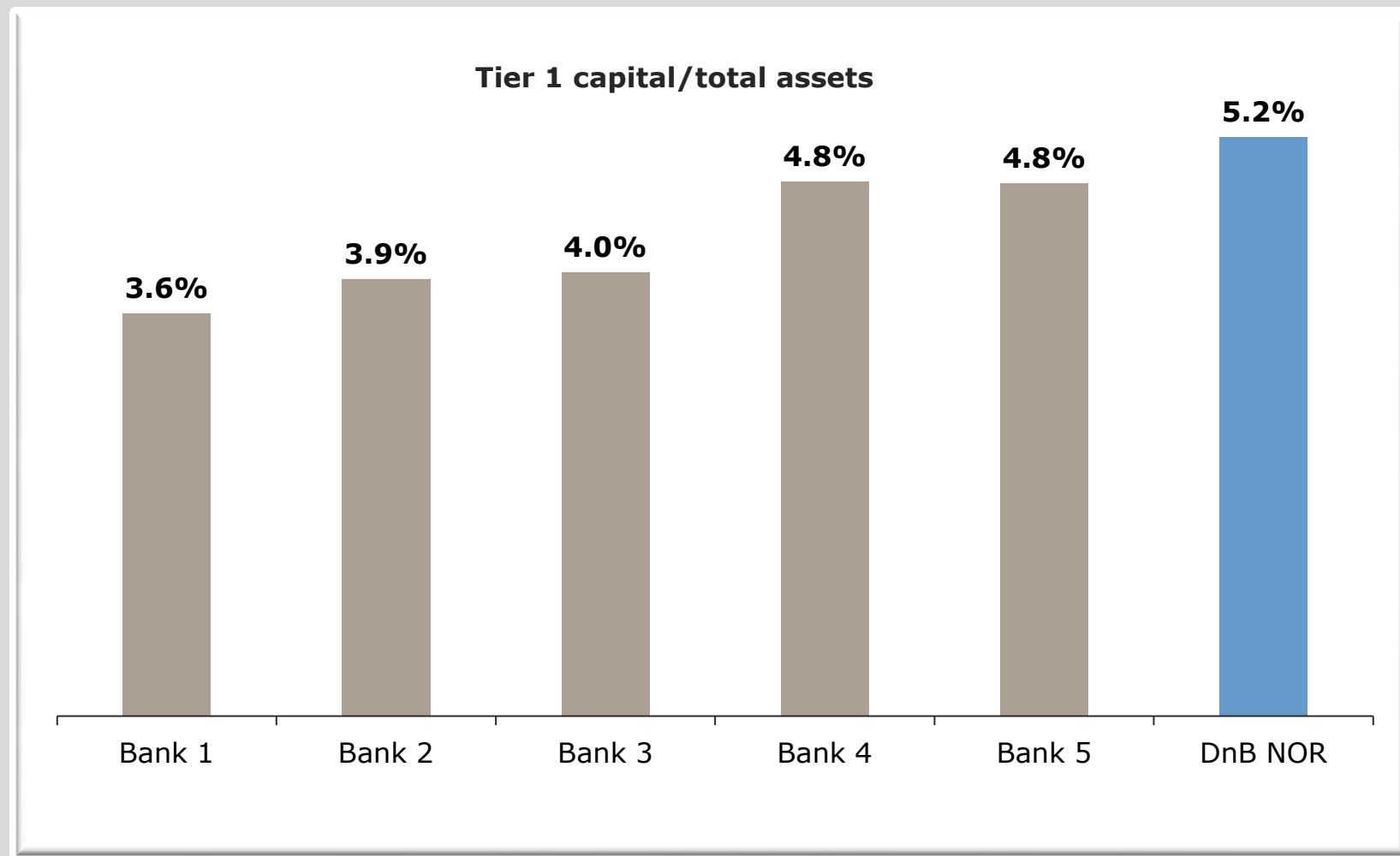
- On track

Expected implementation schedule



- as of 1 January each year

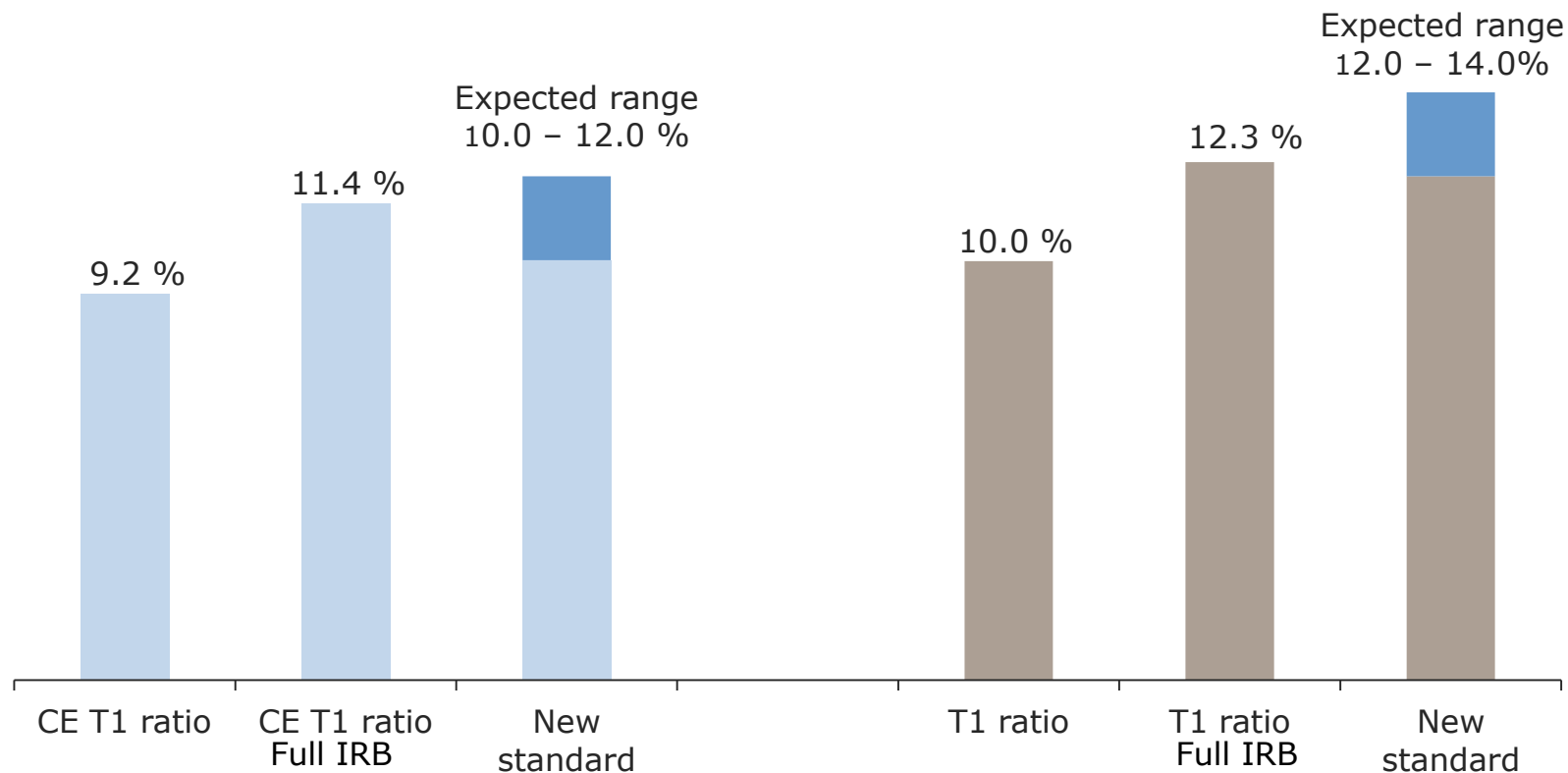
Leverage ratio: best among Nordic peers



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



New financial ambitions

Drivers for growth

New regulations

Funding

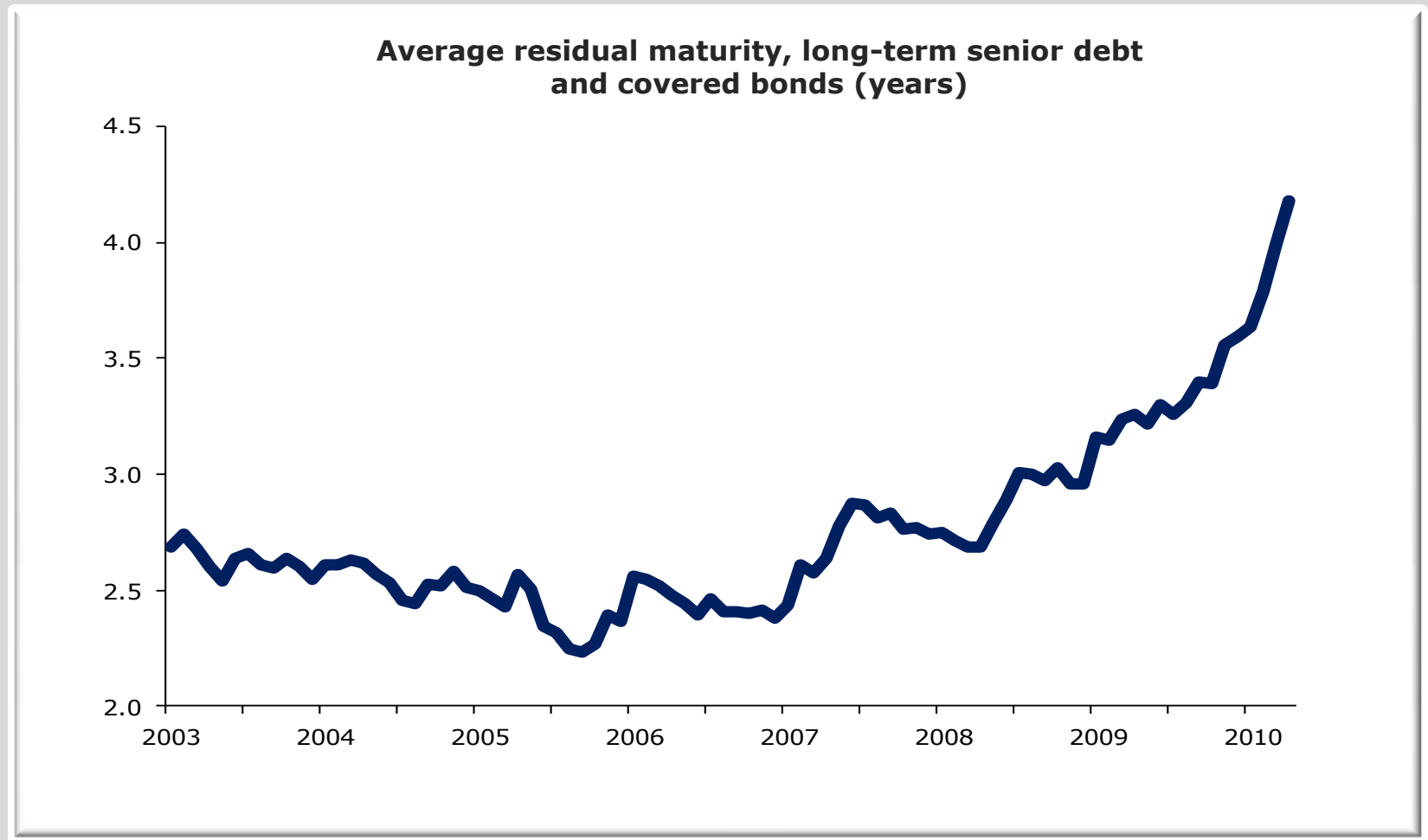
DnB NOR: a strong name in the funding market

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

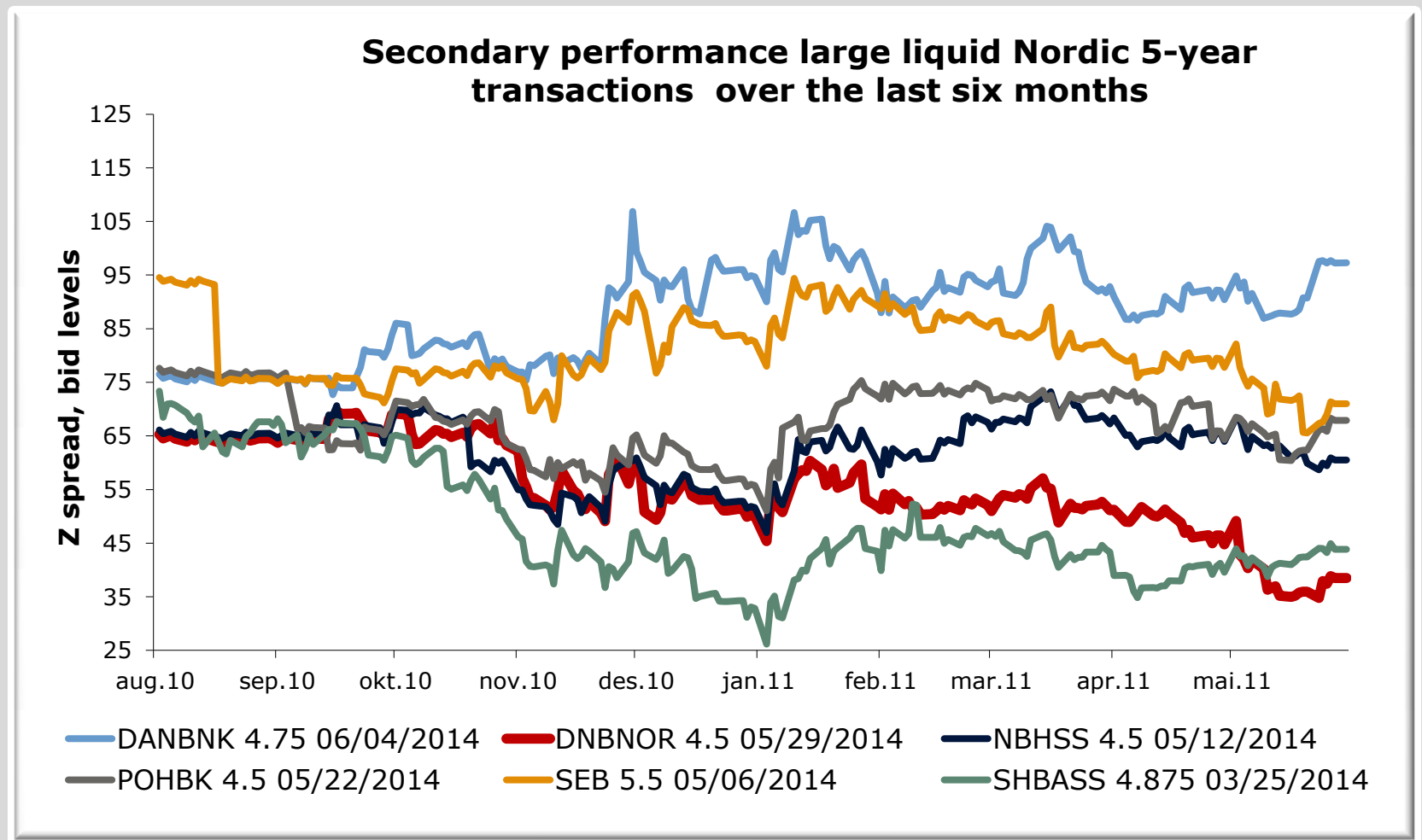
Diversifying funding activities to the USA and Australia with good results, both for long and short-term funding

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



Growth in Norway

Karin Bing Orgland,
head of Retail Banking



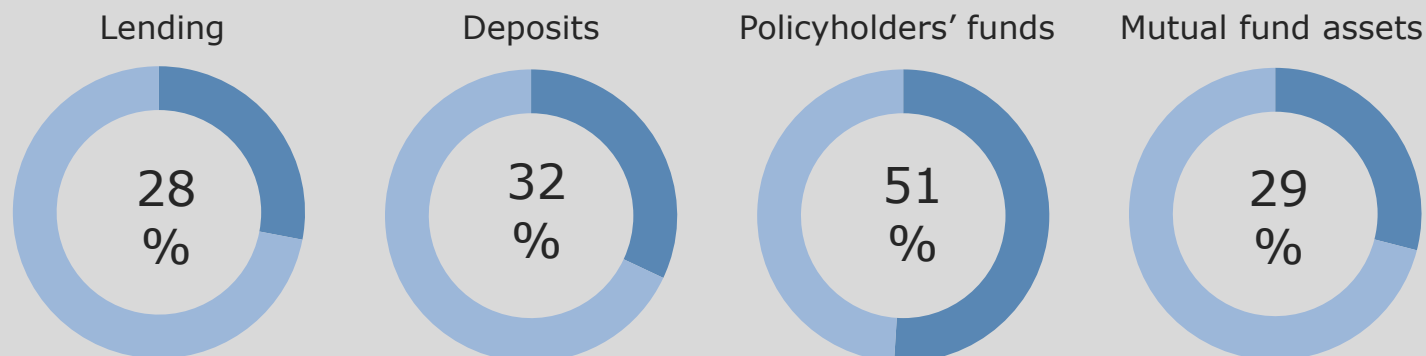
Strong platform in Norway

Untapped opportunities for profitable growth

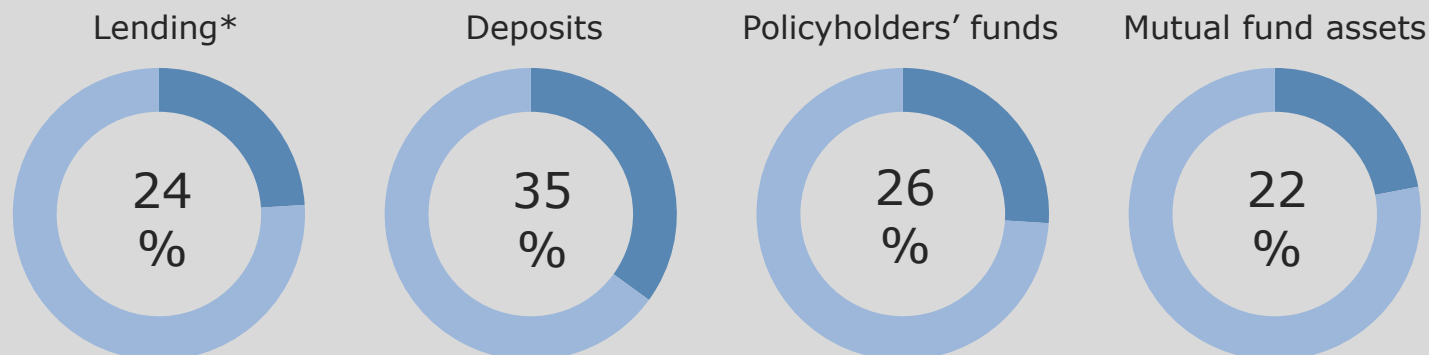
Strong market shares

Well positioned in home market – product areas and customer segments

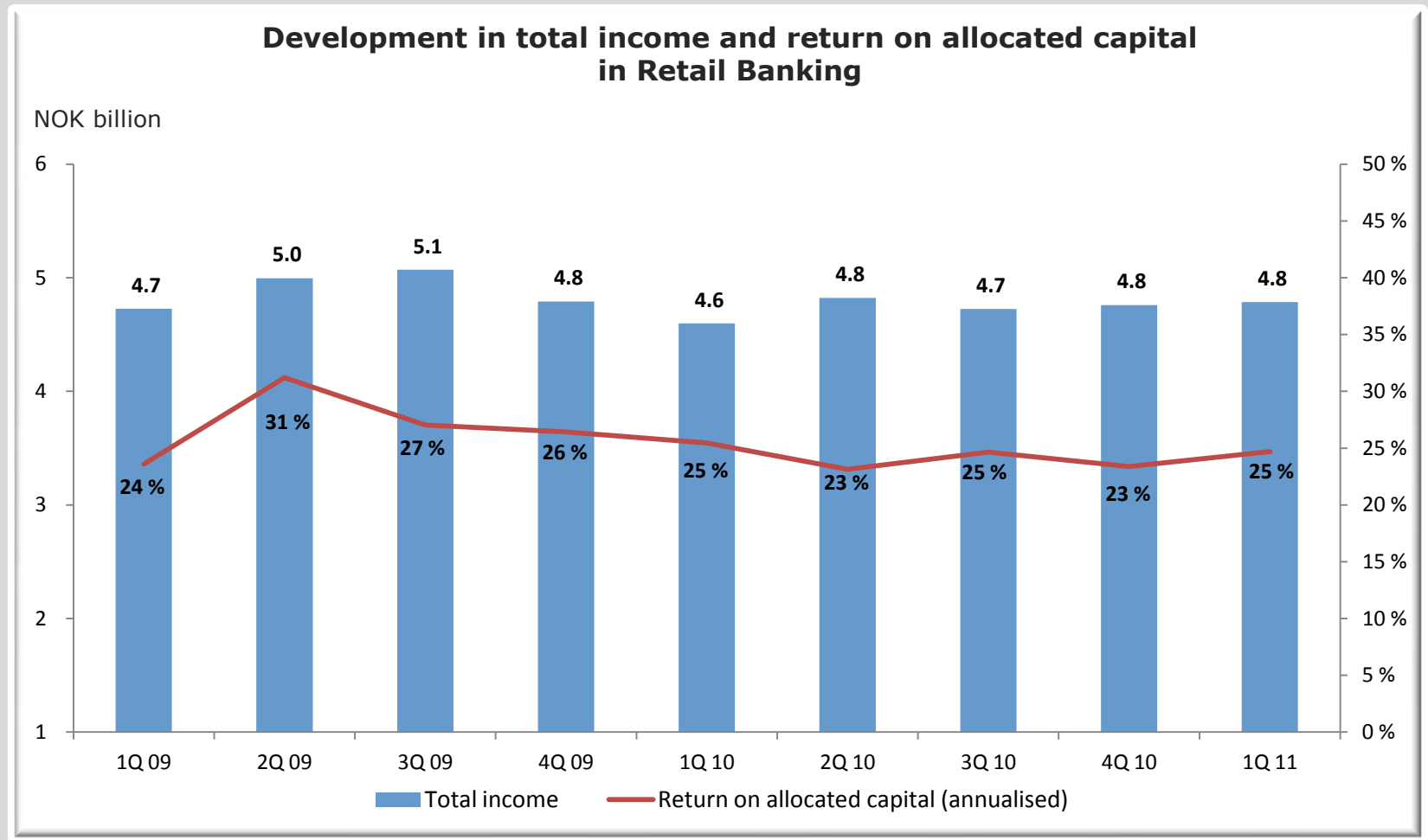
Retail market



Corporate market

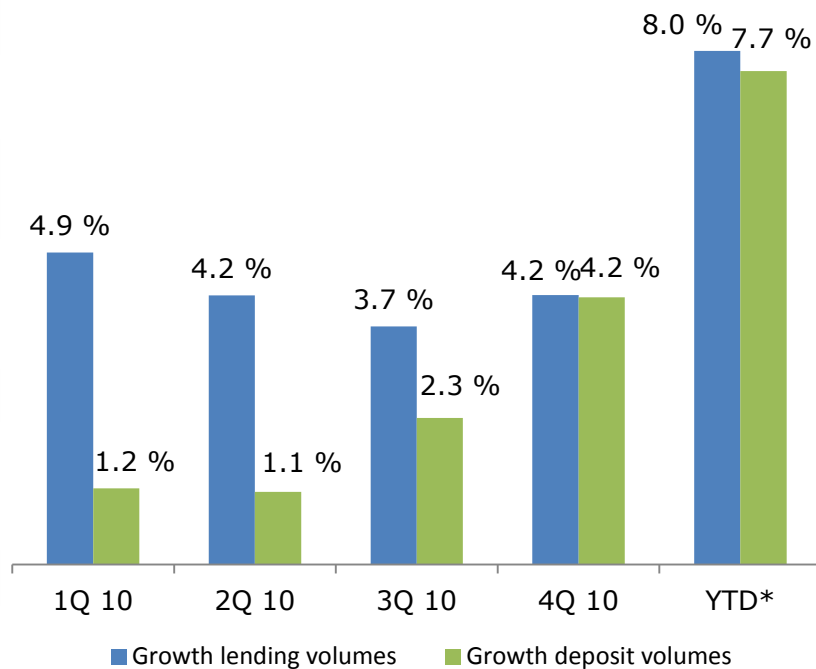


Stable total income and high return on allocated capital

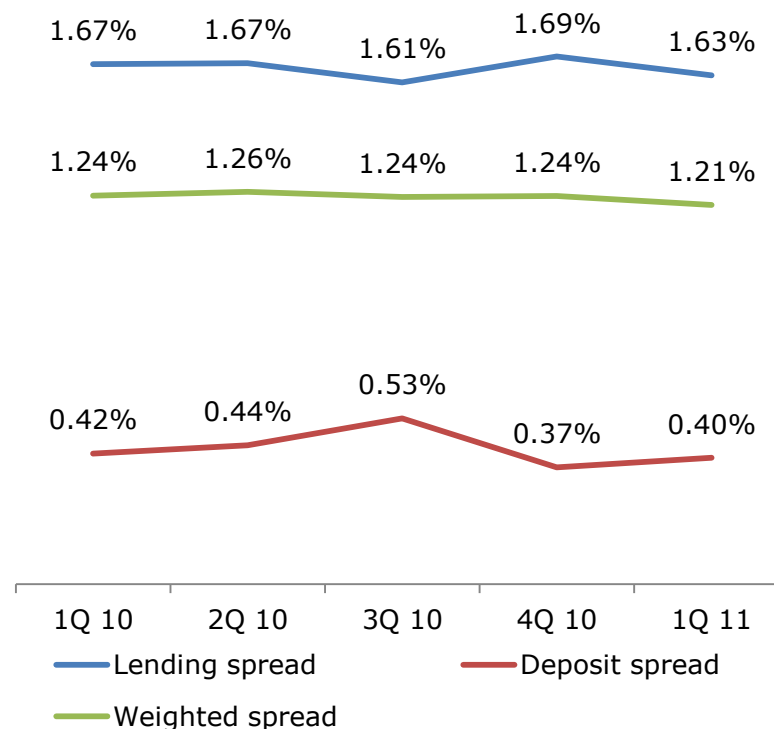


Increasing growth – relatively stable interest spreads

Volume growth (annualised)

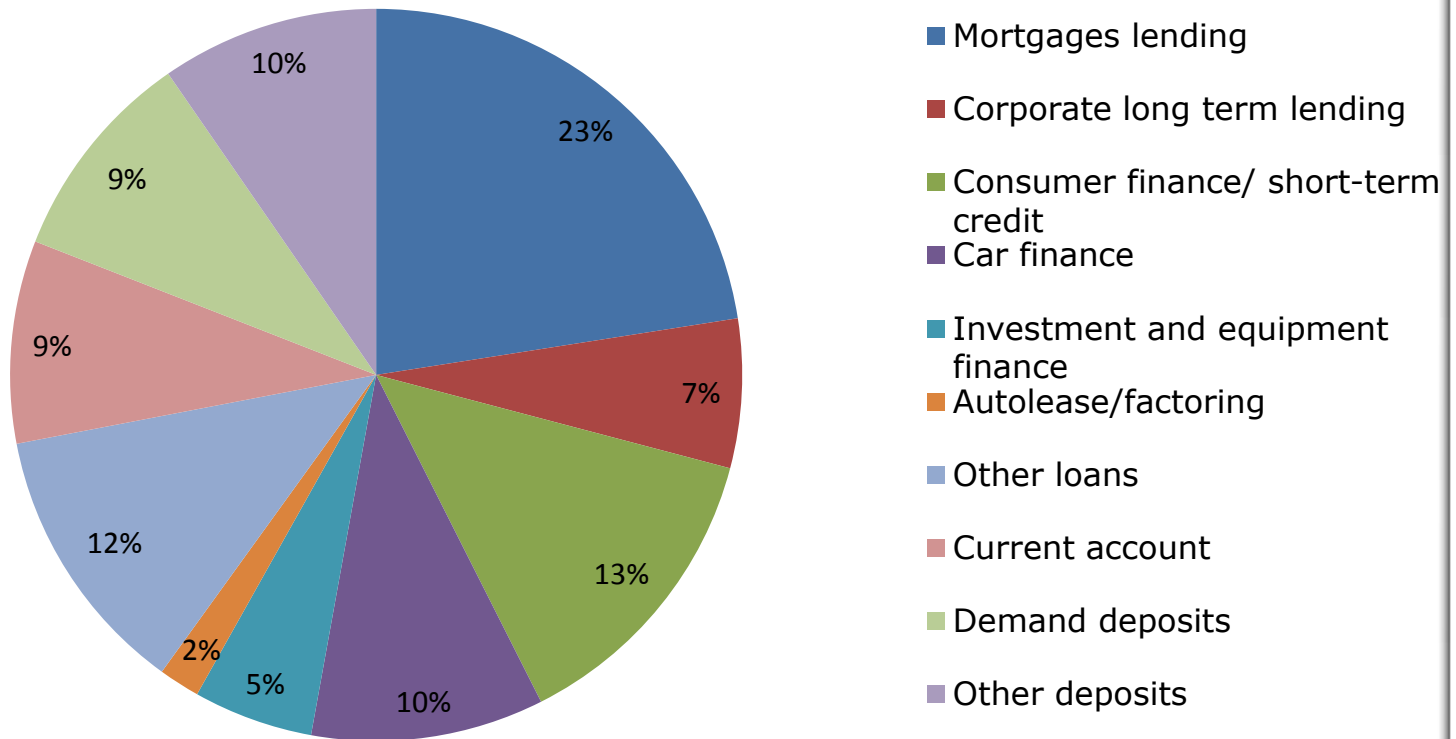


Development in spreads



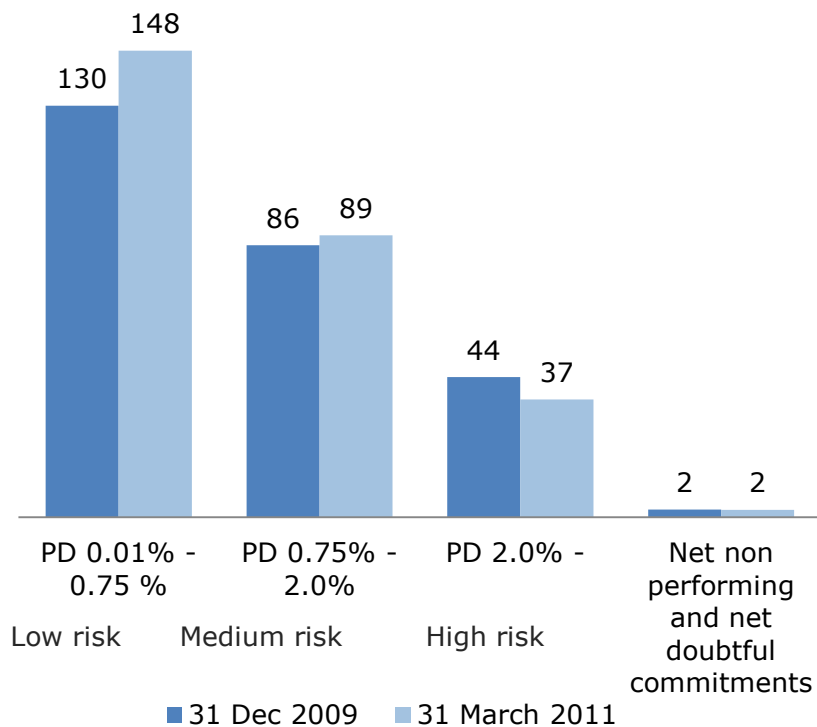
Income is well balanced between products and segments

Net interest income 2010

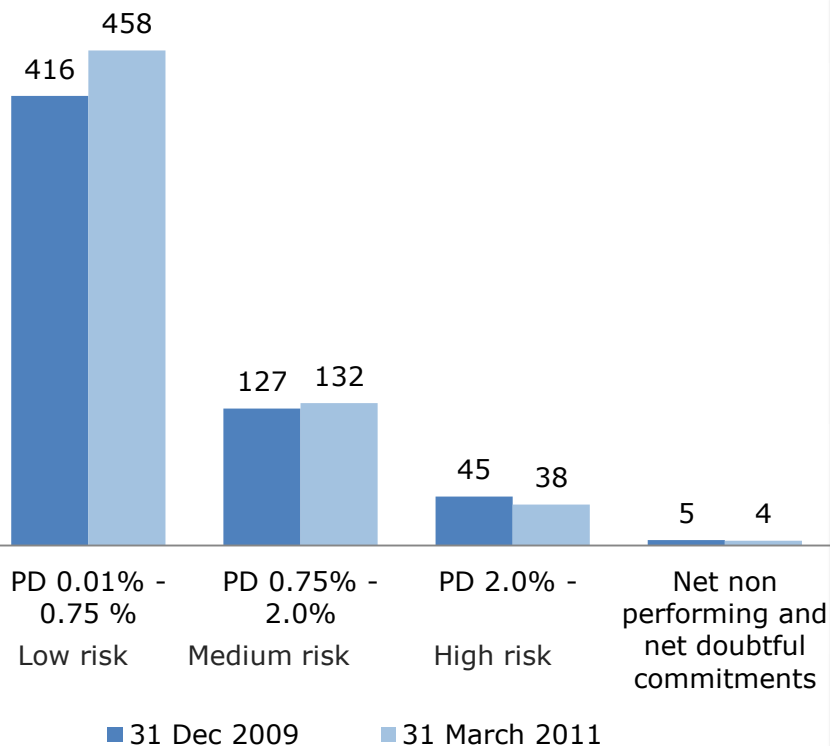


Improved portfolio quality

**Exposure at default (NOK billion)
Corporate customers**



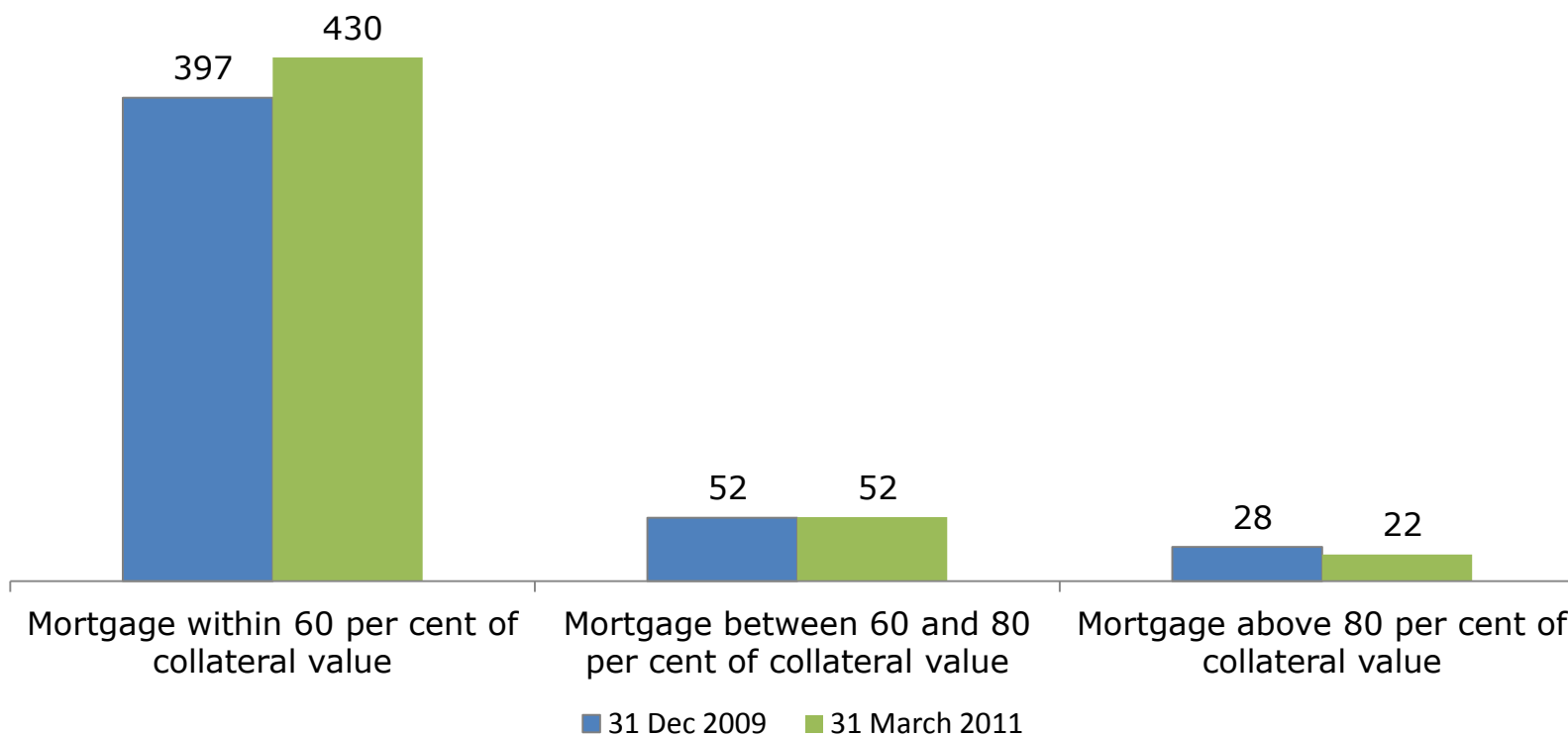
**Exposure at default (NOK billion)
Personal banking customers**



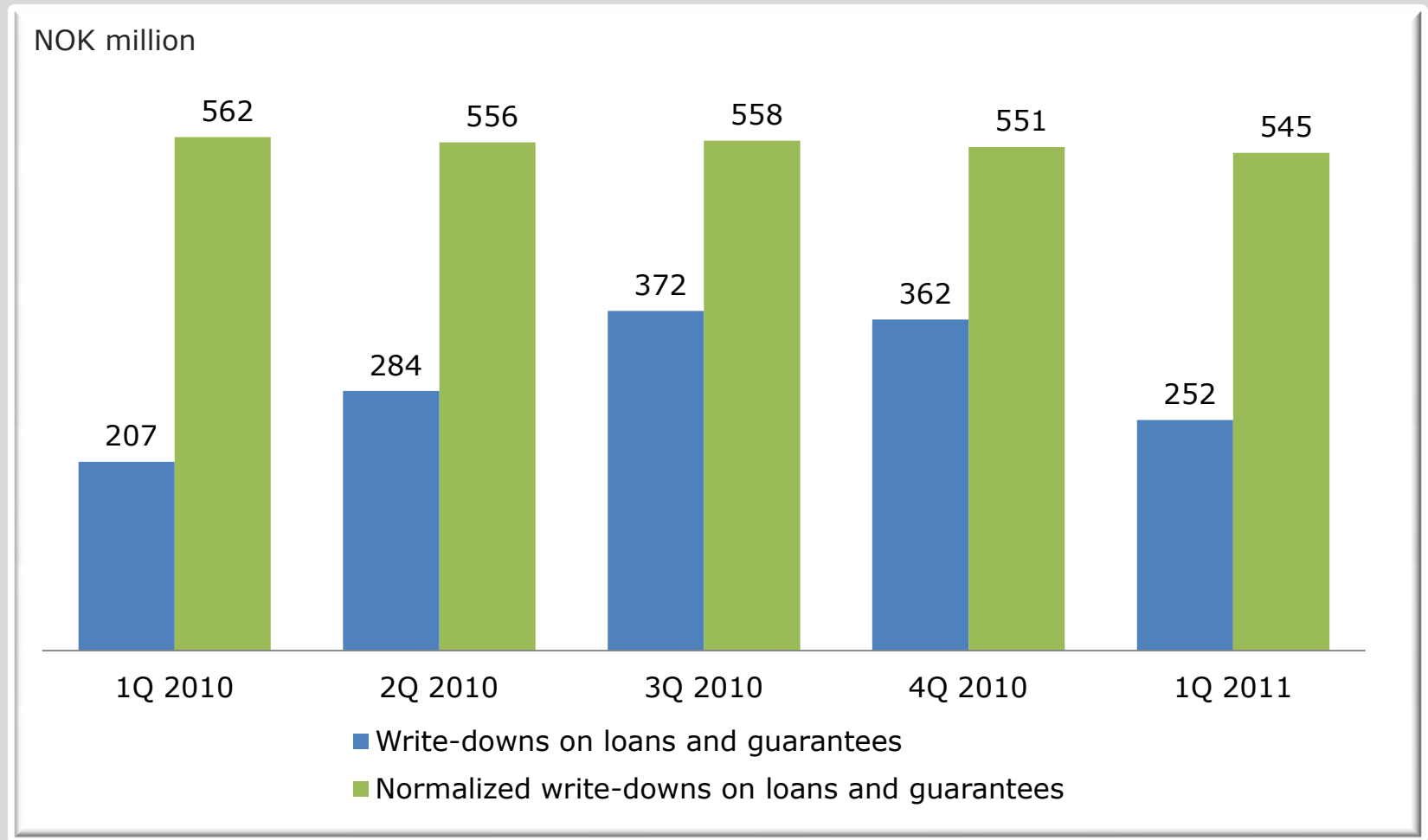
PD = Probability at default

Sound asset quality in mortgage loan portfolio in Retail Banking

Mortgage loans (NOK billion)



Actual write-downs on loans significantly below normal levels



Total customer base represents nearly half of the market

Out of 4 937 000 inhabitants:

**2.1 million
personal
customers**

**200 000
corporate
customers**

1 million
insurance
policyholders

130 000
non-life
insurance
policyholders

600 000
mutual fund
customers

400 000
mortgage loan
customers

Estimated 40% of customers uses
additional banks

Strong and unique distribution power in Norway



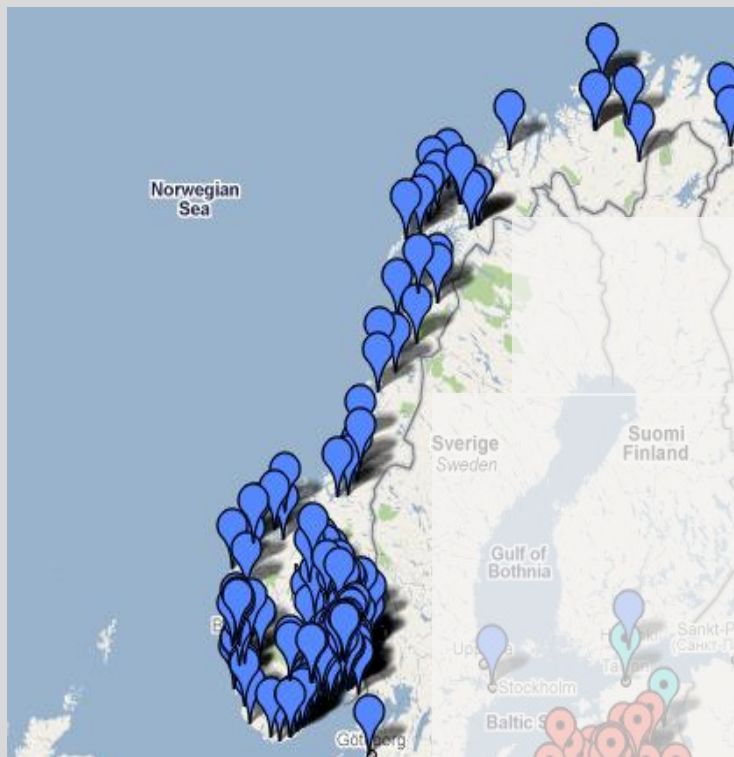
**218
branch offices**



**208
post offices**



**2165
in-store
banking and
postal outlets**



**50
corporate
advisory
services
centres**



**13
regional
Markets
sales desks**



**112
real estate
offices**



**Only bank in Norway with
services available on Saturdays**

Strong and unique distribution power in Norway

High Internet and broadband penetration*



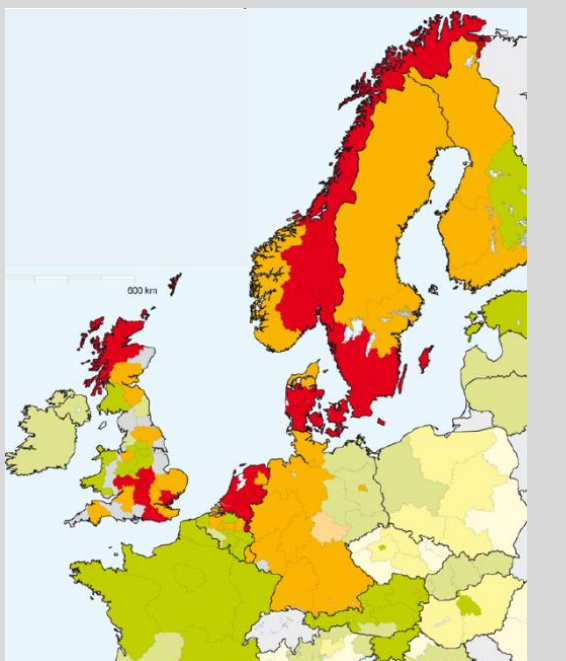
**1.6 million
online
banking
customers**



**17 000
daily calls
and e-mails
from
customers**



**0.8 million
mobile
banking
users**



**24/7
telephone
banking**



**More than
4 million SMS
per month**



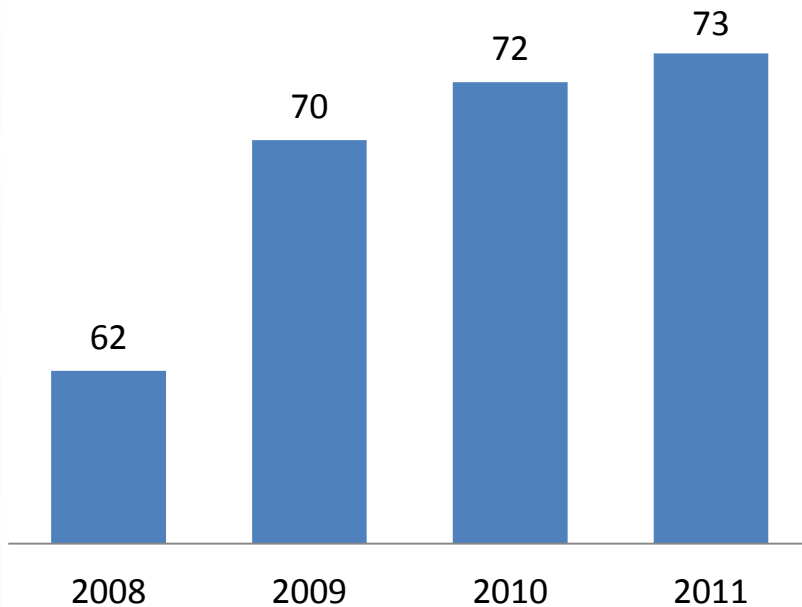
**37 million
debit card
transactions
per month**



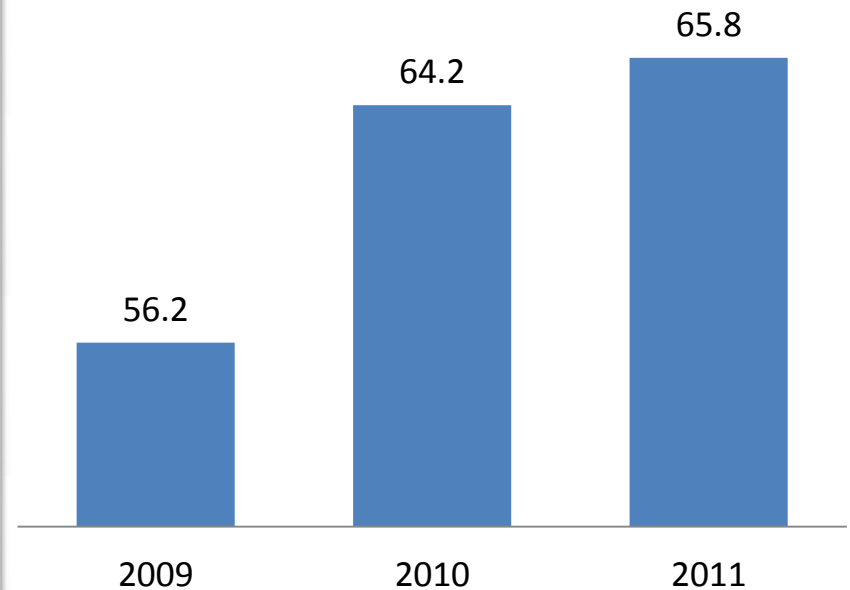
**Only bank in Norway with customer
service open 24 hours a day,
every day**

Having satisfied customers leads to long-term profitability

**DnB NOR customer satisfaction
personal banking customers**



RepTrak reputation survey - DnB NOR



Ambitions in Norway

Lending growth $>$ national credit growth rate

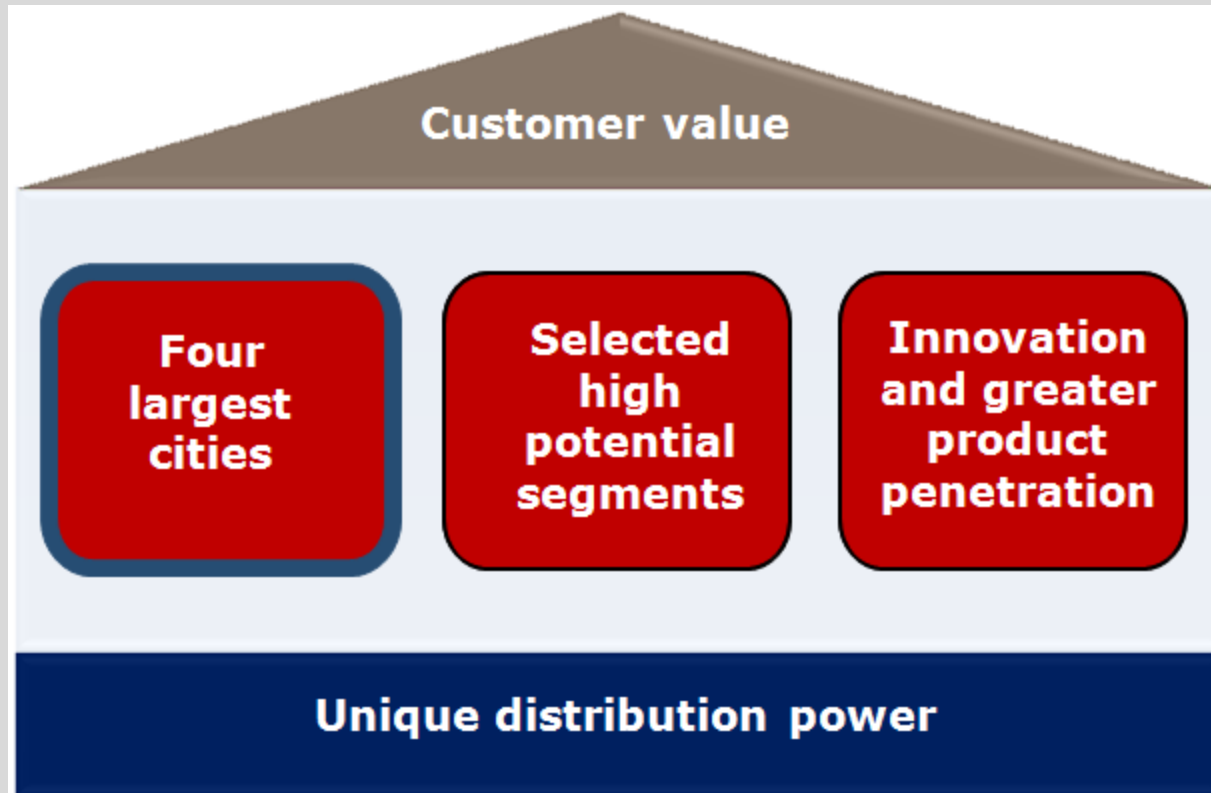
Stable and high return on equity

Low and stable losses

Strong platform in Norway

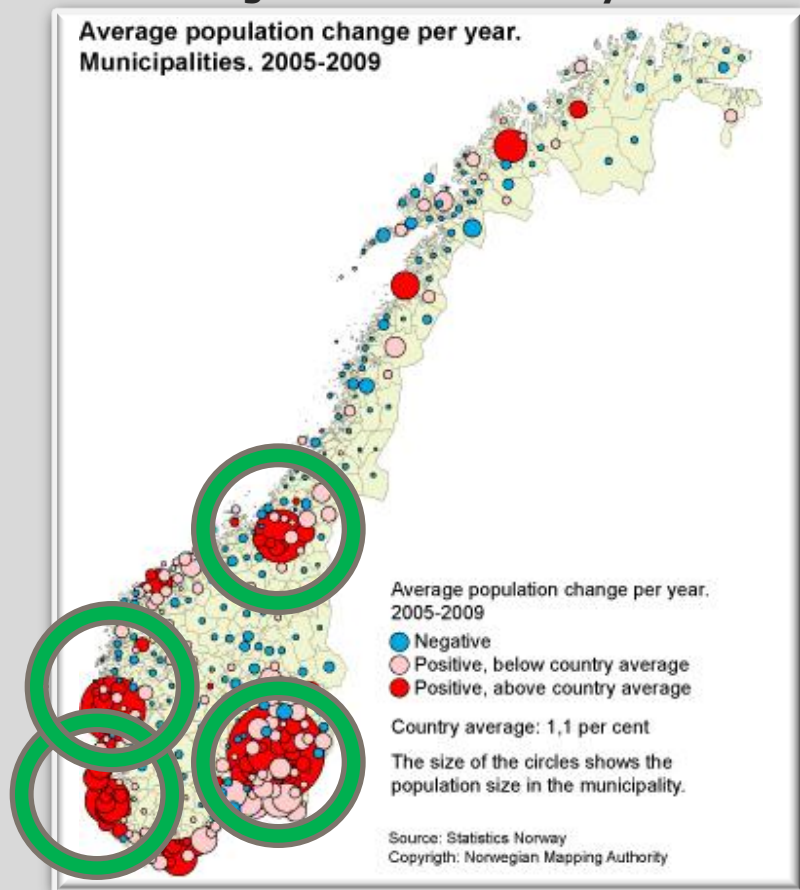
Untapped opportunities for profitable growth

Opportunities for profitable and sustainable growth



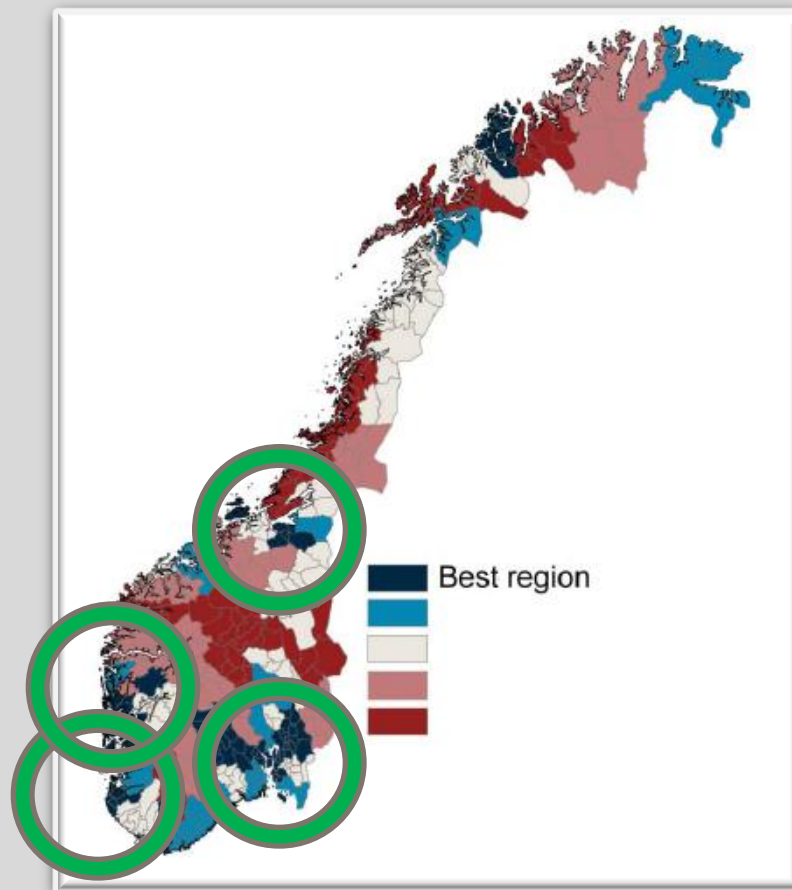
Regional variations in growth rates

High growth rate in the four largest cities in Norway



Source: Statistics Norway

Growth of new enterprises



Source: The Confederation of Norwegian Enterprises (NHO)

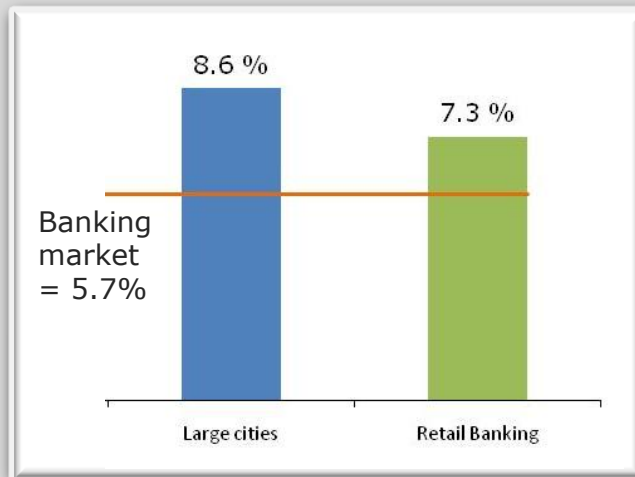
We are well positioned for further growth



Growth on schedule in the four largest cities

Personal Banking customers

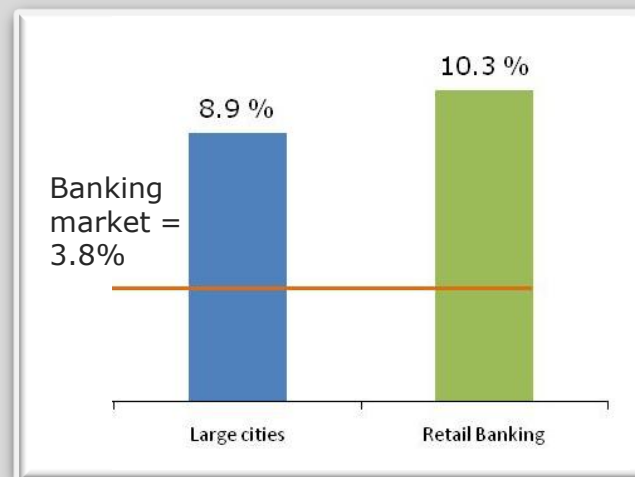
Lending



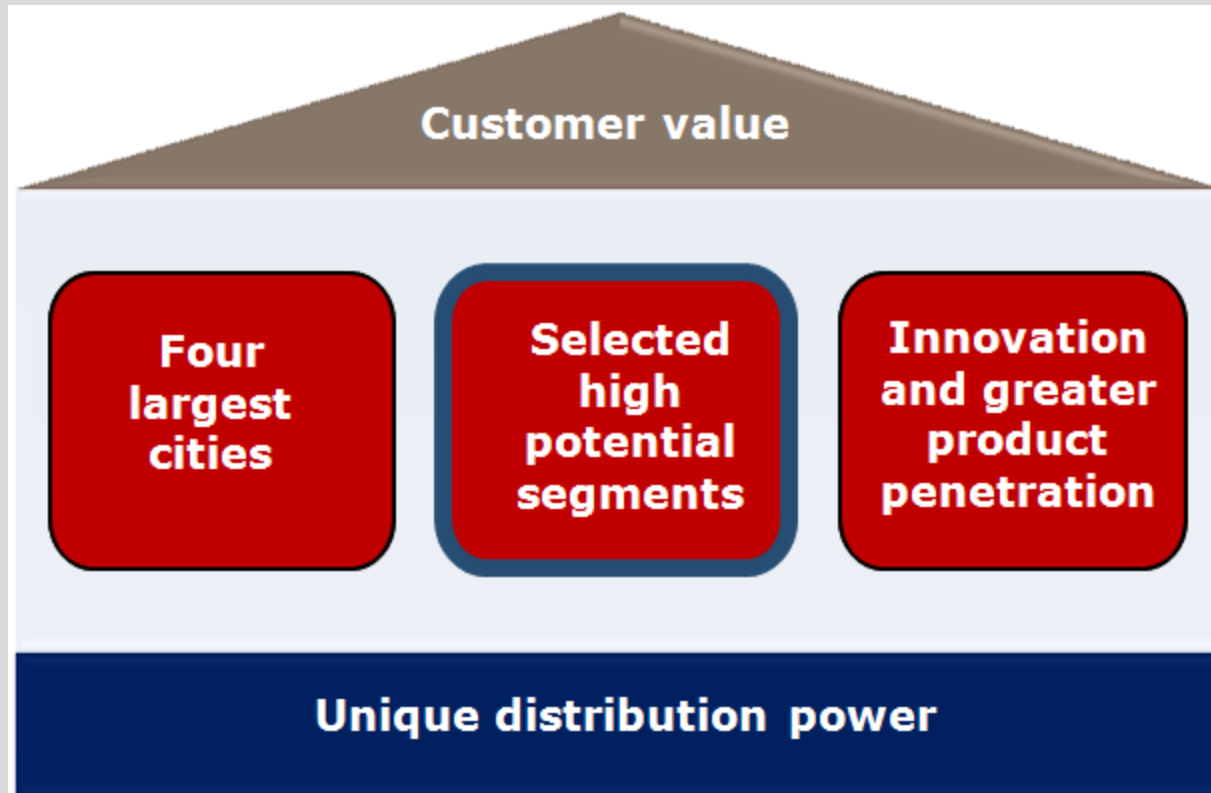
Deposits



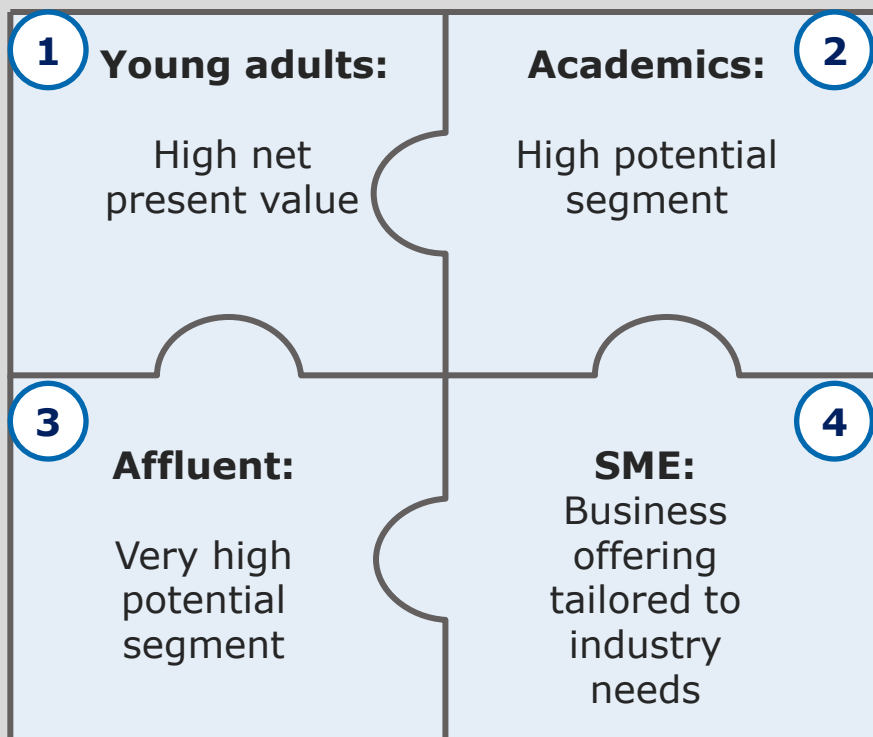
Corporate customers



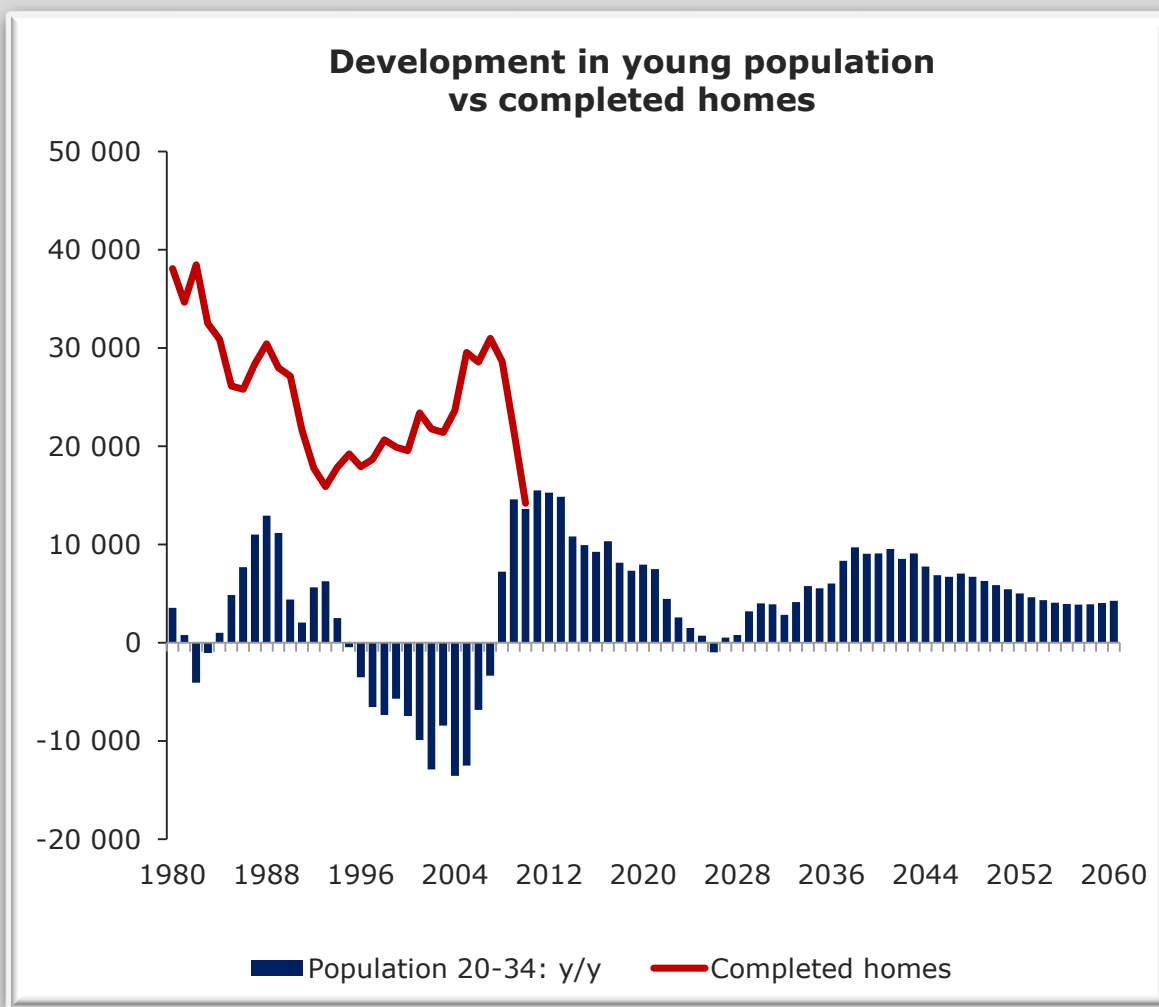
Opportunities for profitable and sustainable growth



High focus on selected segments with substantial potential



Population growth among young adults – increasing need for new housing



Highly competitive mortgage loan interest rates

NOK 33 billion in 'BLU' loans

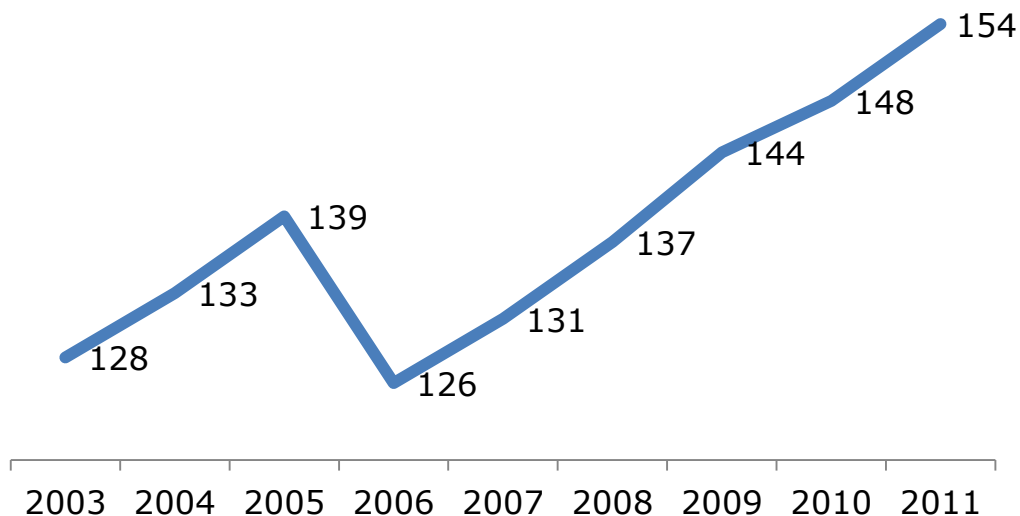
Cross-selling between a number of products

Distribution advantages home-university-work

Marketing and sponsorships

Exclusive distribution to academics – attractive customer segment with high growth

**Increasing number of members joining the Federation
of Norwegian Professional Associations (in 1000)**



Exclusive distribution
agreement with the
Federation of Norwegian
Professional Associations

Best market terms – also
for self-employed
persons and SMEs

Product range to suit both
professional and private
needs

Well positioned to be the natural choice for Norway's most affluent bank customers



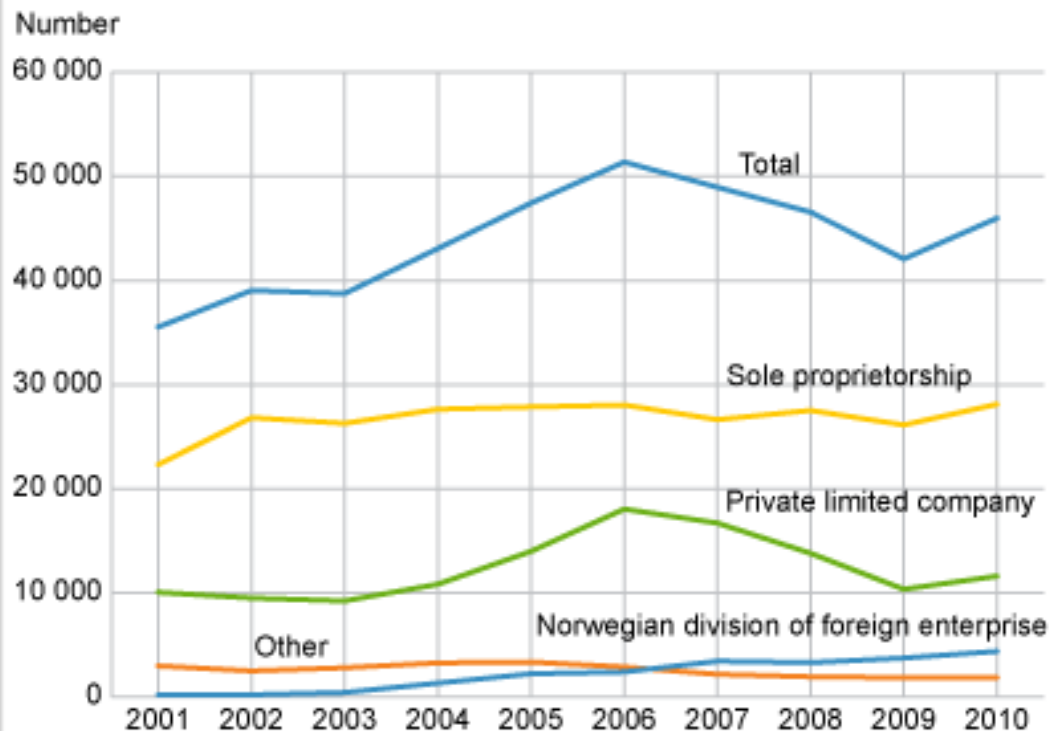
Assets under management –
33% annual growth rate

Proven excellent quality of management
of proprietary mutual funds

Wide product range
– including non-proprietary products

The number of newly established enterprises increased over the last 12 months

Newly established enterprises, by legal form and year. 2001-2010



Corporate and personal needs

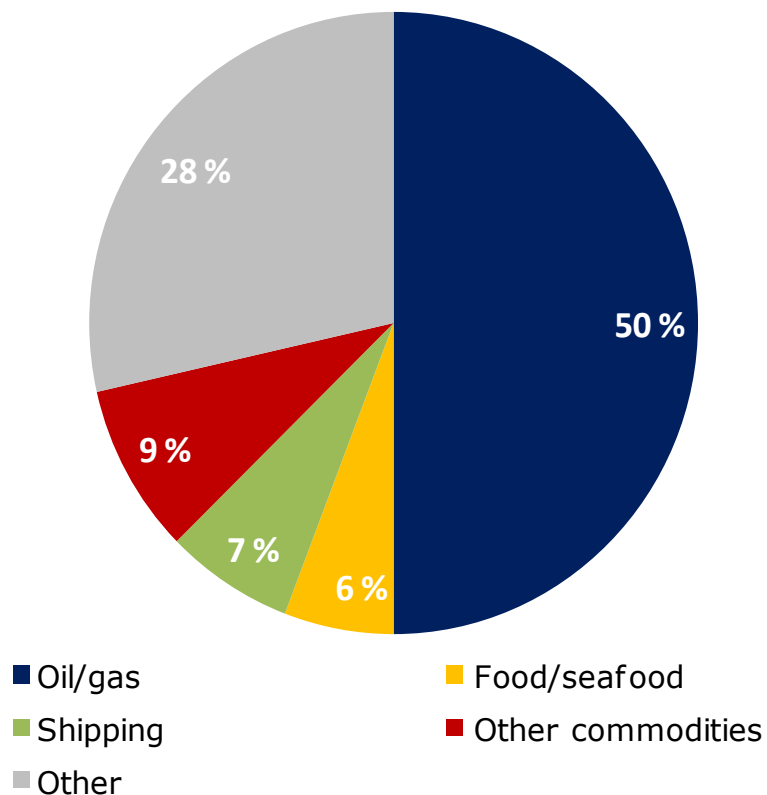
Entrepreneurs

Franchises

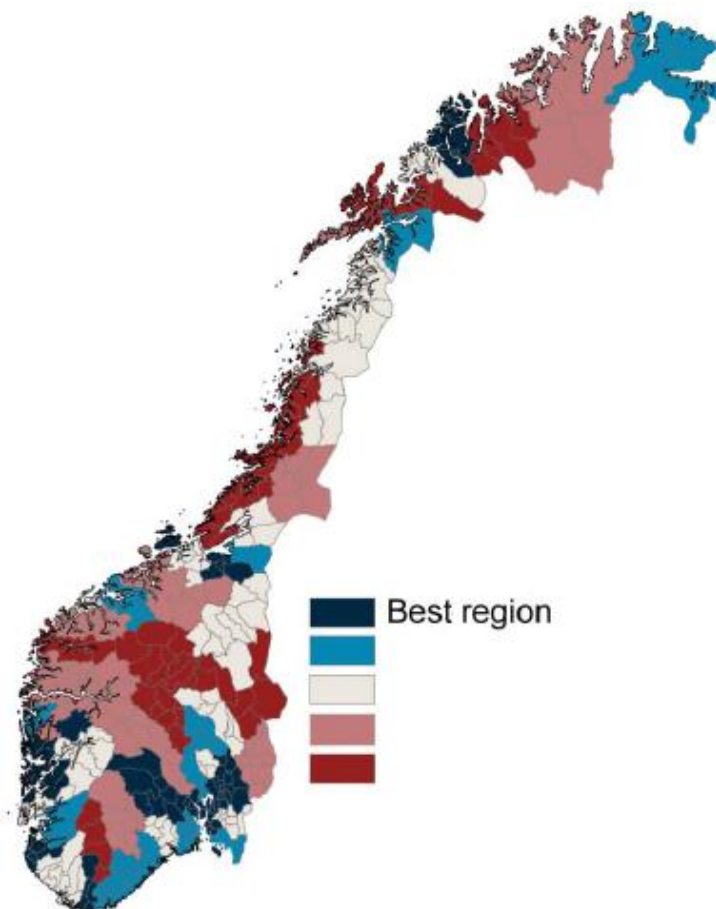
Academics

Export industries are generating growth in the SME segment

Norwegian exports by sector in 2010

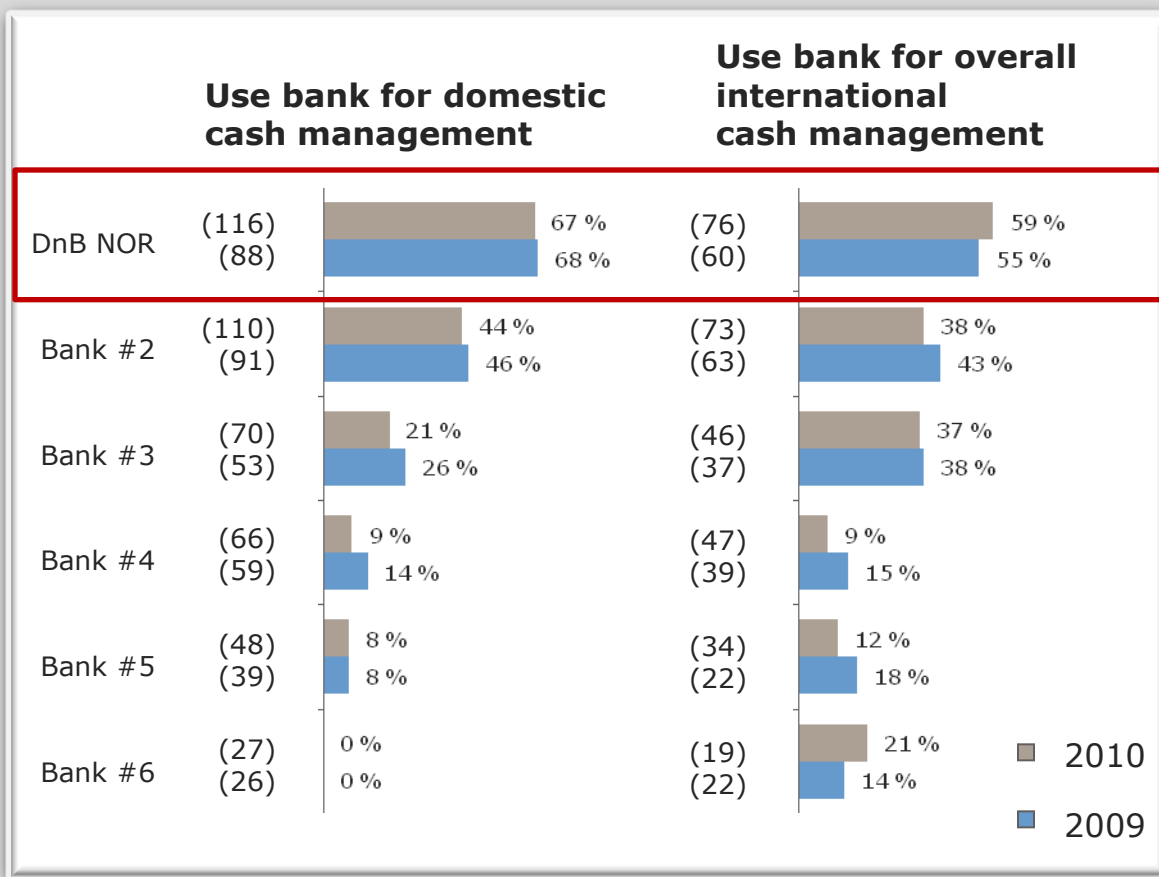


Source: Statistics Norway



Source: The Confederation of Norwegian Enterprises (NHO)

We are the preferred bank for CM solutions in Norway – important driver for stable funding



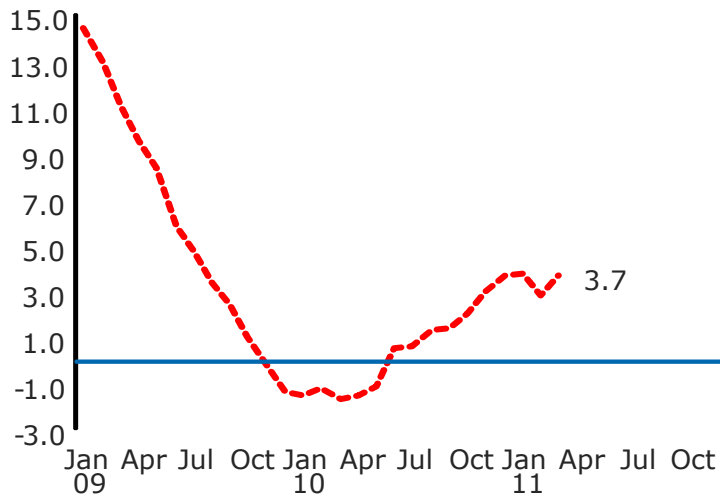
Products tailored to customer size and growth

Services available on Saturdays through post offices

Local and national bank

Growth in demand and rising interest rates will reduce pressure on spreads

**Growth in corporate lending
- credit indicator C2**

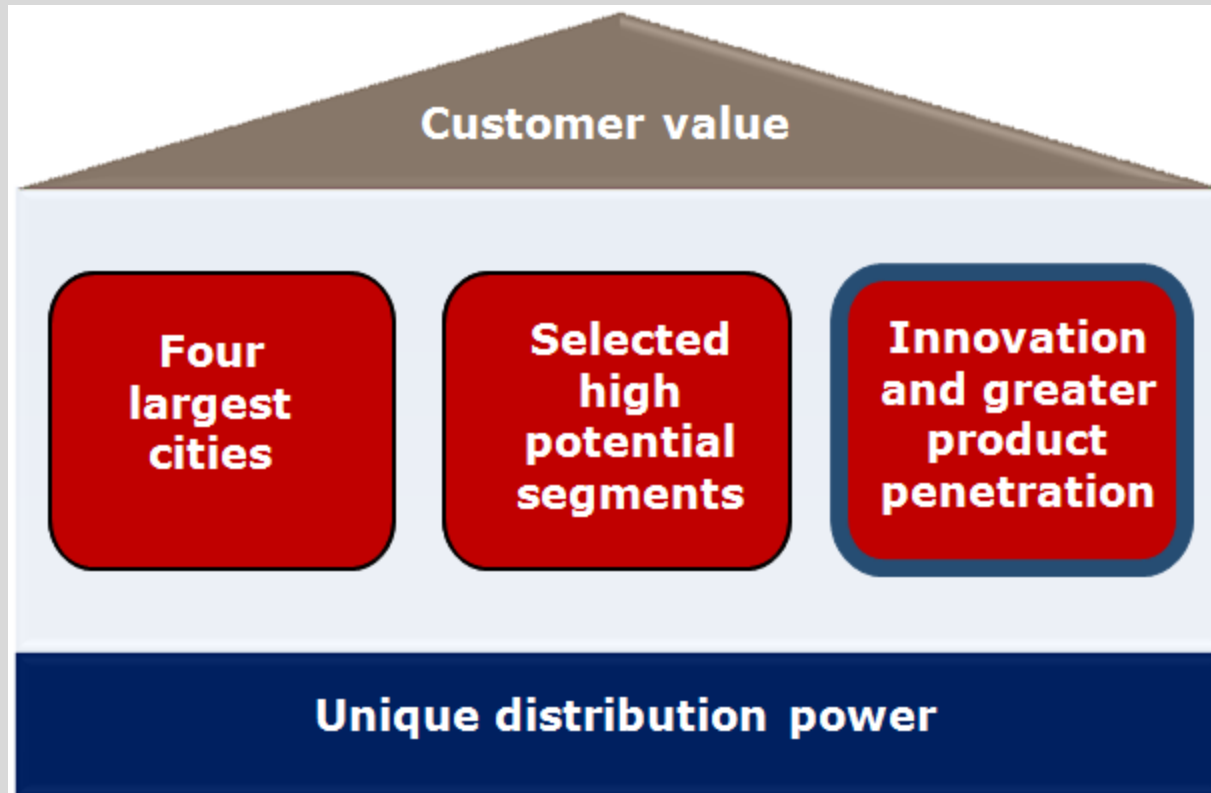


Stable interest rates generate pressure on spreads. Rising interest rates give opportunities over time

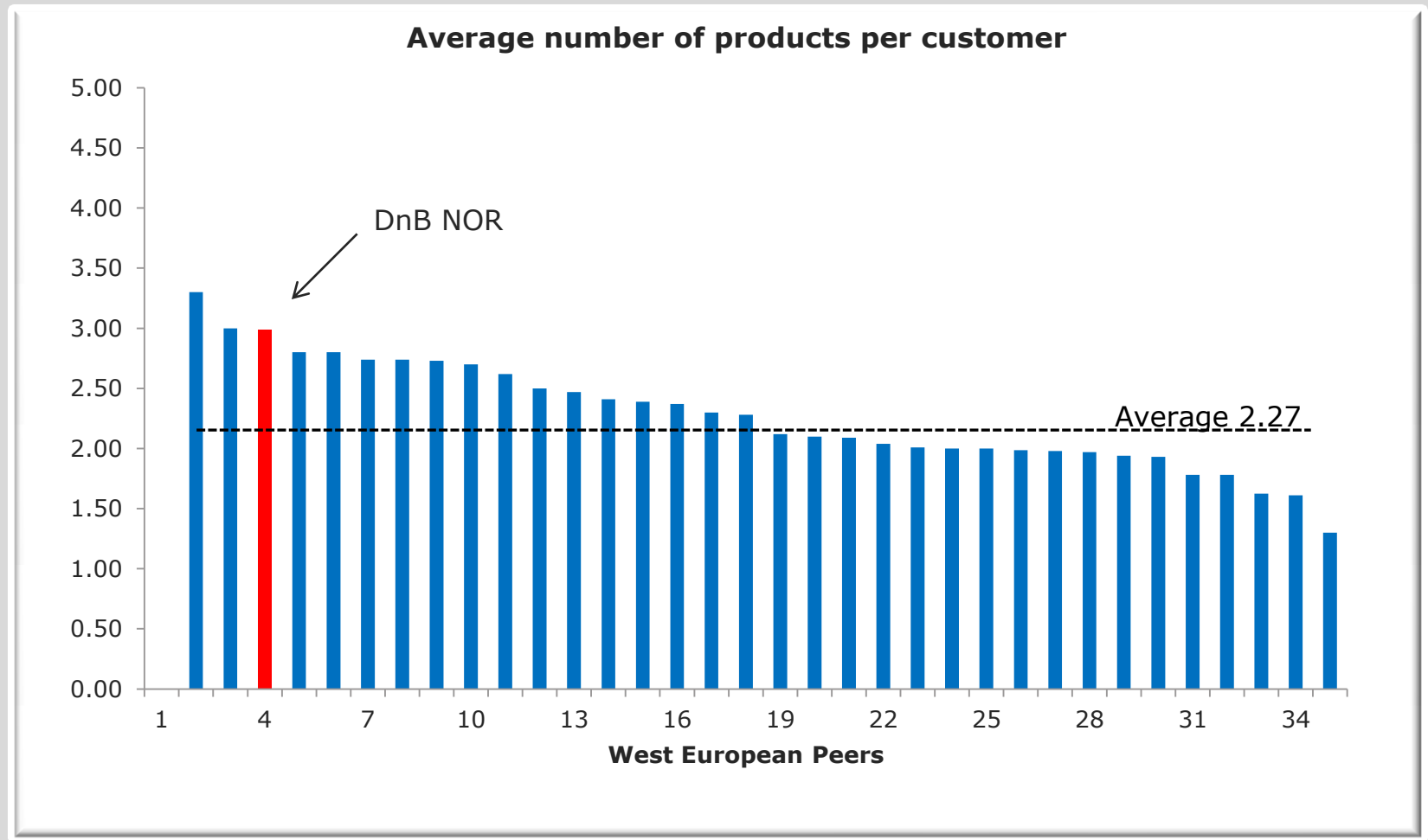
International spread adjustment not fully implemented in the Norwegian corporate market due to slack in demand

Competitive funding terms compared to local savings banks

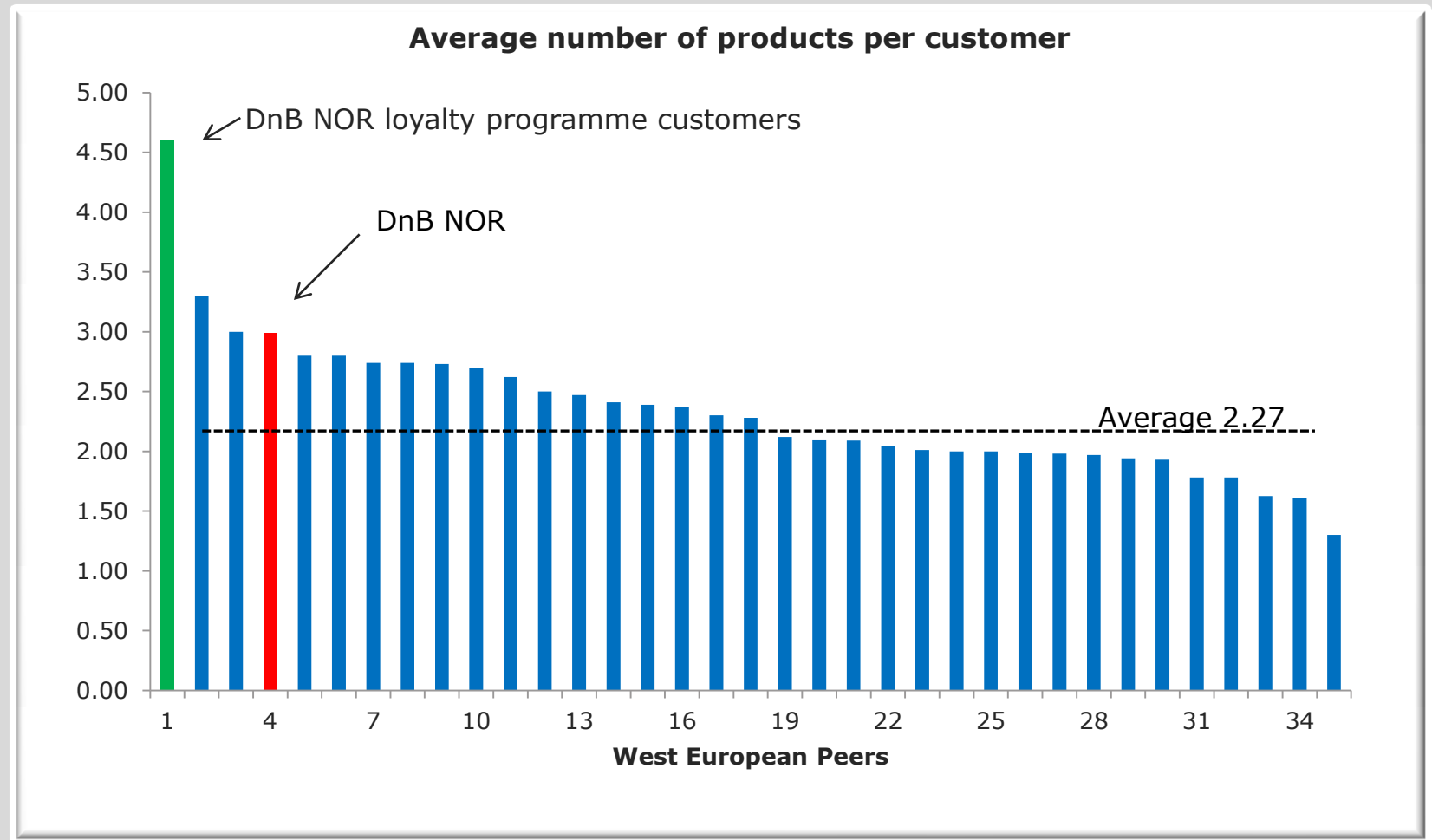
Opportunities for profitable and sustainable growth



Product penetration – leading position compared to European peers



Still untapped potential – pricing scheme encourages greater product penetration

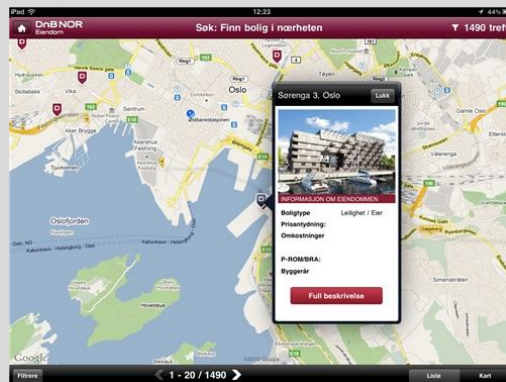


Innovative products increase sales

Buy a car app – easier and more efficient



Find your "home" app

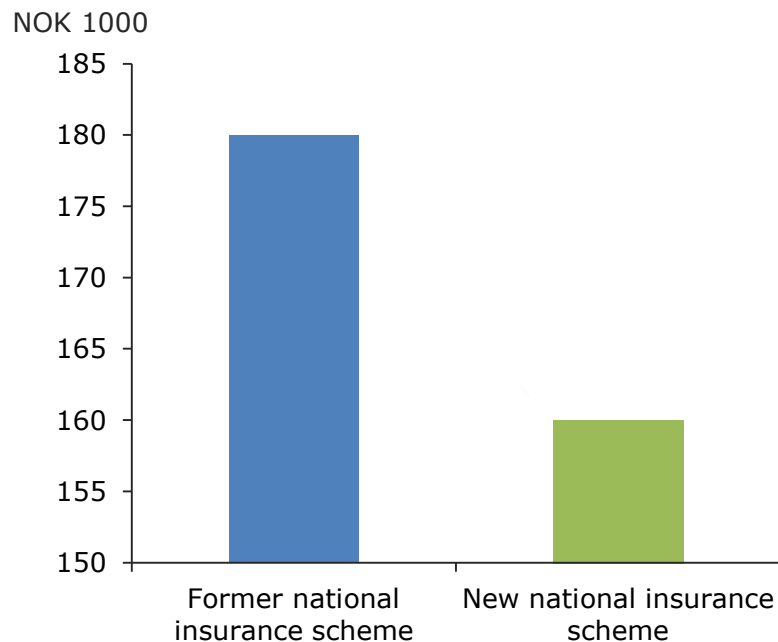


Start-up enterprise app



New pension reform requires more private savings

Example: Pension payment for a person born in 1963, 40-year service period, retirement at 67



Pro-active offering of professional advice and savings solutions

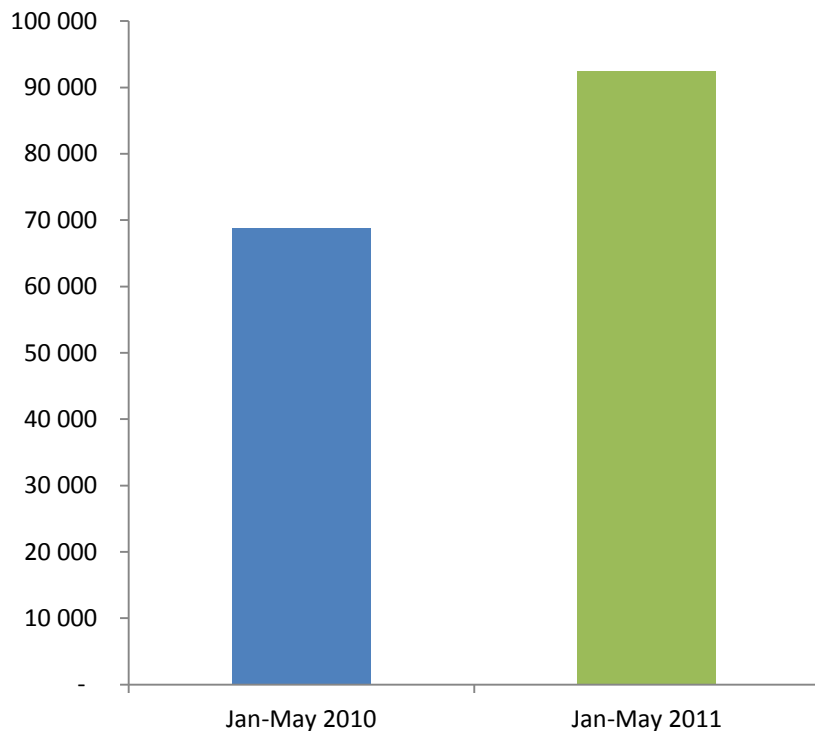
New product range and good track record

Discretionary asset management

More than 45% of top-rated mutual funds (Morningstar)

Brisk sales of insurance products

Development in number of insurance policies sold



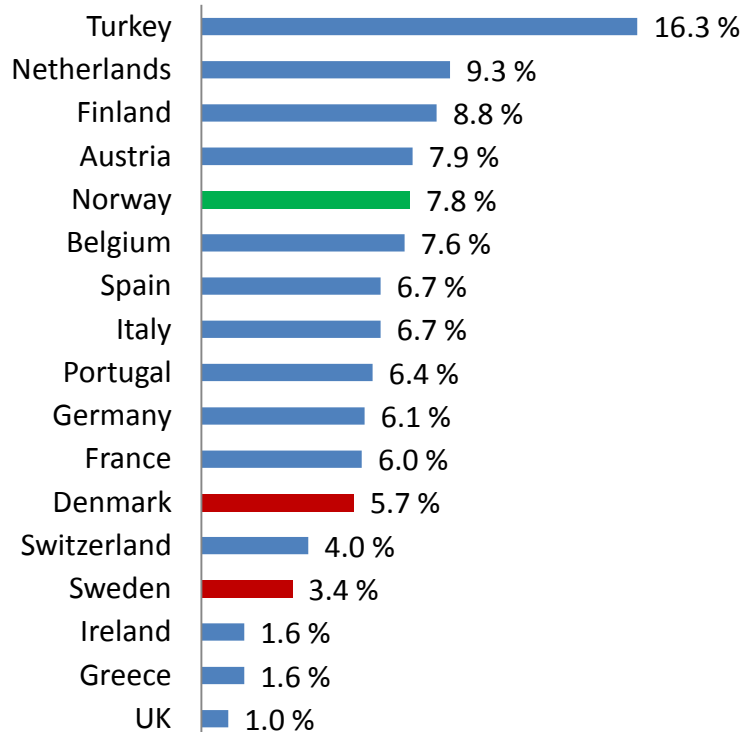
Non-life insurance market share up almost 50% in two years*

Number of life insurance policies up from 4 000 in 1Q 2010 to 9 000 in 1Q 2011

More than 90% of our sales people are certified

Strong foothold in the market and high market share within consumer finance, with further growth potential

Pay Later Card Market Forecasted compound growth rates until 2013



Substantial growth in credit card usage in Norway

Increasing market share within car financing and credit cards

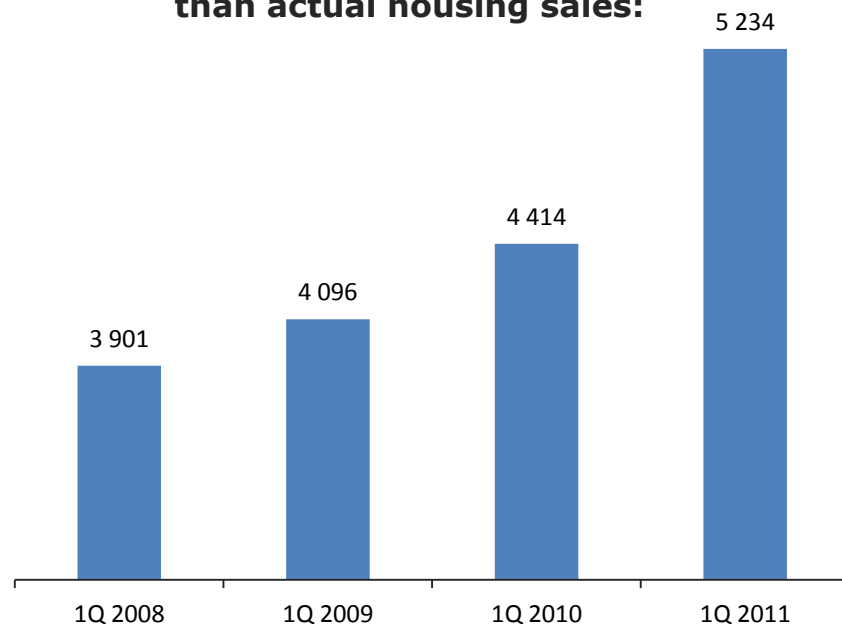
Strong sales from distribution through other retailers

Wider presence in neighbouring countries

Close integration between real-estate business and home loan sales, with further growth potential

Increase in number of real estate sales through our real estate agents.

Leads to home loan sales six times greater than actual housing sales:



Market leader in Norway – strategy for growth

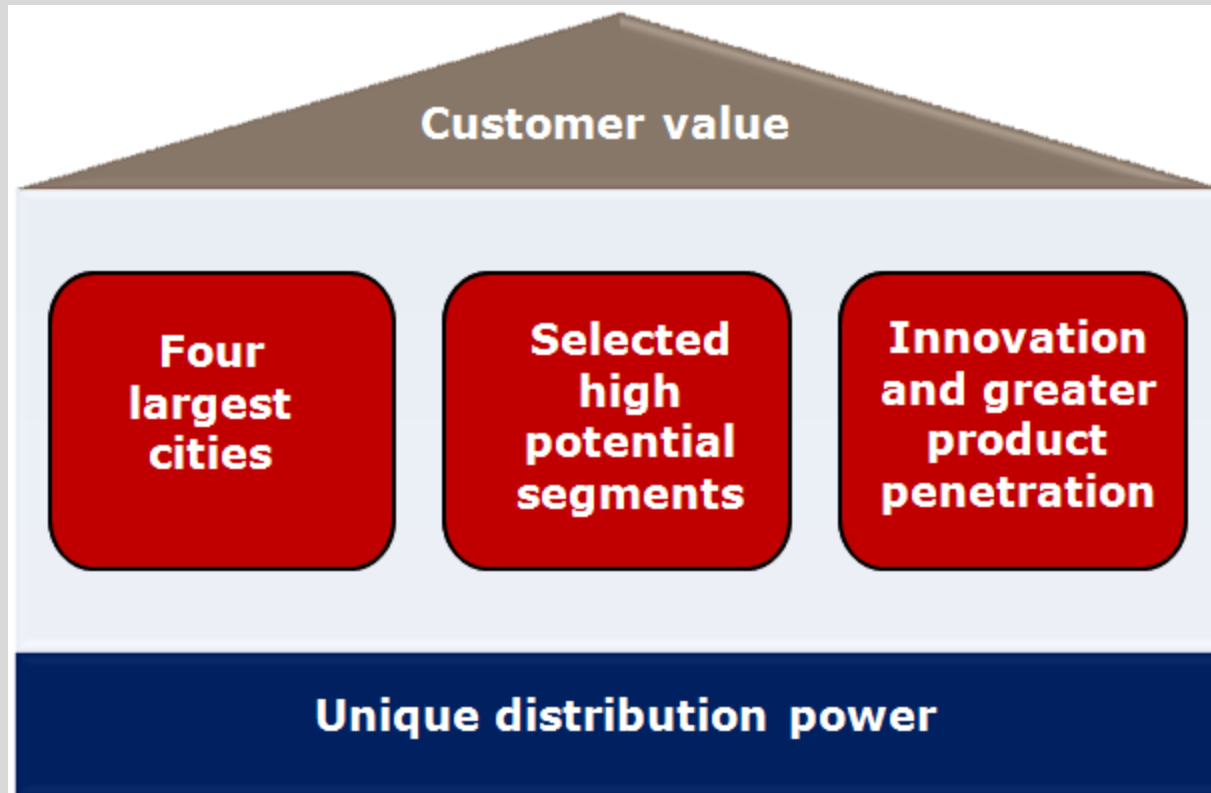
Increasing hit rate on mortgage leads – 36 000 leads yearly

New projects – cooperation between brokers, private and corporate sales

Most satisfied and most loyal customers

Front runner in online solutions

Four drivers for sustainable growth in the Norwegian market



DnB NOR



International growth in the large corporate segment

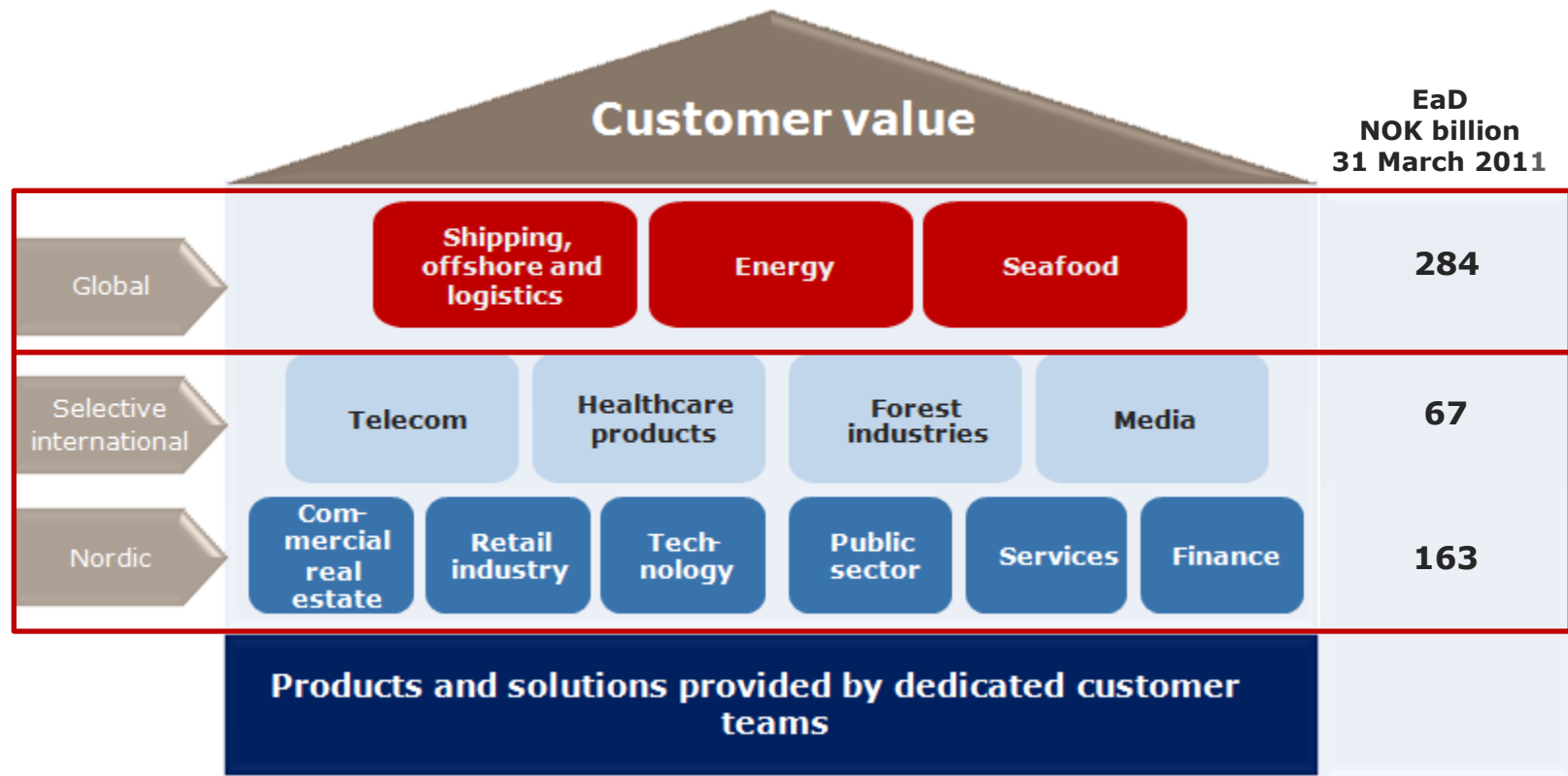
Leif Teksum,
head of Large Corporates
and International



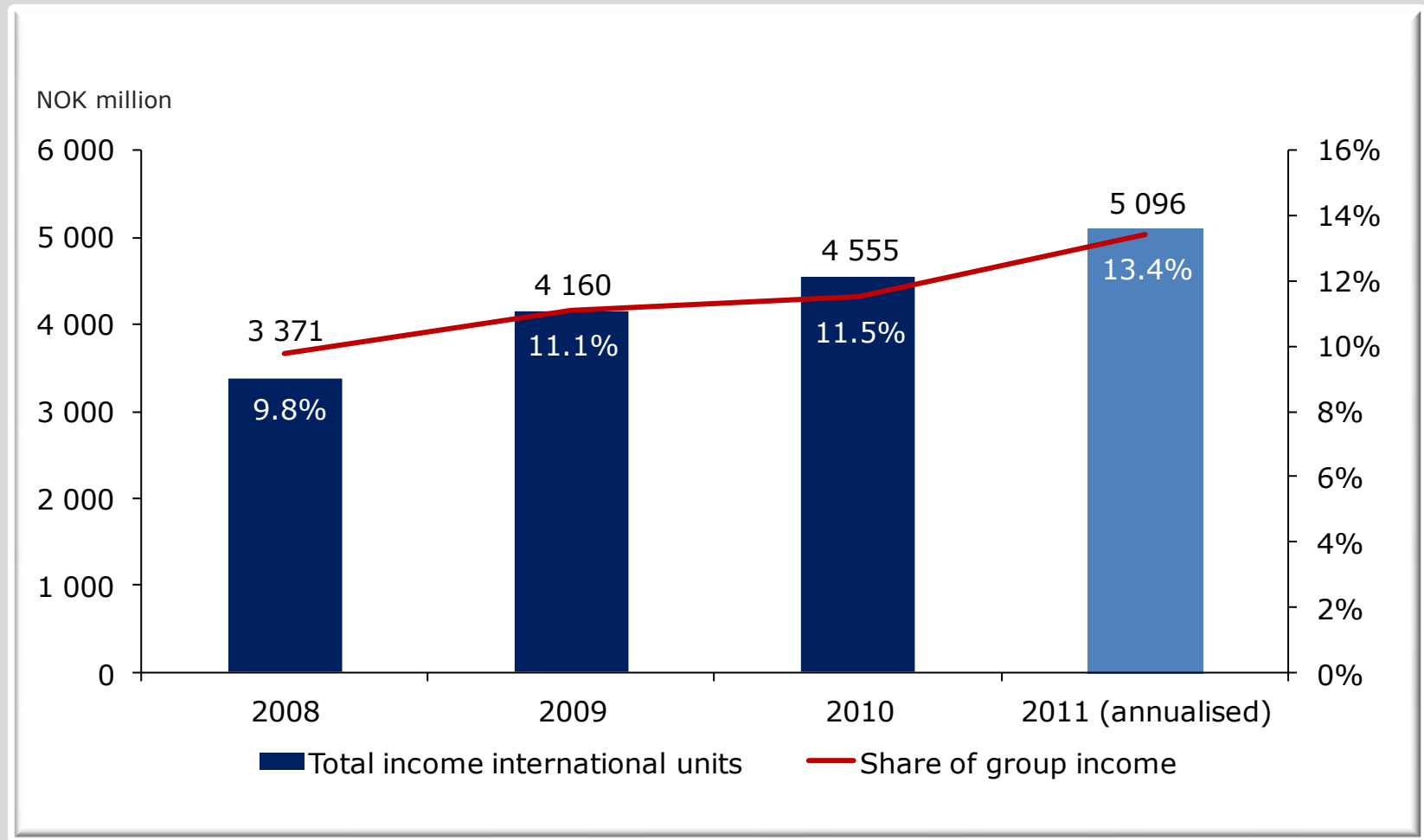
Proven strategy – solid results

Growth opportunities

Strategy based on long-term relationship-oriented banking and industry expertise



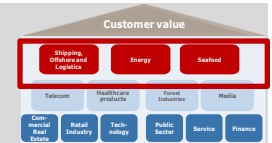
Increasing share of total income from international business*



*Baltics & Poland not included

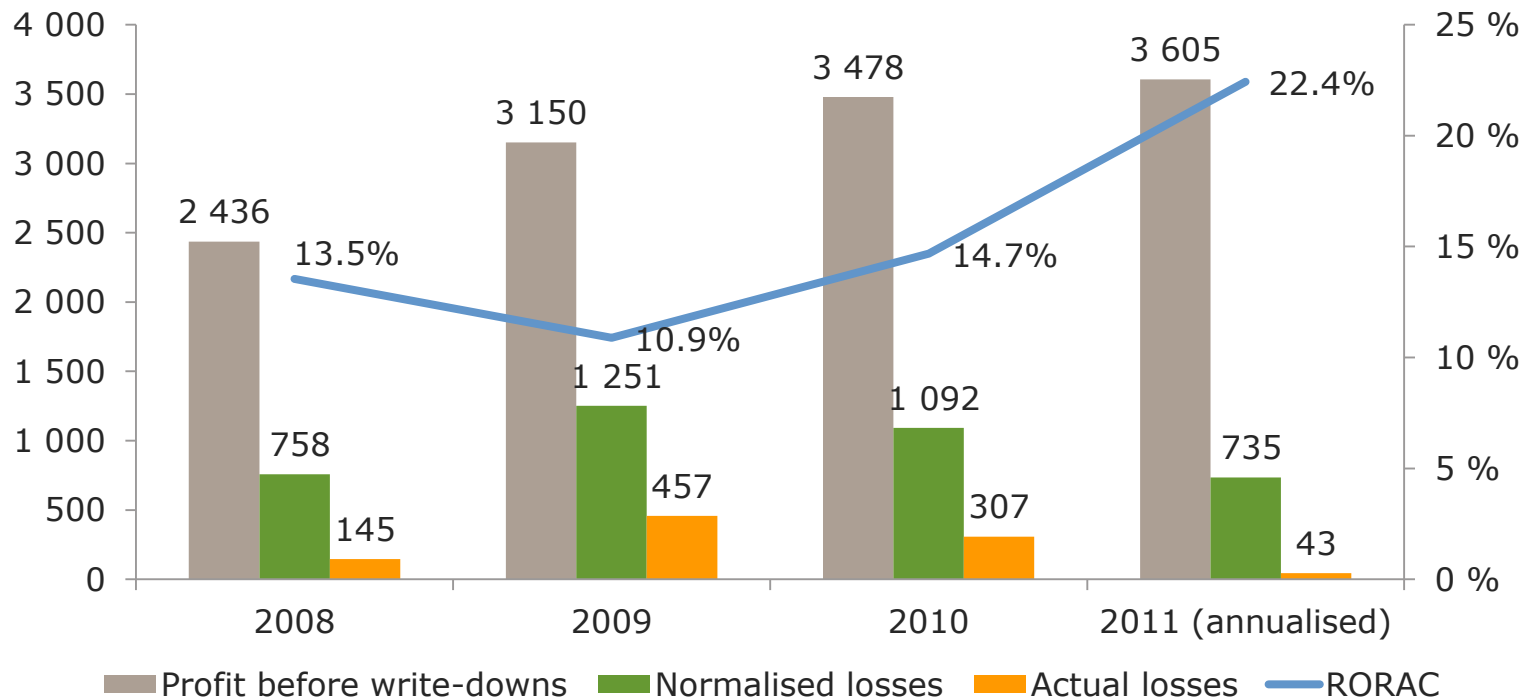
⁴ Annualisation: Income = Q1-2011 * 4, Share of group income = actual proportion Q1-2011

Strong and profitable growth in our global industries



**Development in profit, losses and RORAC
Global industries***

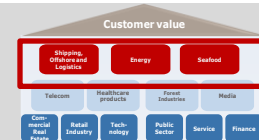
NOK million



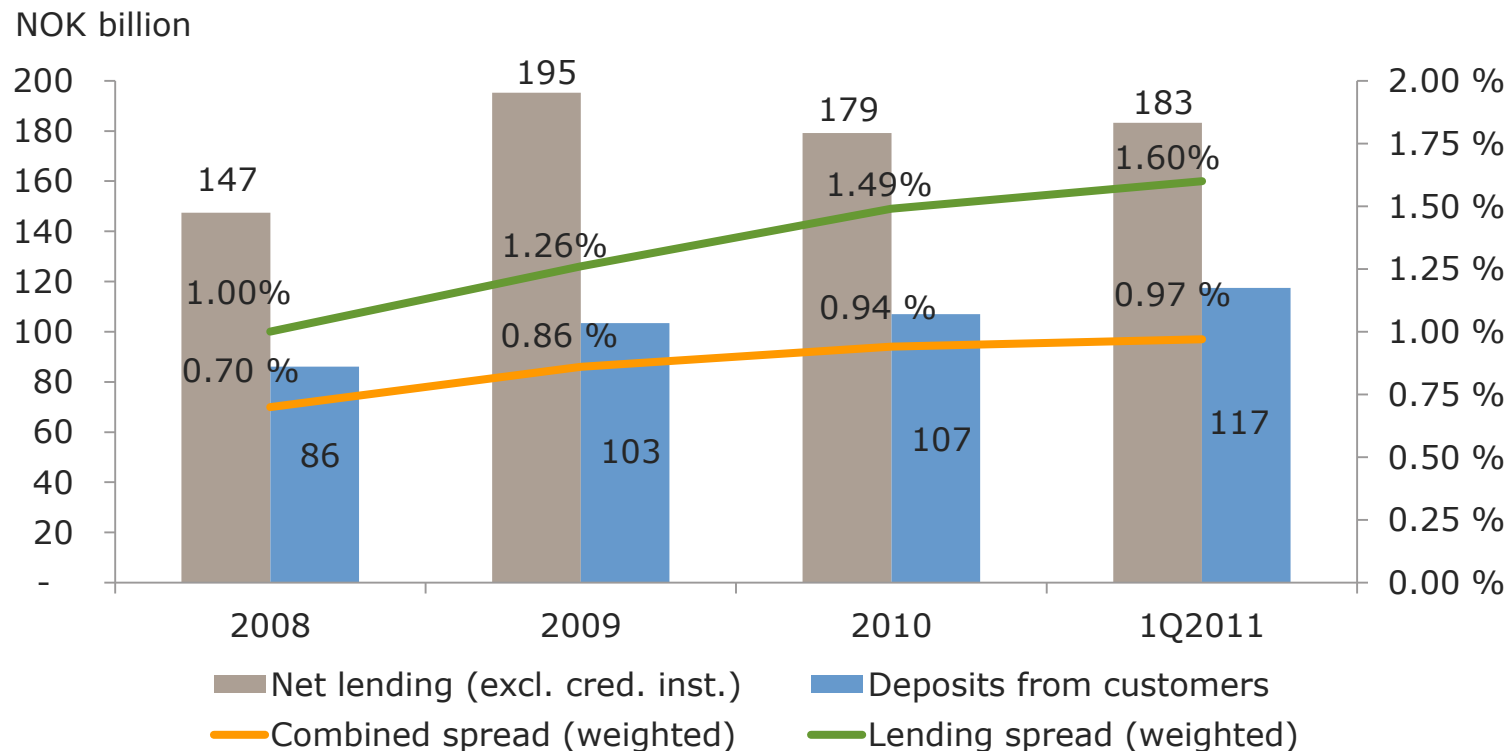
*Sum of shipping, offshore, logistics, energy & seafood

5 Annualisation 2011: Profit before write-downs = ytd May/5*12, Actual losses = ytd May/5*12, Normalised losses = ytd May/5*12, RORAC = ytd May/5*12

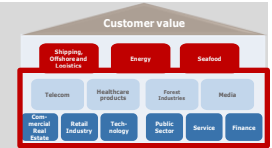
Increased profitability driven by volume growth and wider lending spreads



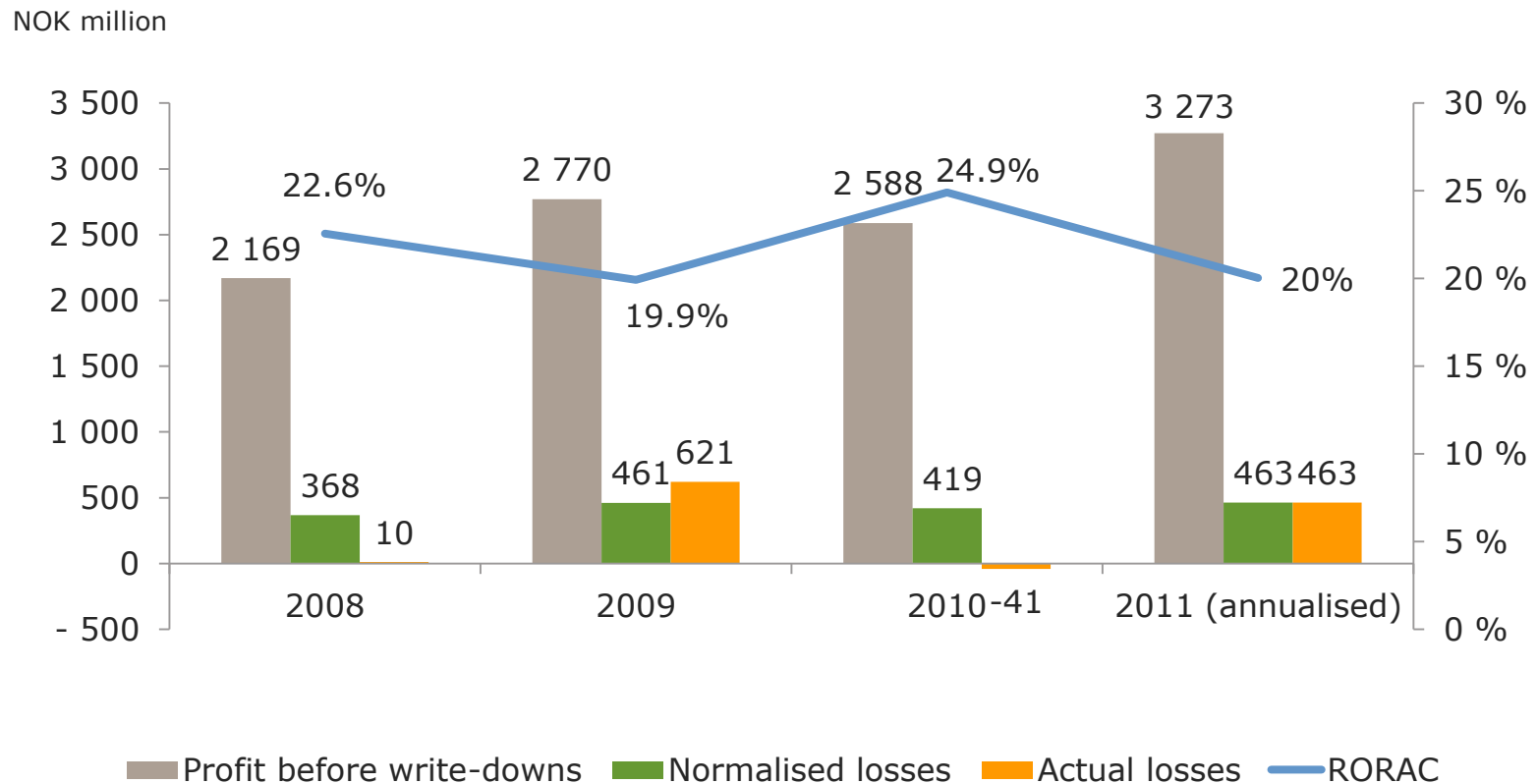
**Development in lending, deposits and spreads
Global industries***



Other industries are also important contributors to profitability and diversification



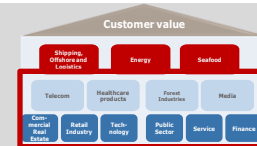
**Development in profit, losses and RORAC
Other industries***



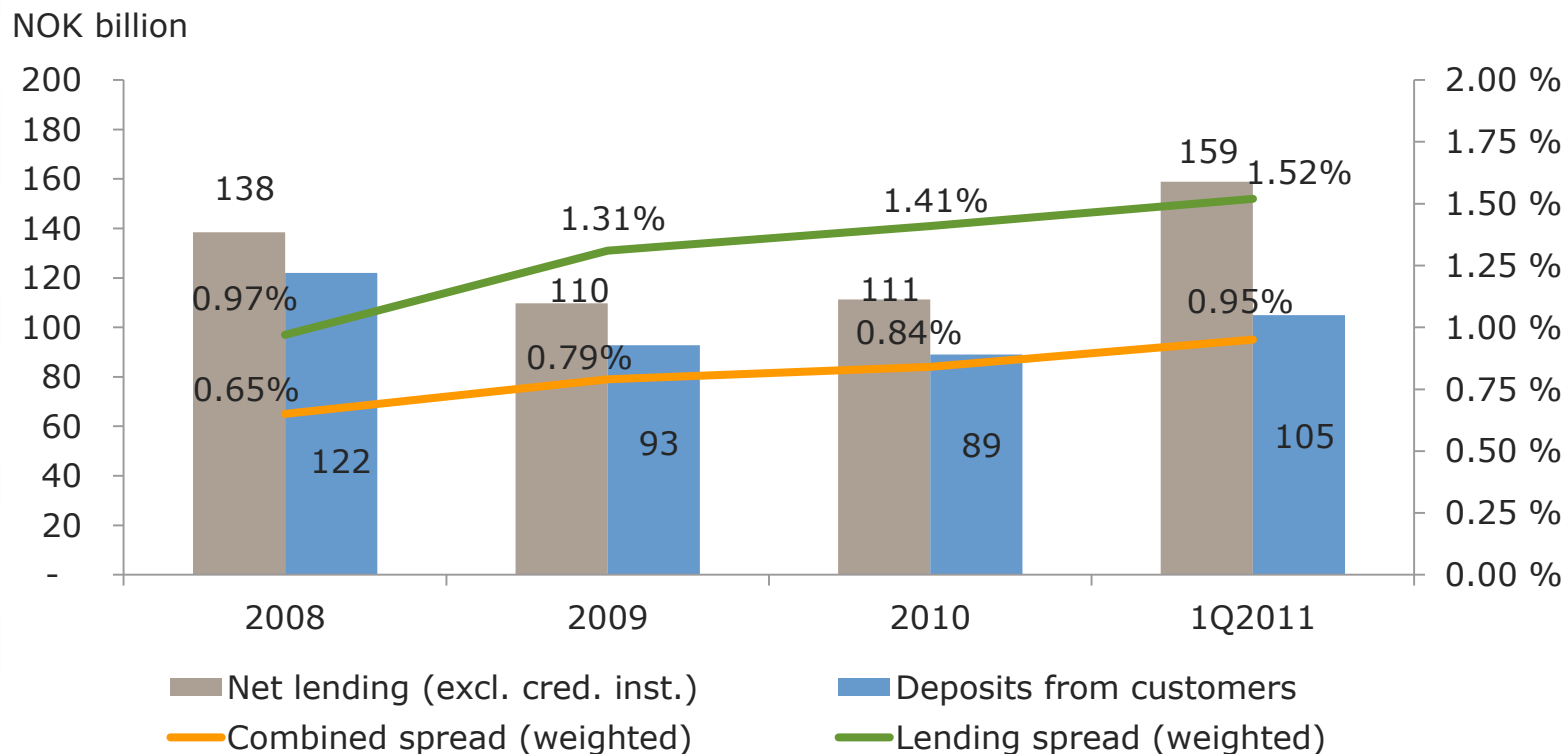
*Sum of telecom, healthcare, forest industries, media, commercial real estate, retail industry, technology, public sector, services, finance

⁷ Annualisation 2011: Profit before write-downs = ytd May/5*12, Actual losses = Equals normalised losses, Normalised losses = ytd May/5*12, RORAC = ytd May/5*12

Significant increase in lending volume and spreads at the start of 2011

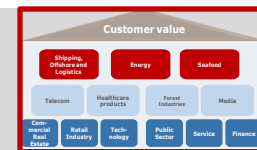


**Development in lending, deposits and spreads
Other industries***

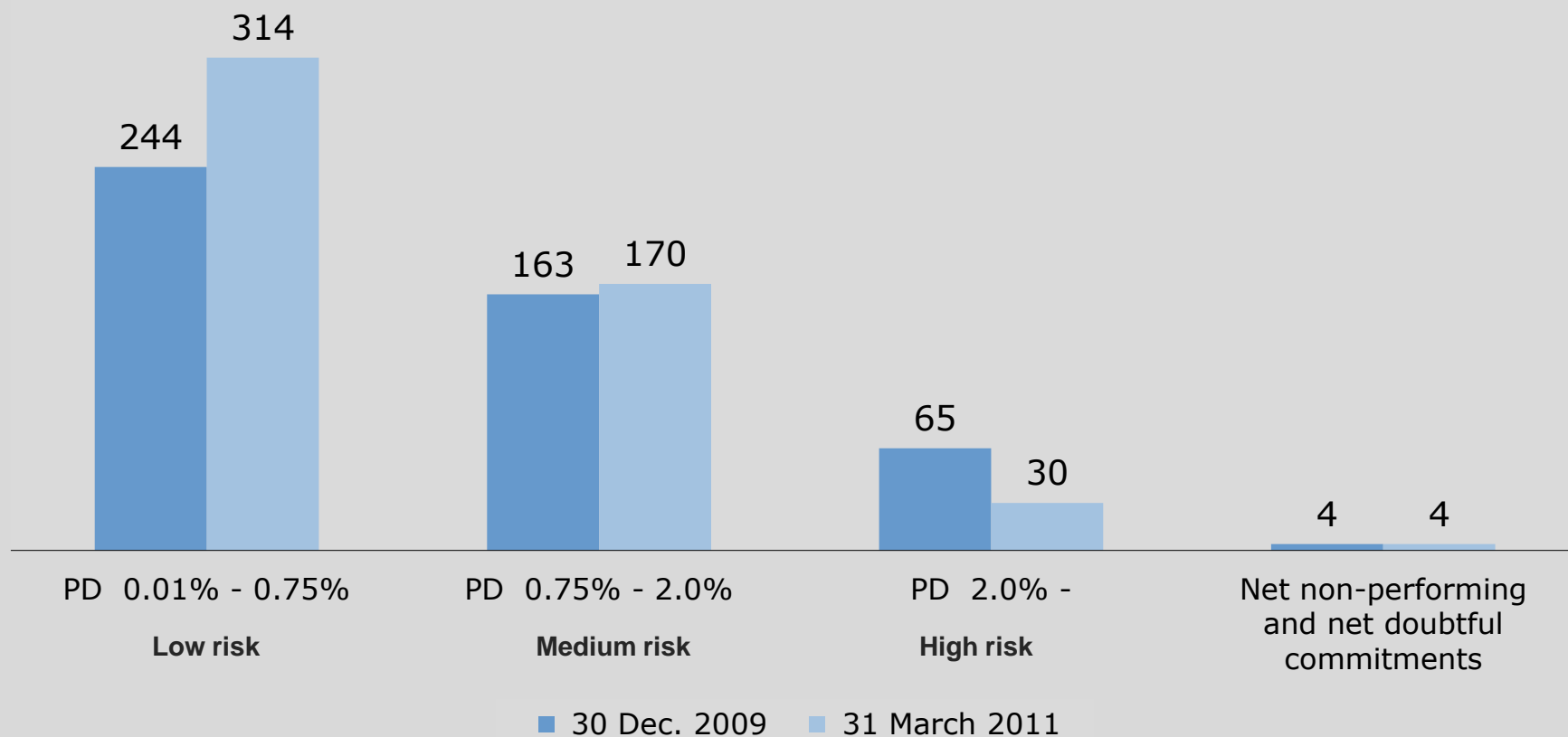


8 *Sum of telecom, healthcare, forest industries, media, commercial real estate, retail industry, technology, public sector, services, finance

Improved quality in the large corporate portfolio

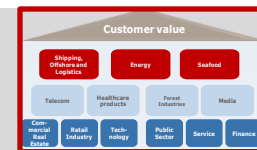


Exposure at default (NOK billion)

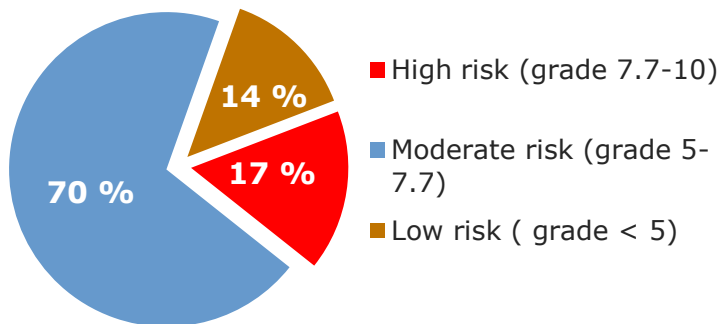


PD = Probability of default

Diversified LBO portfolio



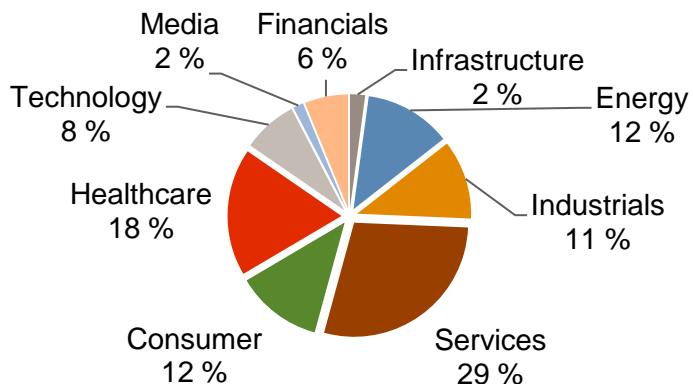
Distribution per risk category



Total portfolio of NOK 51.3 billion,
comprising 92 exposures

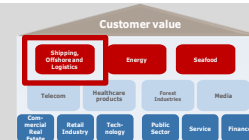
Acceptable risk level

Distribution per industry segment

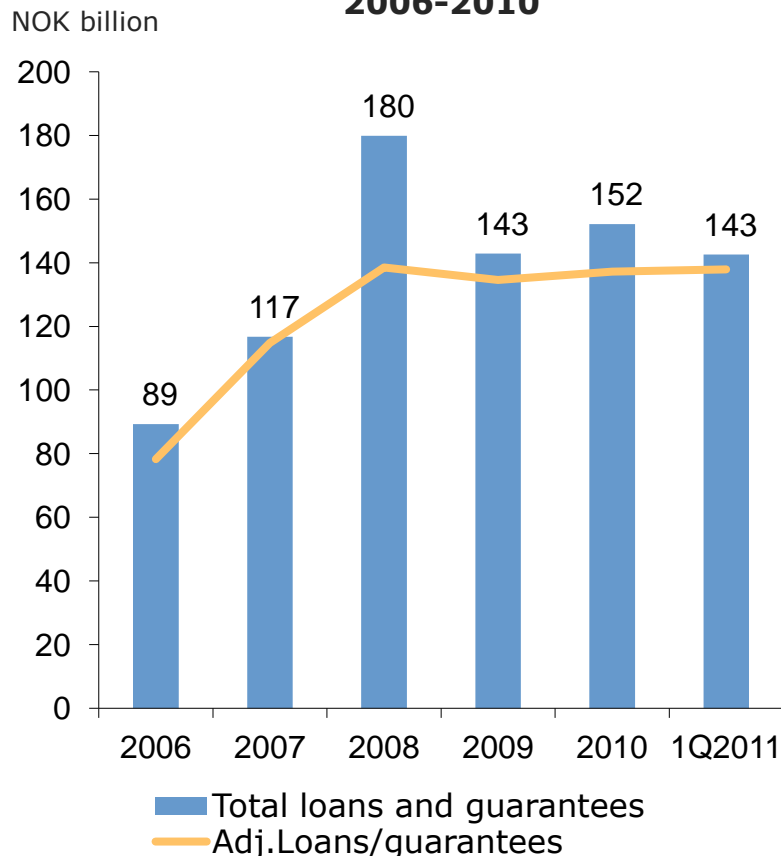


Well-diversified sector mix

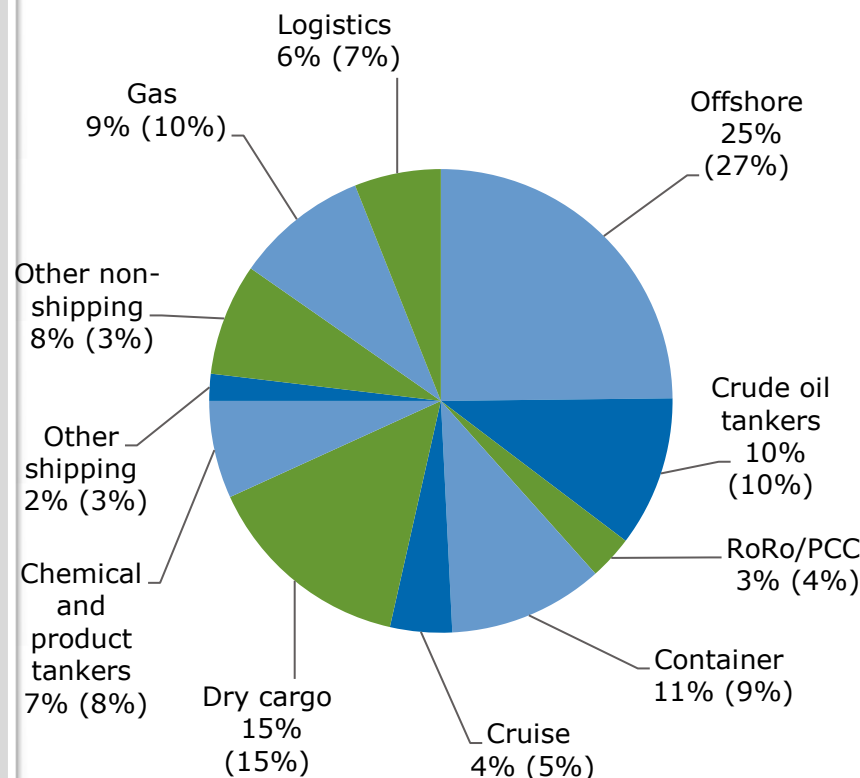
The shipping, offshore and logistics portfolio has been stable since the end of 2008



**Loans and guarantees
2006-2010**

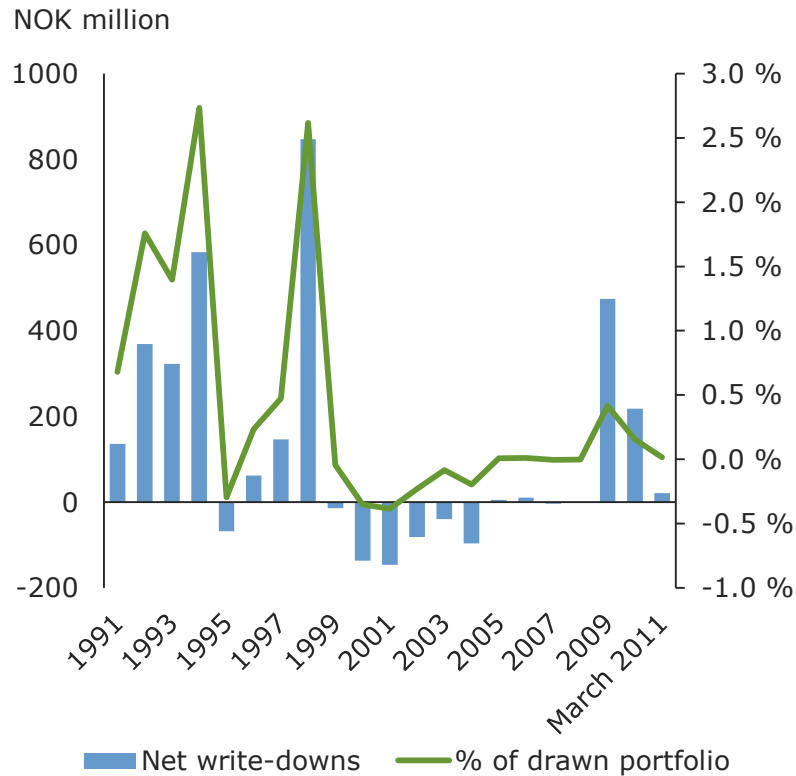


**Portfolio segmentation
31 March 2011 vs 31 March 2010**

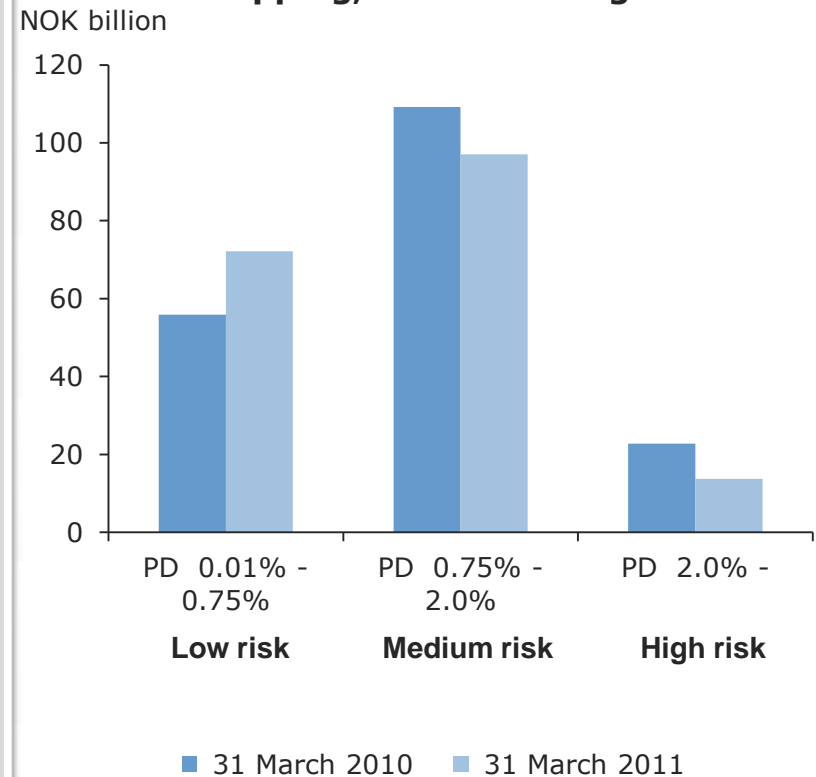


Limited write-downs and improved portfolio quality

Shipping write-downs in NOK and per cent of drawn portfolio past 20 years

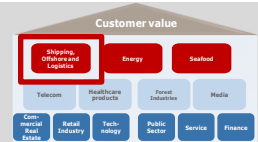


Exposure at default Shipping, offshore & logistics



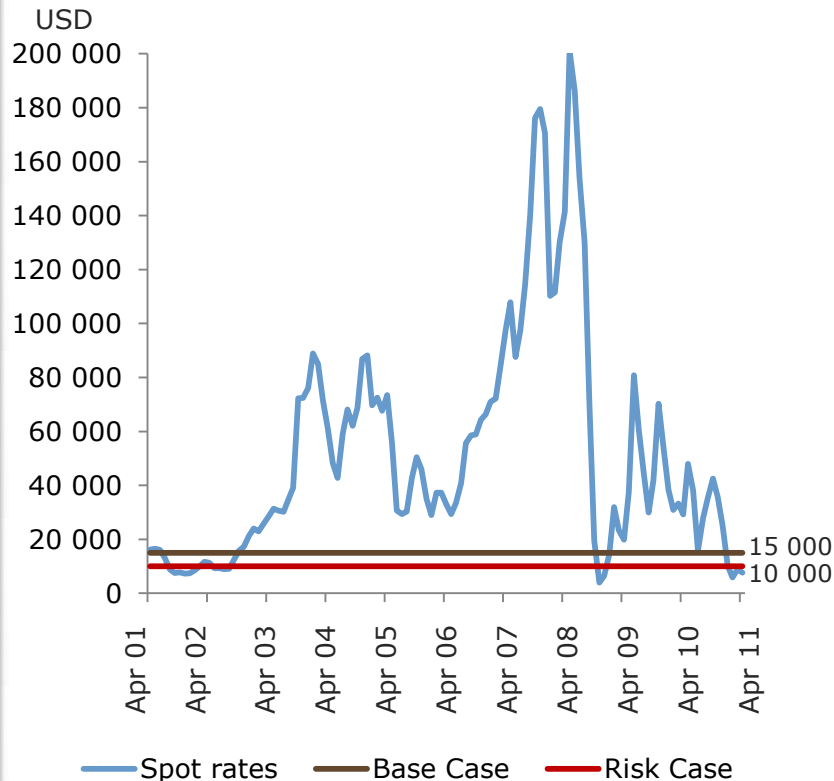
PD = Probability of default

The dry bulk and tanker segments are showing high volatility



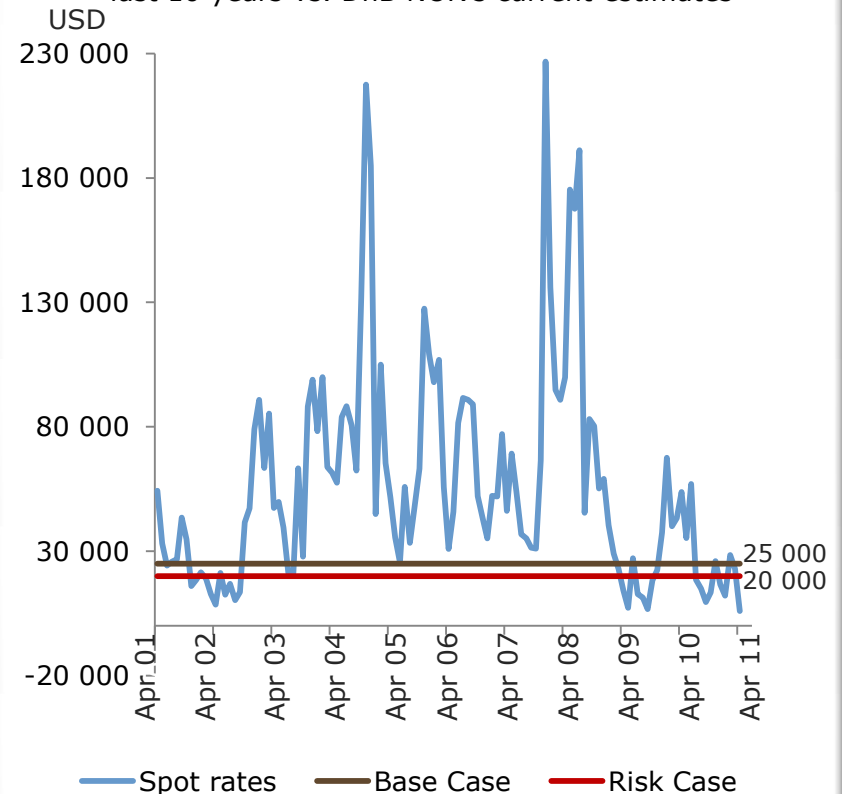
Dry bulk (USD/day)

Spot rates for dry-bulk capesize vessels last 10 years vs. DnB NOR's current estimates



Tankers (USD/day)

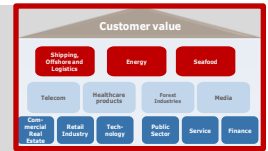
Spot rates for VLCC tanker vessels last 10 years vs. DnB NOR's current estimates



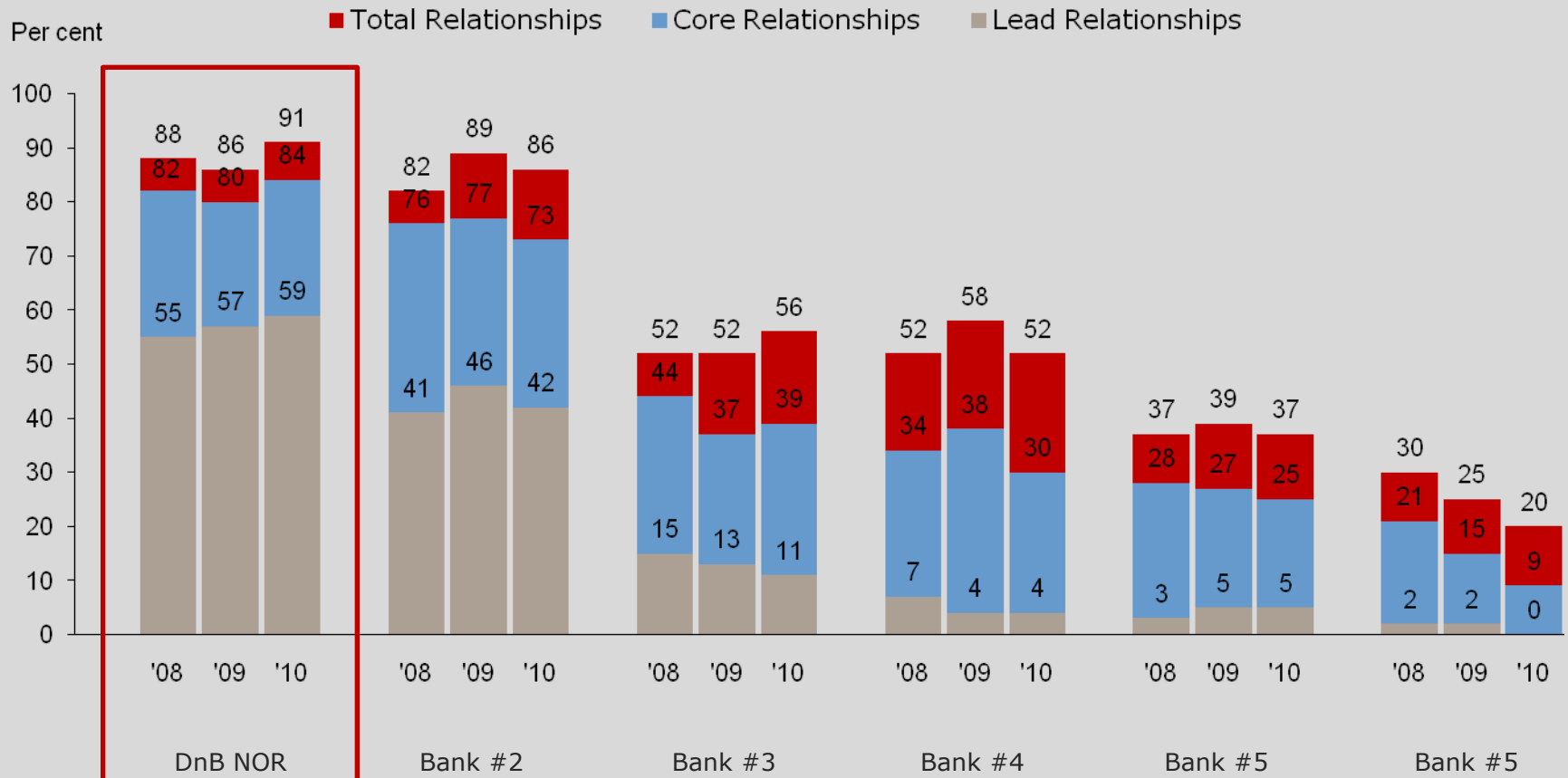
Proven strategy – solid results

Growth opportunities

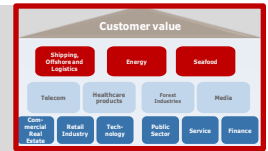
We have a clear #1 position in the Norwegian market



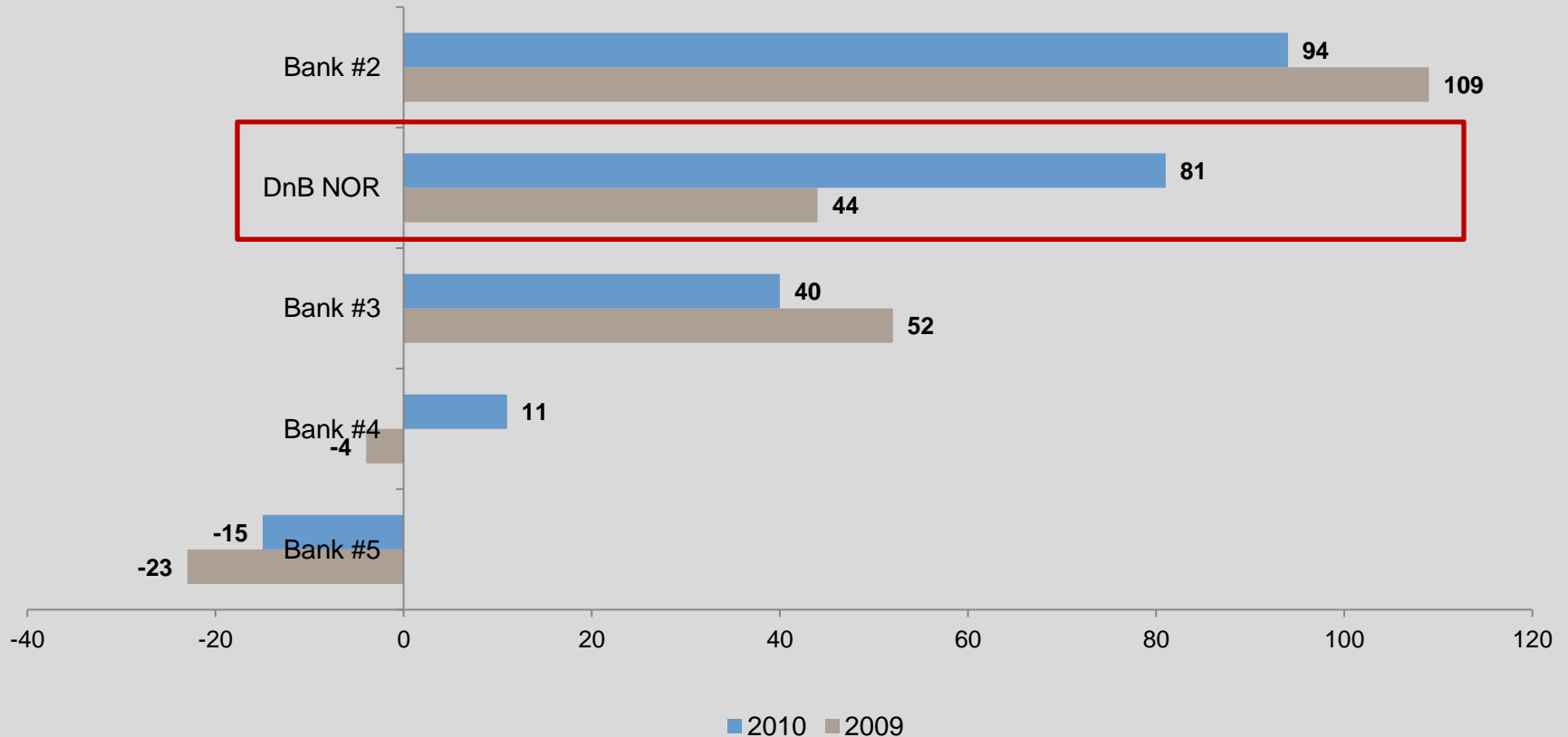
Market penetration and tier position



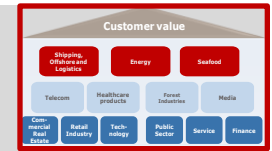
Significant improvement in our pan-Nordic position



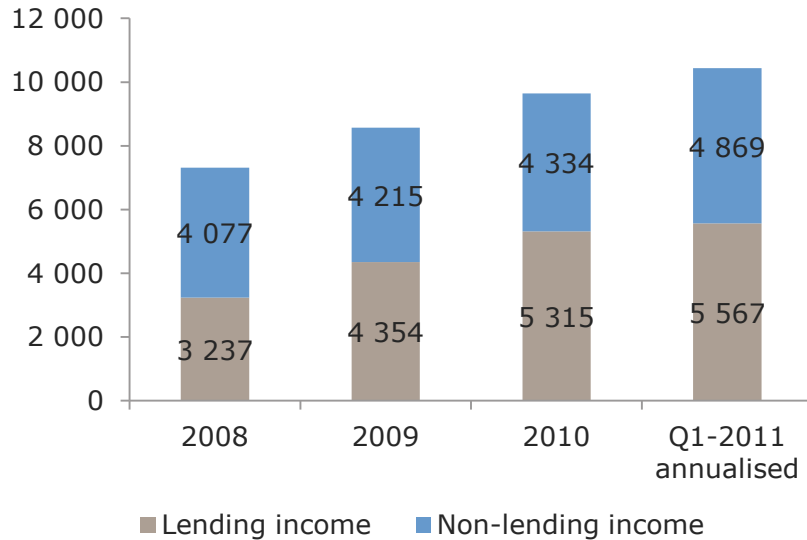
Overall relationship quality – pan-Nordic



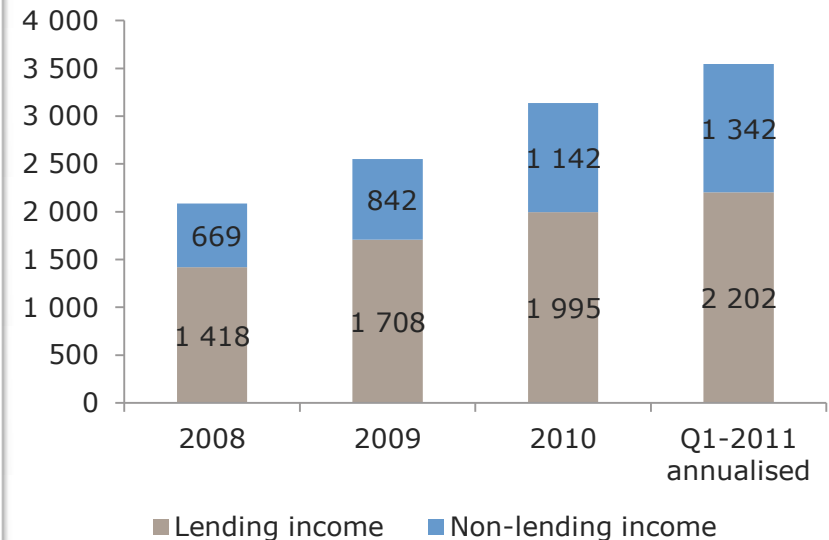
Growth in non-lending income



LCI total (NOK million)

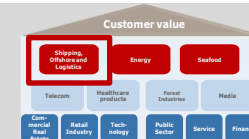


LCI international units (NOK million)



Dedicated customer teams drive cross-sales

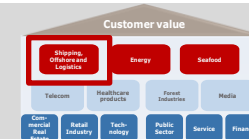
We are one of the world's leading shipping banks



2010 top bookrunner table: syndicated shipping loans

Pos.	Bookrunner	Deal value \$m	No.	% share
1	DnB NOR Bank	5 714	39	11
2	Nordea Bank	4 622	22	9
3	Mitsubishi UFJ Financial Group	3 576	12	7
4	ING	1 952	9	4
5	Citi	1 679	7	3
6	BNP Paribas	1 156	4	2
7	RBS	1 072	4	2
8	JPMorgen	1 003	4	2
9	Bank of America Merrill Lynch	910	4	2
10	Danske Bank	900	2	2

We have supported our core clients and remained active throughout the financial crisis



2010 Selected Senior Credit Facilities, Bonds and Corporate Finance Transactions

Grieg Shipping Group

USD 170,000,000

Senior Secured Credit Facilities
Sole Bookrunner,
Joint MLA

Pacific Drilling

USD 1,800,000,000

Senior Secured Credit Facility
Joint Bookrunner,
Joint MLA

Royal Caribbean Cruises

USD 525,000,000

Revolving Credit Facility
Co-Lead Arranger,
Documentation Agent

Scorpio Tankers

USD 150,000,000

Senior Secured Credit Facility
Joint Lead Arrangers

Angelicooussis Shipping Group

USD 111,000,000

Senior Secured Credit Facility
Mandated Co-Lead Arranger

Bonheur

NOK 600,000,000

Senior Unsecured Bond
Sole Arranger

Aker Drilling

NOK 1,500,000,000

Senior Unsecured Bond
Joint Lead Arranger

Golar LNG

USD 125,000,000

Senior Secured Credit Facility
Sole Bookrunner,
Joint MLA

Seadrill

USD 650,000,000

Convertible Bond
Co-Manager

Saga Tankers

USD 120,000,000

Private Placement
Joint Lead Manager & Bookrunner

Subsea 7 Acergy

USD 5,400,000,000

Merger
Advisor to Subsea 7

Ceres

USD 125,000,000

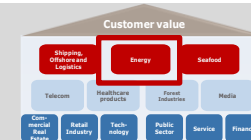
Sales of shares in Odfjell SE
Joint Lead

We know the industry and our clients

We finance shipping companies, not vessels

We give priority to clients with cross-sale potential

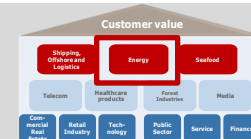
We are clearly visible in the major energy league tables



US IG Energy Bookrunner		
2009		
Rank	Bank	Volume
1	DnB NOR	3 937
2	JP Morgan	3 715
3	Bank of America	3 695
4	Wells Fargo	3 556
5	BNP Paribas	1 960
2010		
Rank	Bank	Volume
1	Wells Fargo	15 694
2	JP Morgan	15 149
3	Bank of America Merrill Lynch	12 285
4	Citi	12 195
5	DnB NOR	8 650

EMEA Oil & Gas Bookrunner		
2010		
Rank	Bank	Volume
1	BNP Paribas Group	5 769
2	Societe Generale	5 528
3	RBS	3 299
4	Credit Agricole CIB	3 257
5	JP Morgan	3 194
6	ING Groep NV	2 697
7	Standard Chartered PLC	2 541
8	Misubishi UFJ financial	2 254
9	Citi	2 214
10	DnB NOR	1 990

And well positioned to capitalise on future opportunities



 USD 3,000,000,000 Revolving Credit and Swing-line Facility Joint Coordinator, Bookrunner and MLA 2010 DnBNOR	 US \$5.0 Billion Bank Facility Co-Lead Arranger 2010 DnBNOR	 NOK 4,500,000,000 Exploration Financing Facility Arranger, MLA and Facility Agent 2010 DnBNOR	 USD 1,000,000,000 Term Loan MLA, Bookrunner & underwriter 2010 DnBNOR	 US \$600 Million Bank Facility Co-Lead Arranger 2011 DnBNOR
 USD 900,000,000 Revolving Credit Facility Joint Lead Arranger & Underwriter 2010 DnBNOR	 NOK 760,000,000 Senior Debt Bookrunner, MLA and Facility Agent 2011 DnBNOR	 US \$350 Million Bank Facility Co-Lead Arranger 2010 DnBNOR	 US \$1.5 Billion Senior Notes Co-Manager 2010 DnBNOR	 USD 350,000,000 Senior Debt Joint Coordinator, Bookrunner and MLA 2011 DnBNOR
 USD 2,500,000,000 Bank Facilities MLA/LA 2010 DnBNOR	 USD 550,000,000 Senior Debt Bookrunner and MLA 2011 DnBNOR	 DKK 840,000,000 Senior Debt Coordinator, Bookrunner, MLA and Facility Agent 2011 DnBNOR	 GBP 183.8m Refinance and acquisition facilities MLA 2010 DnBNOR	 NOK 10,000,000,000 RCF and Guarantee Facility Joint Lead Arranger Bookrunner and Facility Agent 2010 DnBNOR
 EUR 34,000,000 Senior Debt Sole Arranger 2010 DnBNOR	 EUR 3,000,000,000 Revolving Credit Facility MLA 2010 DnBNOR	 NOK 300 million 2010-2015 Floating Rate Note Lead Arranger 2010 DnBNOR	 SEK 221,000,000 Project Financing MLA 2010 DnBNOR	 NOK 12,000,000,000 Multi-currency RCF Mandated Lead Arranger 2011 DnBNOR

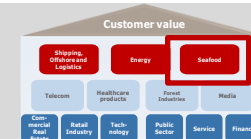
Selected transactions 2010 and 2011

Strong Norwegian platform

Energy professionals and products
available worldwide

Reinforced international standing
during the financial crisis

Our expertise and global presence enable us to capitalise on the opportunities within seafood

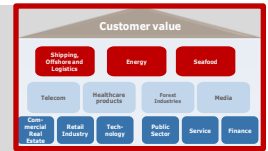


Cross-sales to our existing Norwegian customer base

Aquisition of selected customers in Chile and Peru, North-America and Northern Europe

Selected transactions 2009 and 2010

Our international presence supports our strategy

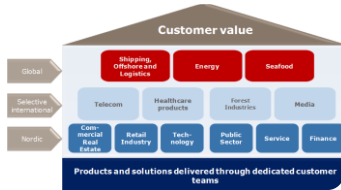


Organic growth in international network to meet customer needs

Significant industry and product capabilities added over the years

Proven model of control & governance – no business outside strategy

Well positioned for the future



**No change in strategy. More of the same.
Solid market position in key segments**



**Strong mega-trends support our growth
opportunities within shipping, offshore, energy and
seafood**



**International network with products and expertise
adapted to our customers' needs**



**Well-positioned to tap into the growth areas of the
future**

DnB NOR



The Baltics – raising the bar

Terje Turnes,
head of the Baltic Division



Background

Macroeconomic situation and future outlook

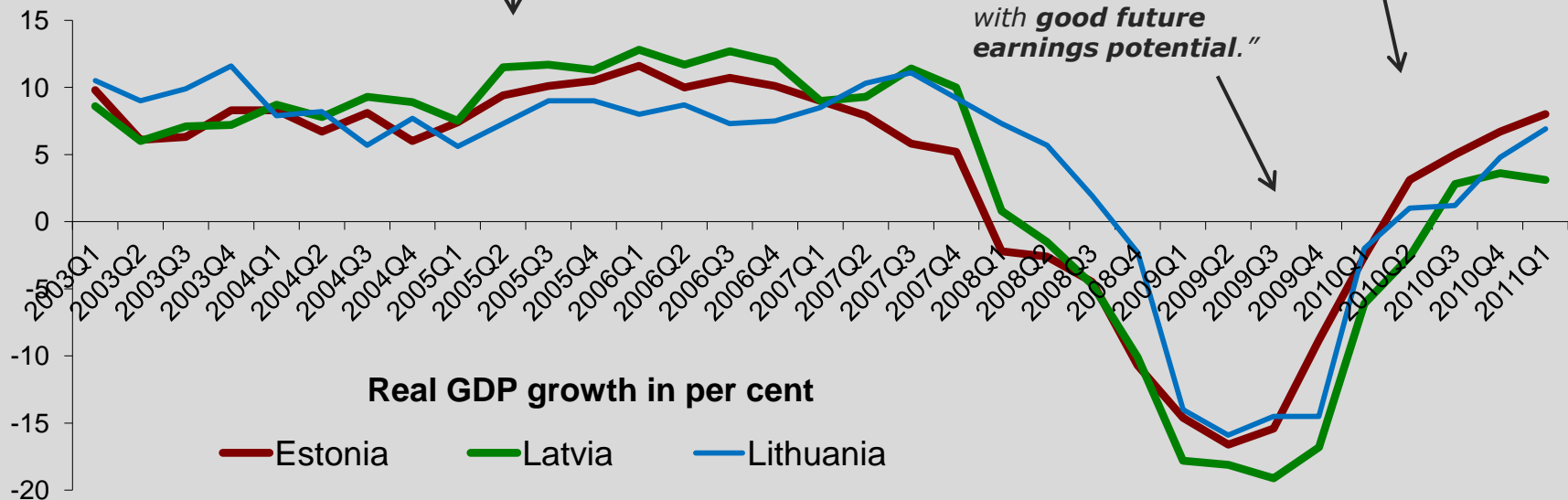
Growth

From joint venture to 100 per cent ownership

DnB NOR enters into JV with NORD/LB
"Establishing DnB NORD is strategically important to participate in the **expected growth in this region**, as well as being present for our **Nordic customers**."

DnB NOR acquires 100 %
"The Baltics...**higher growth potential** than Western Europe, and DnB NOR wishes to grow within the retail banking segment."

Evaluation period starts
"The Baltics...an area with **good future earnings potential**."



Governance model aligned with DnB NOR

"One Group" in the Baltics

New legal structure

New operational governance structure implemented

Strong central control of risk

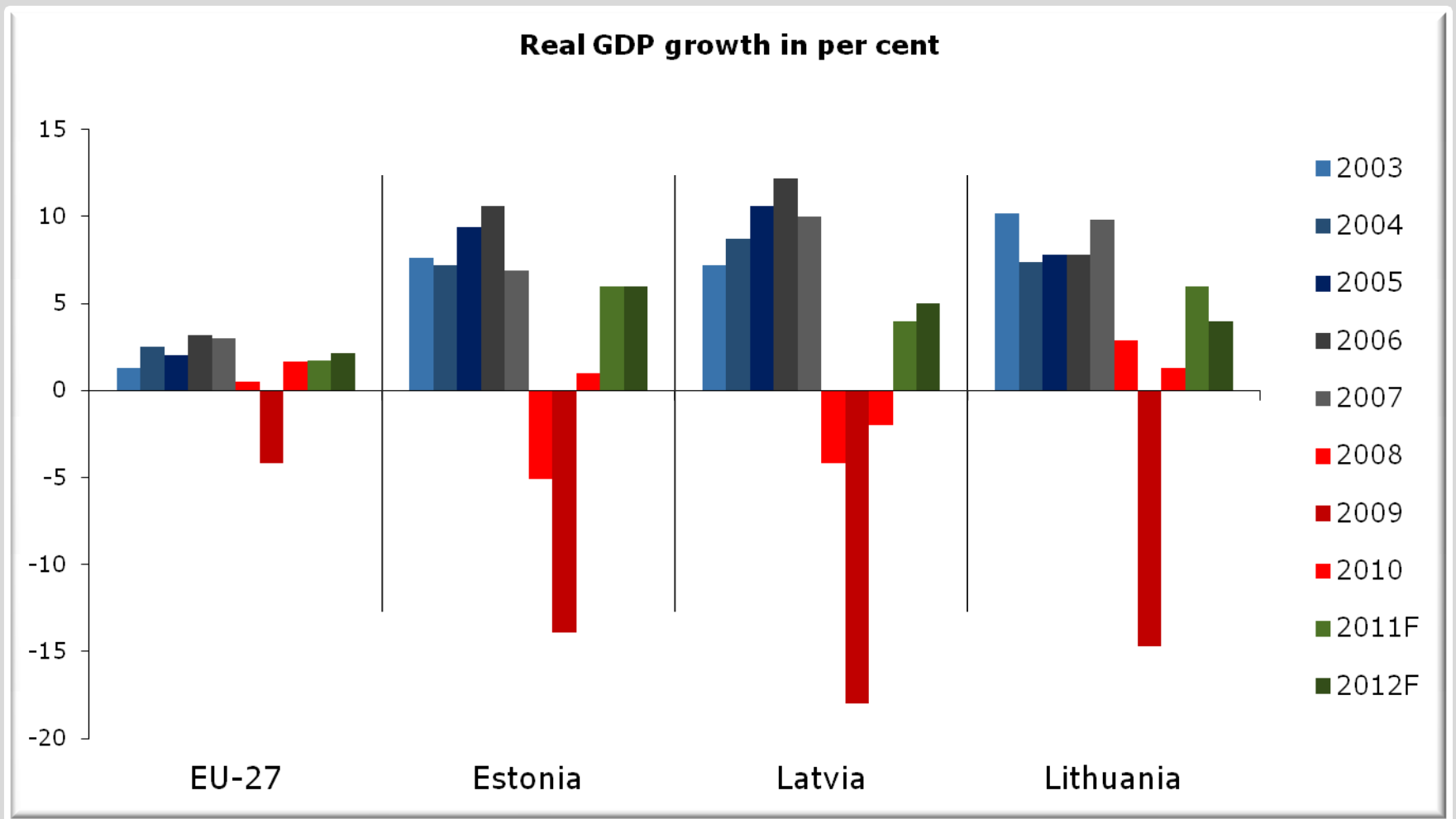
Centralised funding

Background

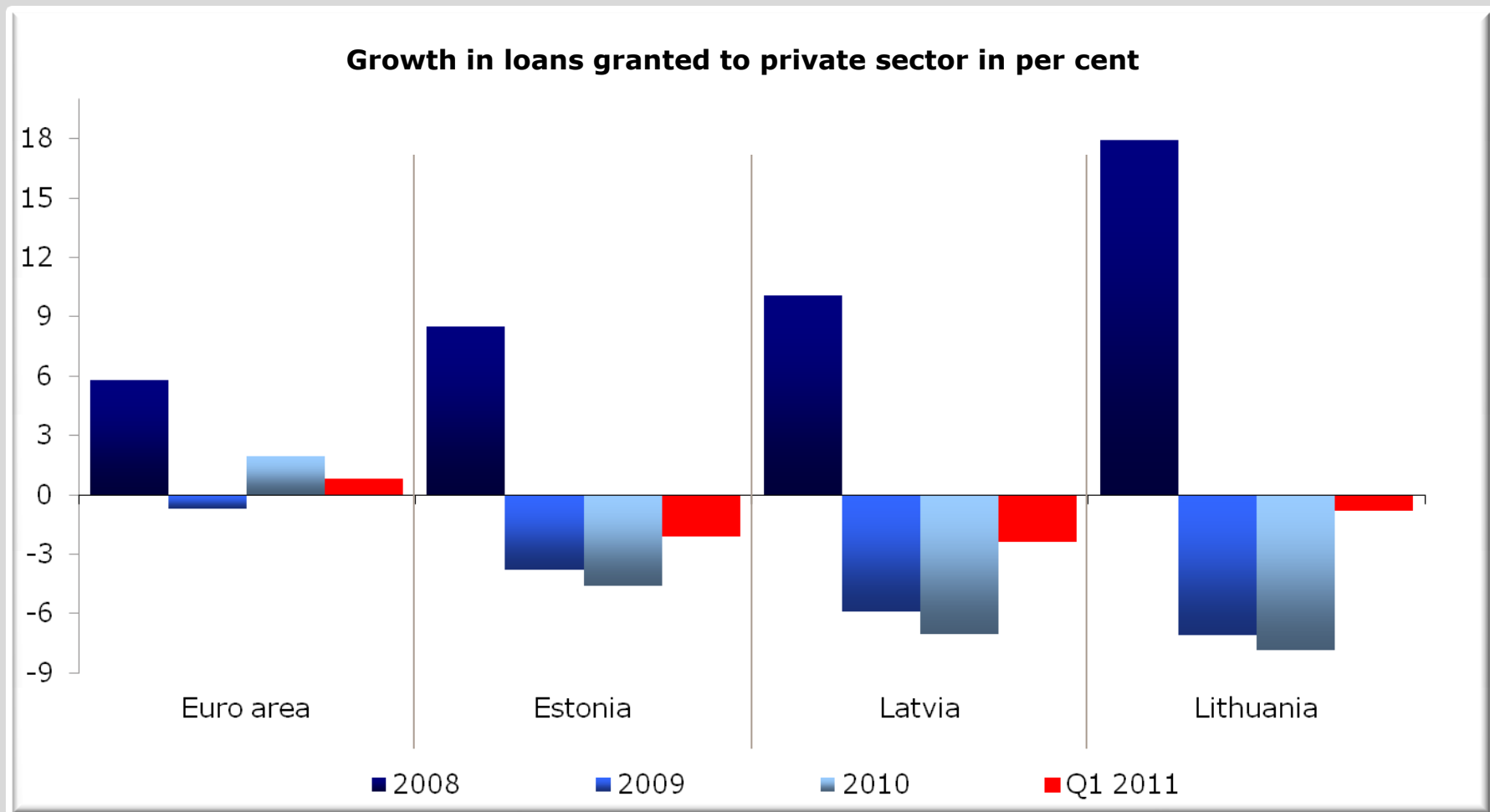
Macroeconomic situation and future outlook

Growth

Recession over – strong recovery

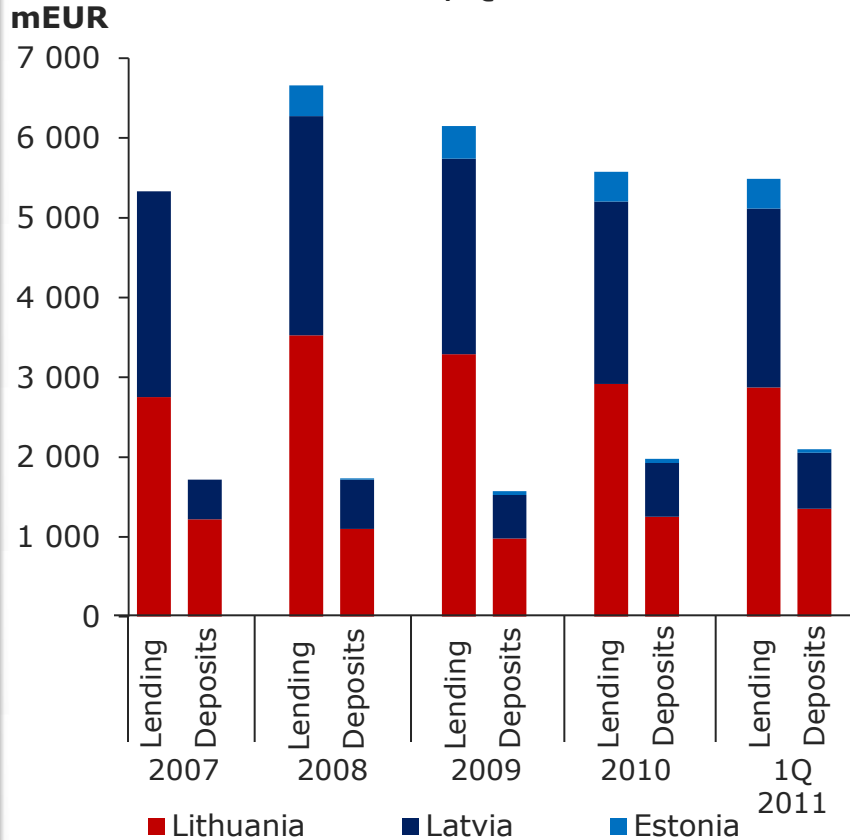


Positive credit demand expected

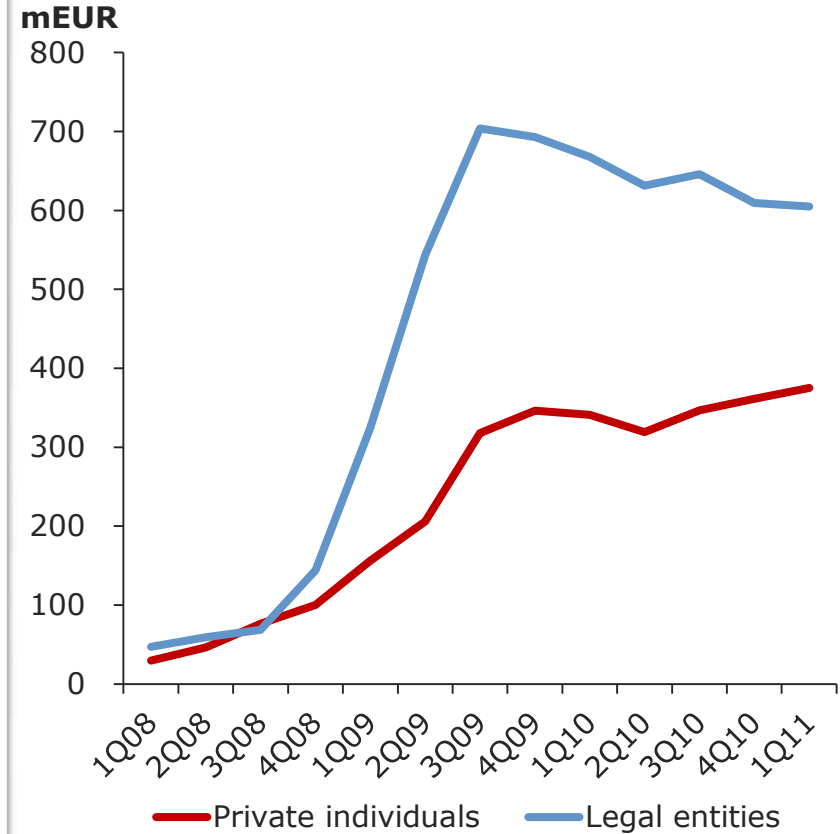


Customers have been safeguarding their financial position

**Lending and deposit volumes
DnB NORD , Q1 2011**

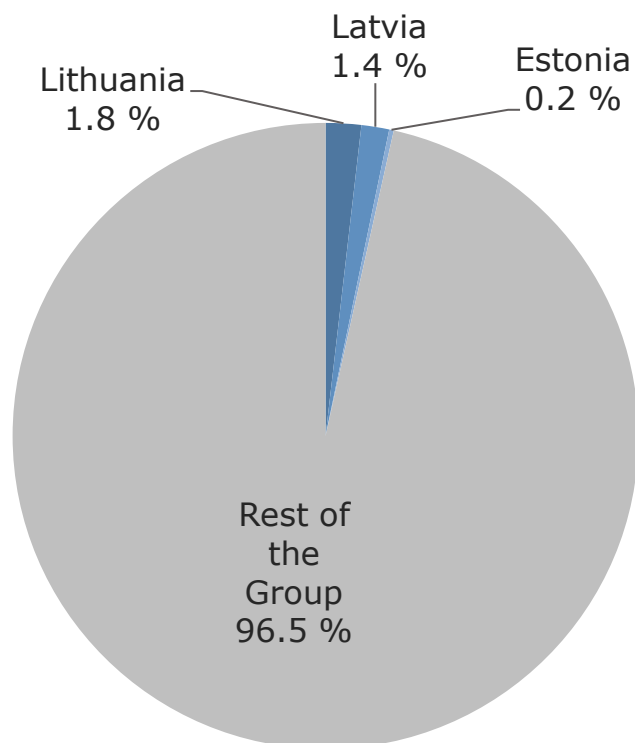


**Non-performing portfolio Baltic States
1Q 2008 – 1Q 2011**



Growth potential in a sizeable market

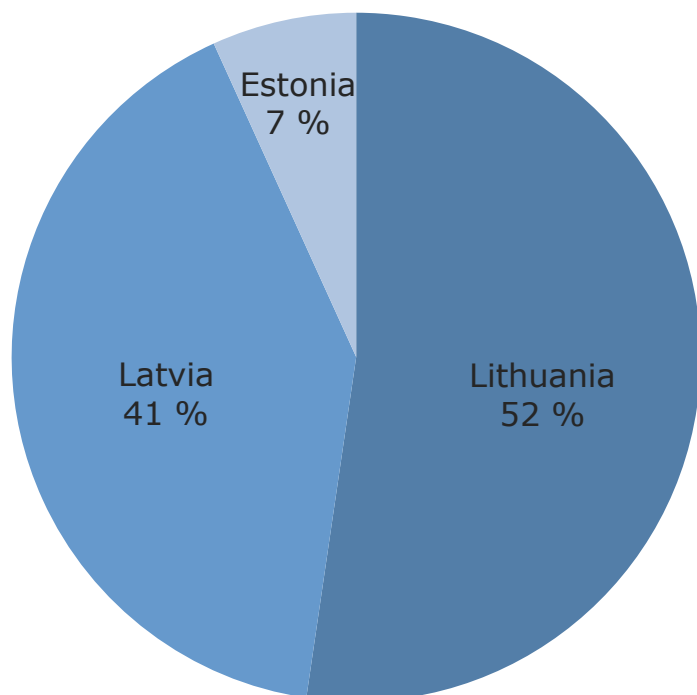
**DnB NOR lending per country
Q1 2011**



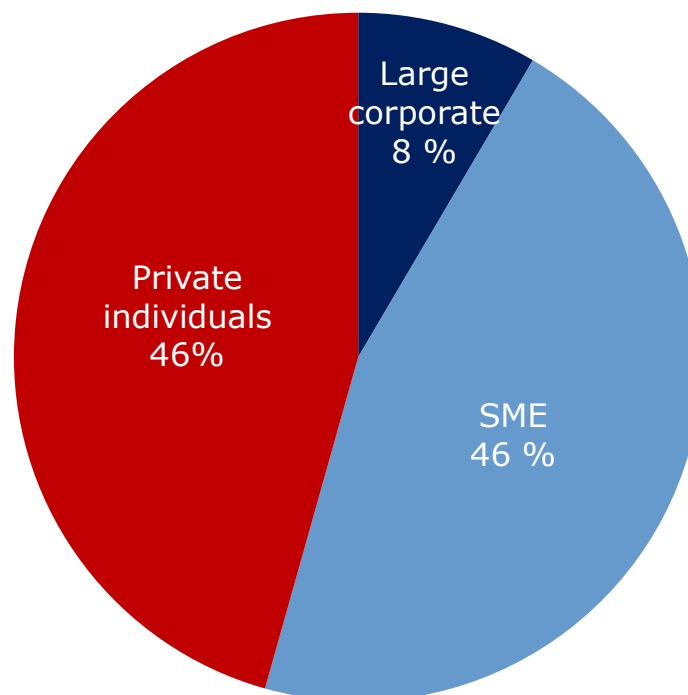
Country	Population	Market position	No of customers
Lithuania	3.3 mill	3	0.7 mill
Latvia	2.3 mill	4	0.2 mill
Estonia	1.3 mill	5	0.01 mill
Total Baltics	6.9 mill		0.9 mill
Norway	4.9 mill	1	2.1 mill

A well diversified retail portfolio

Lending per country - Q1 2011
EUR 5 450 million



Lending per segment - Q1 2011
EUR 5 450 million



Background

Macroeconomic situation and future outlook

Growth

Good market coverage in Latvia and Lithuania

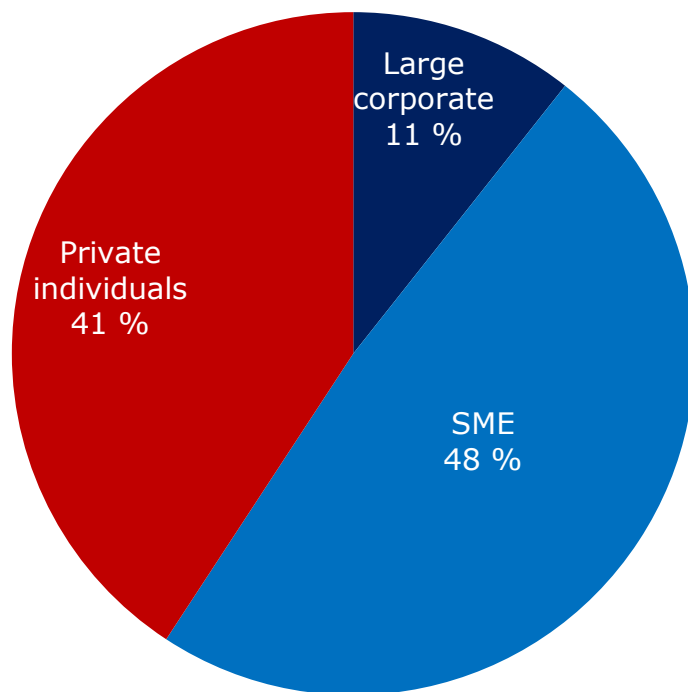
DnB NORD branches in the Baltics



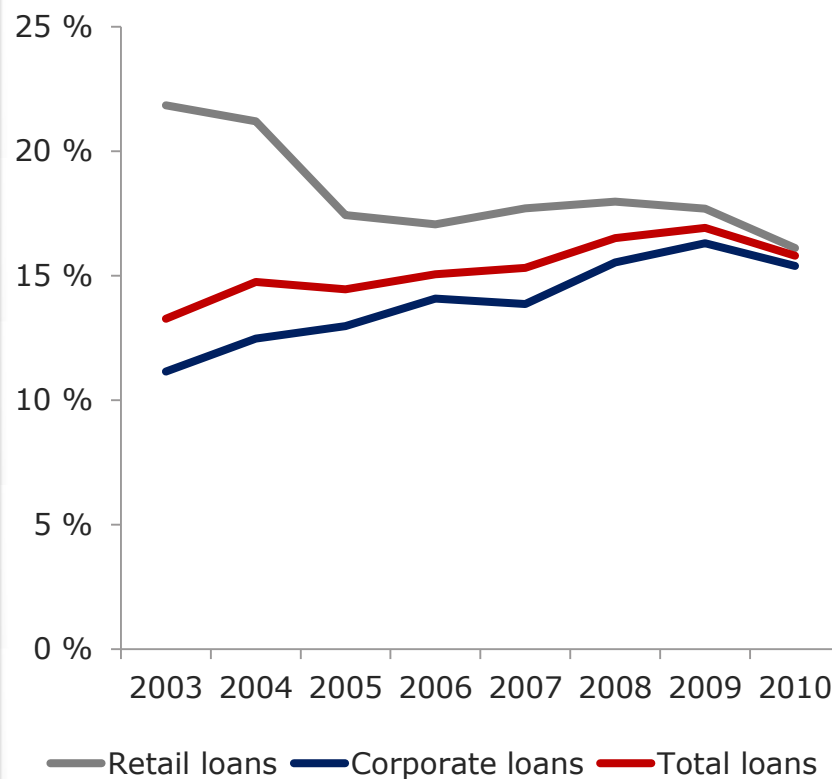
- Estonia: Mainly a corporate and leasing bank with efficient operations
- Latvia: A universal bank ranked number 2 within lending to private individuals
- Lithuania: A universal bank with an extensive branch network and a top position in rural areas and the public sector

Lithuania: Expecting pick-up in retail market

**Lending volumes in Lithuania by segment
Q1 2011 EUR 3 171 million**

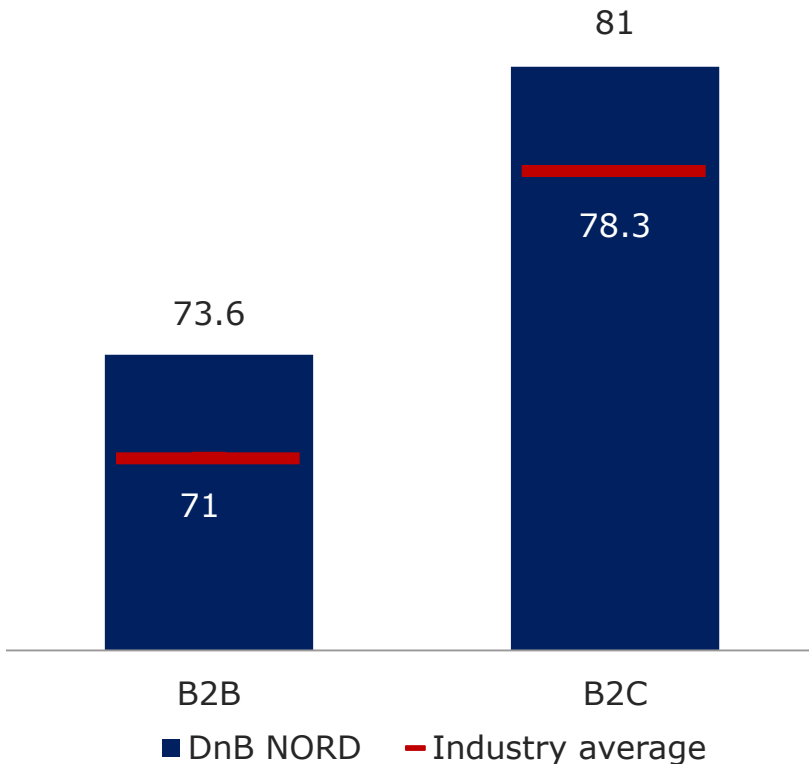


**Market share in Lithuania
2003 - 2010**

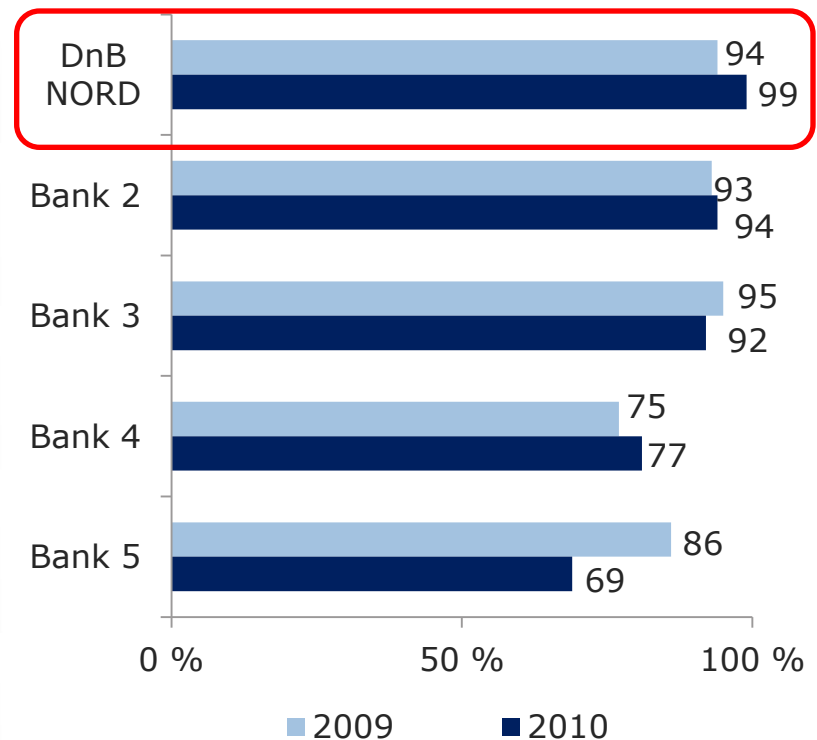


Lithuania: Customer feedback supports the potential for growth

Customer survey index for banking sector in Lithuania 2010¹



**Mystery shopping ranking Lithuania²
(Top 5 banks 2009 – 2010)**



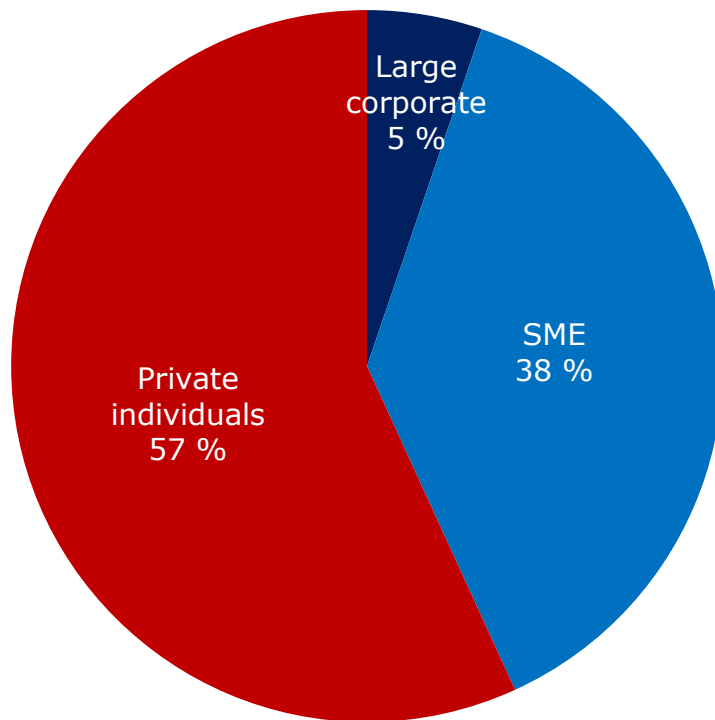
Lithuania: Further develop an already strong position



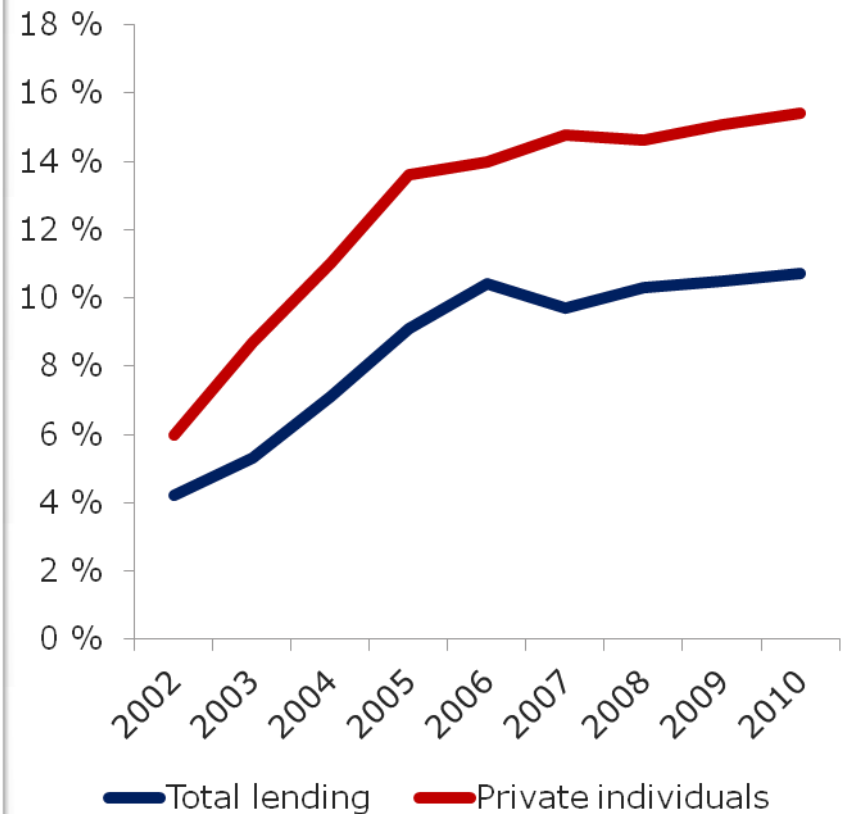
- Strengthen the position in the five main cities
- Protect the existing strong position in rural areas
- Cross-selling to existing customers
- Target to be number 1 or 2 in selected market segments

Latvia: Second largest financial institution for private individuals

**Lending volumes in Latvia by segment
1Q 2011 EUR 2 228 million**

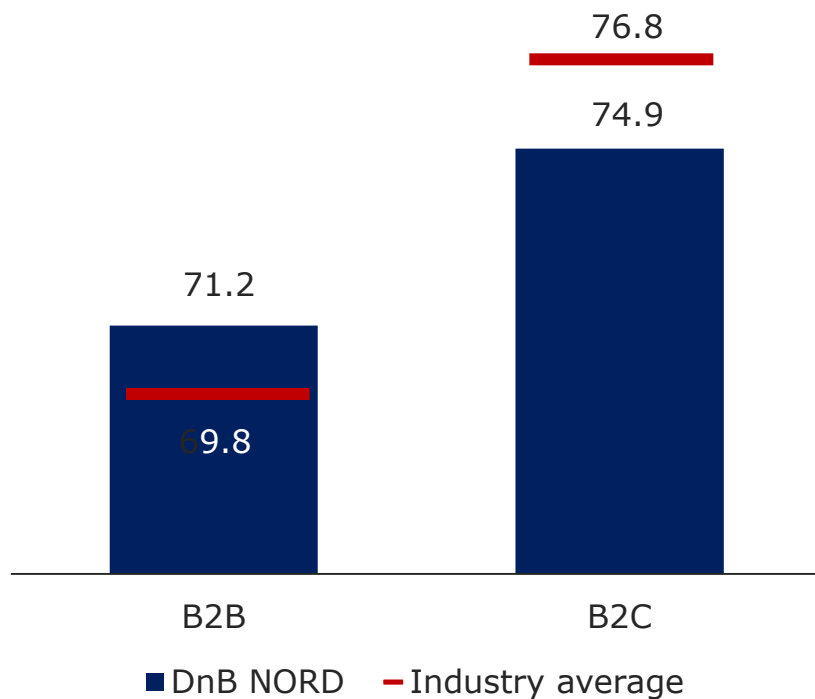


**Market share in Latvia
DnB NORD 2002-2010**

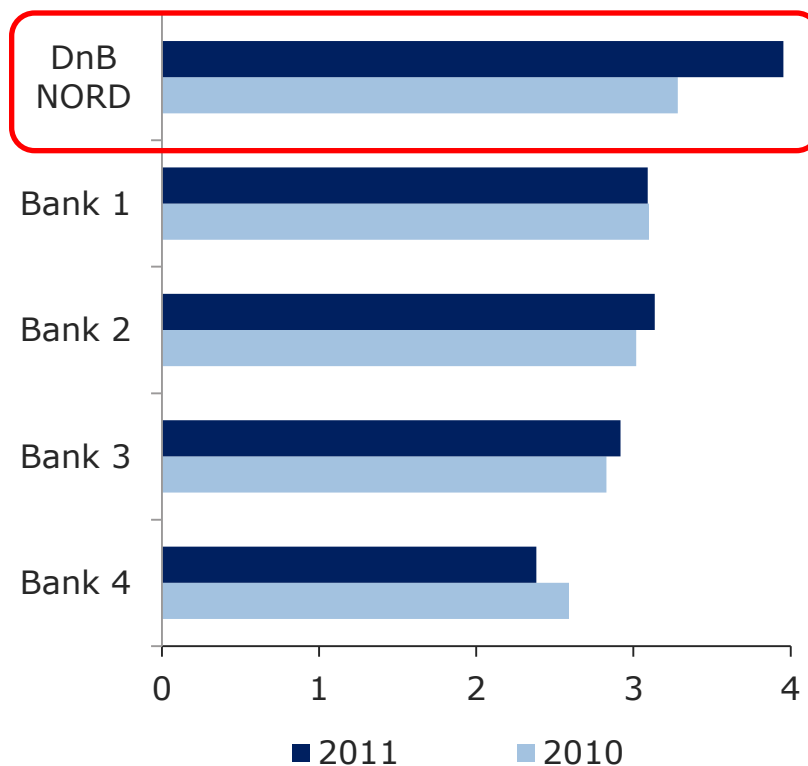


Latvia: Customer satisfaction increased

**Customer survey index for
Latvian banking sector 2010¹**



**Mystery shopping ranking in Latvia²
(Top 5 banks, 2010–2011)**



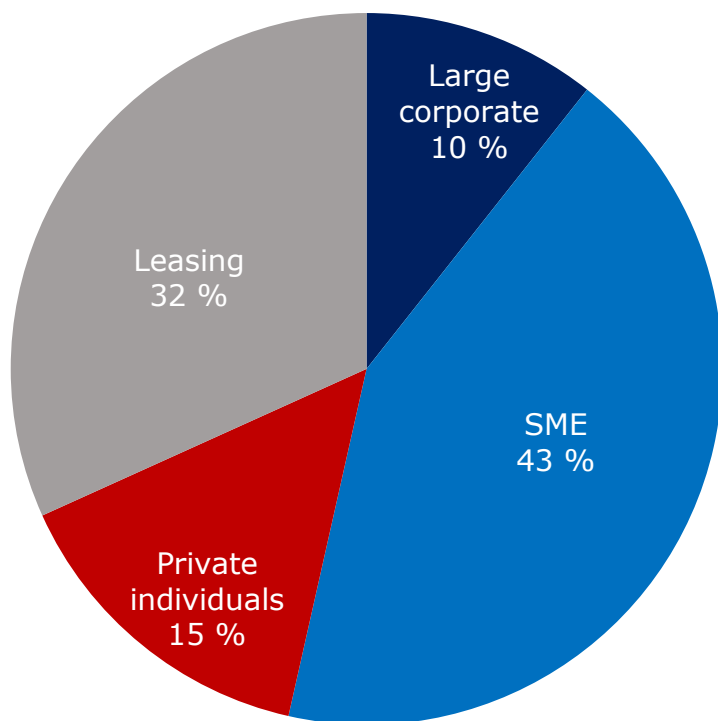
Latvia: Increase quality of income



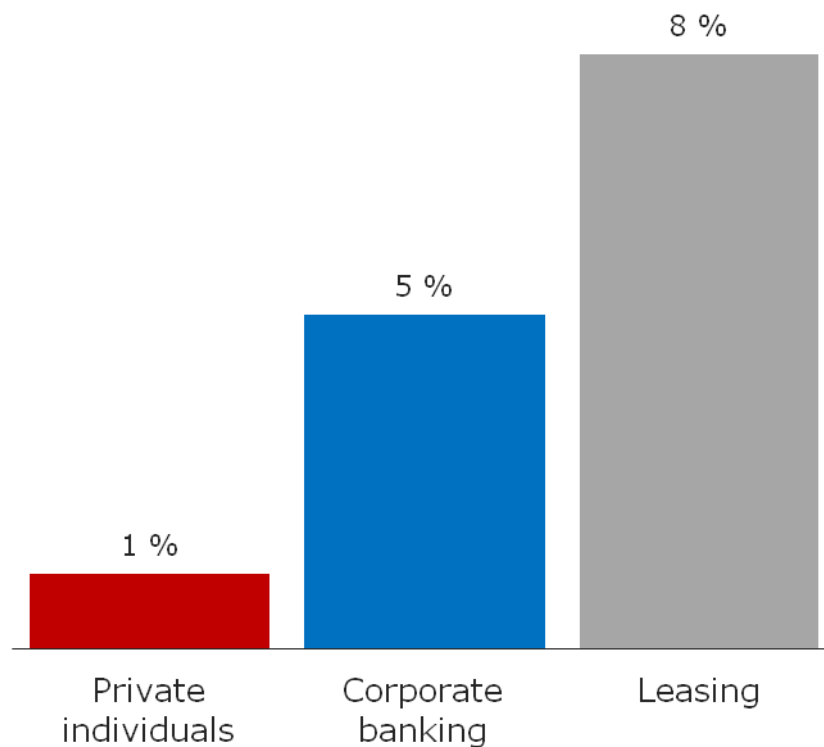
- Capitalise on position as the second largest bank for private individuals
- Focus on cost-efficient operations
- More emphasis on non-lending income
- Competence programme to enhance sales skills

Estonia: A strong platform for leasing

**Lending volumes in Estonia by segment
Q1 2011 EUR 372 million**



Market share DnB NORD 2010



Estonia: Set to grow



- Niche player challenging a consolidated market
- Utilisation of the Group's industry competence
- Increase income from cross-border banking primarily from the Nordic client base
- Re-entry into retail banking to be evaluated

Raising the bar in the Baltics



Lower write-downs

Pick-up in GDP growth

Increased cross-sales and
quality of income

Evaluate organic and structural
growth

DnB NOR



Concluding Remarks

Rune Bjerke, CEO



Well positioned for profitable growth

Strong platform

- **Strong track record**
- **Unique distribution power and customer base**
- **Proven industry strategy**

Untapped opportunities

- **Urbanization and population growth**
- **Increased demand for shipping, energy and seafood driven by emerging markets growth**
- **Pick up in GDP growth in the Baltics**

Robust strategy

- **A balanced portfolio**
- **Norway: Four largest cities and selected segments**
- **International: industry strategy**
- **Strengthening position in the Baltics and optimize integration**

Financial ambitions towards 2015

Return on equity above 14 per cent

**NOK 30 billion in pre-tax operating profits
before write-downs**

Cost/income ratio below 45 per cent

DnB NOR