

15 June 2011

DnB NOR's Capital Markets Day in Oslo on 15 June 2011:

NEW AMBITIONS FOR PROFITABLE GROWTH

"Norway has emerged from the financial crisis relatively unscathed, and the Norwegian economy is one of the strongest in a Europe dominated by challenges such as national debt and low growth. This, combined with the highest population growth in Europe, makes Norway an attractive banking market," says Rune Bjerke, group chief executive of DnB NOR, in connection with the presentation of DnB NOR's new ambitions and clear financial targets for the years ahead.

"DnB NOR benefits from a unique and sound position in the Norwegian home market, the source of well over 80 per cent of the Group's income. We have unique competitive power with respect to how we meet our customers. We have a physical presence across Norway, and are the only bank to offer Saturday banking services through post offices. Our customers can call us 24/7 and receive help. We meet our customers in several digital channels. We will further strengthen our position in the four largest cities in Norway and intensify our efforts to offer even better banking products to Norwegian young adults. Internationally, we will continue to accompany our customers abroad and focus on the industry sectors where we have competitive advantages. Emerging markets are driving growth within our main industries: energy, shipping and seafood. 100 per cent ownership of DnB NOR in the Baltic States gives us an exciting platform for growth within the retail and SME segments, both in the Baltic States and the Nordic region. We see good growth opportunities in and outside Norway, and we have a sound base from which to aim for new targets," says Rune Bjerke.

New financial targets:

Financial targets towards 2015

- Return on equity above 14 per cent
- NOK 30 billion in pre-tax operating profit
- Higher ambitions for the cost programme, with NOK 1 billion in new cost reductions
- Cost/income ratio below 45 per cent

In addition, communicated targets for 2012 are reconfirmed

- NOK 22-25 billion in pre-tax operating profit before write-downs
- Cost programme: NOK 2 billion in cost reductions
- Cost/income ratio below 46 per cent

Long-term targets remain unchanged

- Be among the best capitalised banks in the Nordic region
- Long-term AA rating
- Approximately 50% dividend payout ratio

Uncertainty surrounds the future regulation of the financial sector. The financial targets are therefore based on the assumption that the Basel III regulatory framework will be implemented as recommended by the Basel Committee and that the Norwegian government will not introduce new regulations which apply solely to Norway. The targets are also based on DnB NOR's assessment of expected developments in GDP, unemployment rates, interest rates and exchange rates.

DnB NOR has clear growth ambitions both in its domestic market in Norway and internationally. The Group will seek to maintain a balance between the corporate and private customer segments while increasing the share of income from its international operations.

Growth in Norway

DnB NOR has a sound position and is the market leader in the Norwegian market. We have 2.1 million retail customers and 200 000 corporate customers, unique distribution power through broad accessibility through telephone and digital channels and physically in the form of our branch

network, Markets' regional sales desks, real estate broking offices, etc. DnB NOR's telephone customer service is open 24/7, and DnB NOR is also the only bank in Norway which offers Saturday banking services through the network of Norwegian post offices.

Nevertheless, DnB NOR does have ambitions for further growth in Norway, for example through higher lending growth than the general credit growth in Norway.

Three priority areas:

- Greater focus on the four largest cities in Norway
- Greater focus on selected segments, for example young adults
- Development of innovative products and services, and an increase in cross-sales

The initiatives commenced within these priority areas have already started to give results. For example, DnB NOR now experiences higher growth than general market growth in the four largest cities in Norway, with respect to both deposits and loans.

International growth

Our international strategy remains firm: we will accompany our Norwegian customers abroad and we will focus on industry sectors where we have competitive advantages and extensive experience. DnB NOR's industry strategy, where shipping, energy and seafood are the three priority areas, has generated healthy profits and profitable growth. We have a stable portfolio, and our credit quality has improved. Growth within the traditional export industries, which also are our most important industry sectors, is expected to remain strong. DnB NOR has a strong presence in important markets through its international network. An office is now being established in Aberdeen to better serve customers in the Scottish market, particularly within the energy sector.

The Baltic States and Poland

DnB NOR became a 100 per cent owner of DnB NORD six months ago, and the integration of these operations with the rest of the Group is now well under way. The Baltic States show a healthier development since the financial crisis, and sound growth is expected. DnB NOR has a strong position in Latvia and Lithuania, primarily in the retail market. In Estonia, our share of the corporate customer market is larger than in the other Baltic States, but our market share here is small in a very concentrated banking market.

Further ambitions include consolidating and reinforcing our position in Latvia and Lithuania to gain a position as one of the leading banks in these markets. In Estonia, our ambition is to further strengthen our position, and we are considering further initiatives in the personal customer market. In addition, DnB NOR will continue to integrate the Baltic organisation into the rest of the Group.

The market position in Poland is relatively modest and this market is considered to be very exposed to competition. It will therefore be resource-demanding to achieve a favourable strategic position in Poland. After a preliminary assessment, our conclusion is that expansion in this country may be outside our current strategic framework. DnB NOR will therefore analyse the various alternatives available, of which a sale of our operations in Poland is one possible alternative. In the meantime, operations will continue as before, using the necessary resources to safeguard the interests of both our customers and employees. At end-March 2011, the bank in Poland had total lending of NOK 14 billion and recorded equity of NOK 1.6 billion.

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