Profitable banking towards 2016 – and beyond

Group CEO Rune Bjerke

Capital Markets Day, 21 November 2013

DNB

Setting direction towards 2016

Target

Return on equity

above 12

per cent

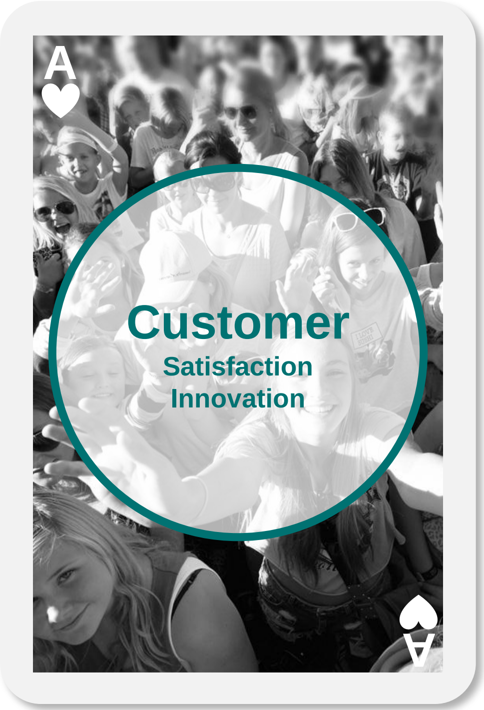
Requirement

CET1 capital ratio

13.5-14.0

per cent

A new banking environment
– Three cards must be played right in order to succeed



In a rapidly changing banking reality, it is all about flexibility

– Three shifts mark that DNB is well underway

1. Targets:
From several equally important targets *to* one principal target

2. Customer:
From my customer *to* our customer with distinct customer segments

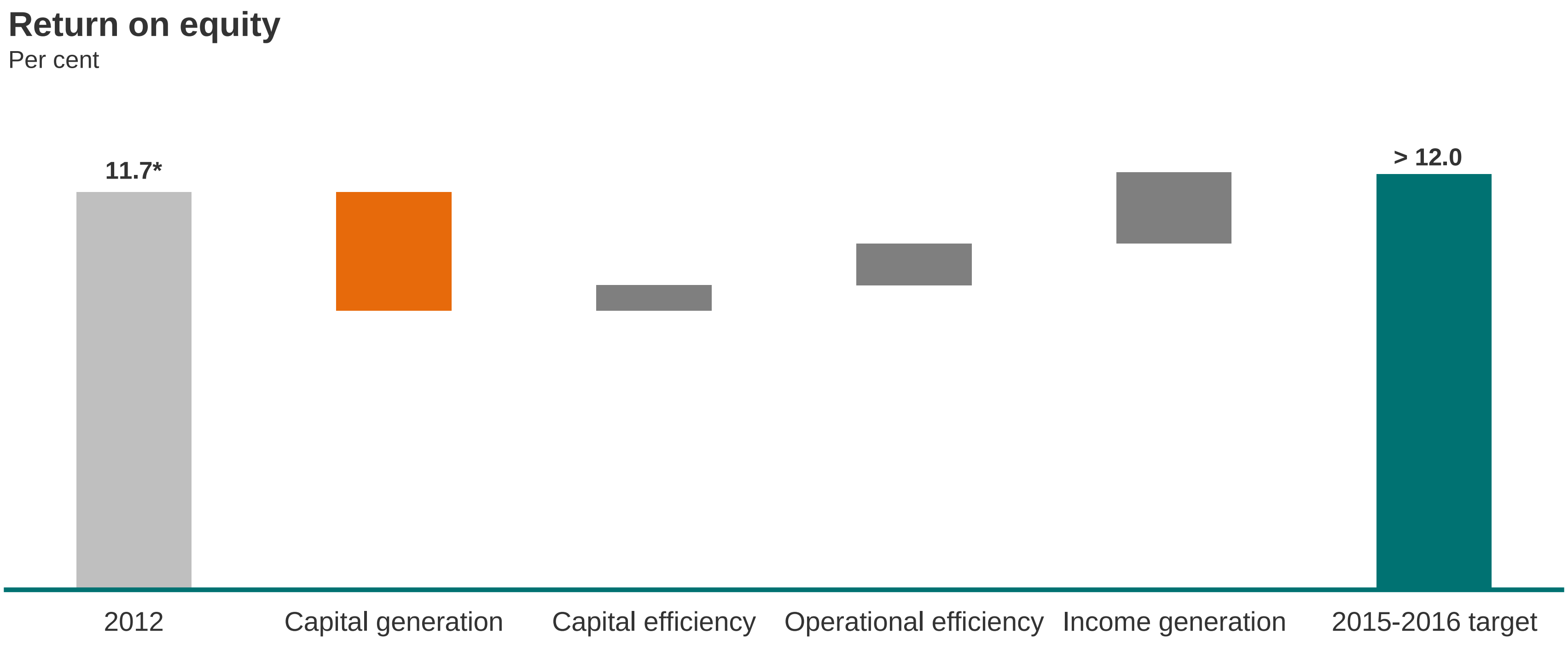
3. Resource allocation:
From static *to* dynamic allocation of capital based on profitability

1. From several equally important targets to one principal target

Sharpened focus on ROE target and improved flexibility

	CMD 2012, 2015 targets	On track as per 3Q13	CMD 2013, 2016 target
Average growth in nominal costs incl. restructuring costs	Max 2%	✓	ROE > 12%
Cost/income ratio	< 45%	✓	
Return on equity	> 12%	✓	
CET1 ratio (Basel III)	12.0-12.5%	✓	
Annual NII growth Trailing 12-month basis	> 6%	✓	

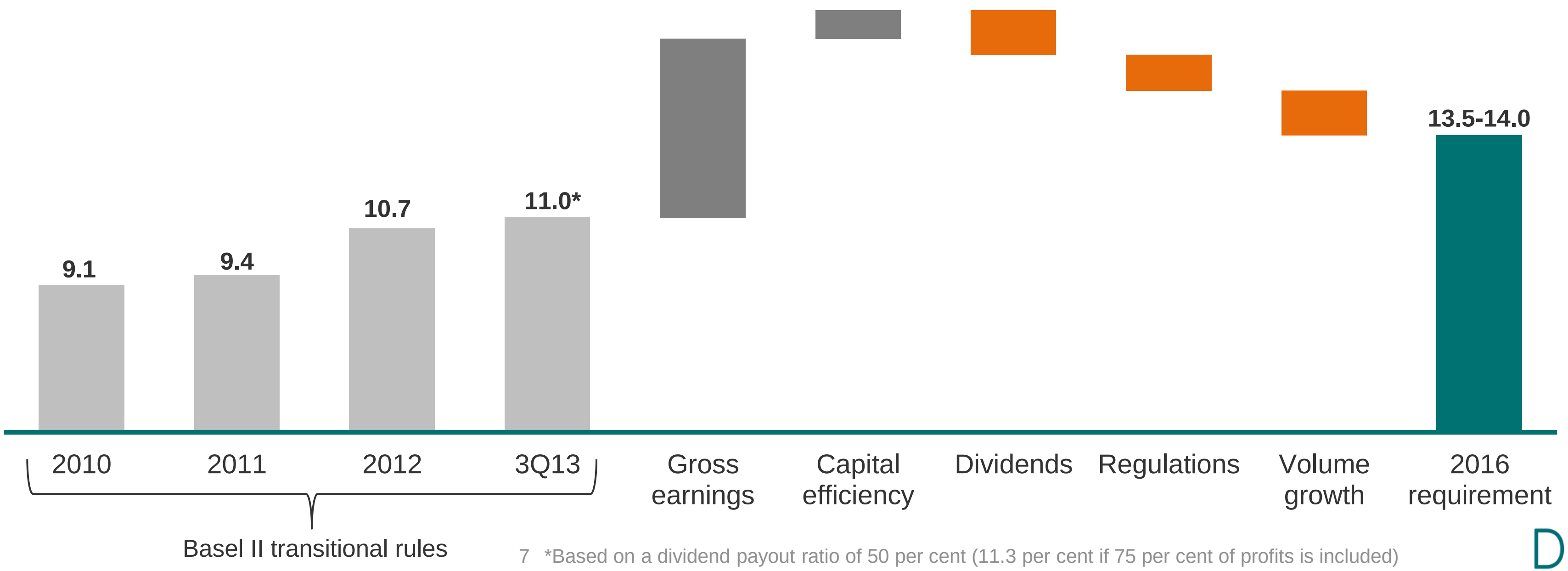
The roadmap towards a ROE above 12 per cent



*Due to implementation of the amended IAS 19, the 11.2 per cent ROE for 2012 have been restated

A clear route towards required capital levels
– Several measures to ensure organic capital growth

Common Equity Tier 1 capital ratio
Per cent



*Based on a dividend payout ratio of 50 per cent (11.3 per cent if 75 per cent of profits is included)

Adjusted payout ratio during the capital build-up period

Long-term dividend policy intact

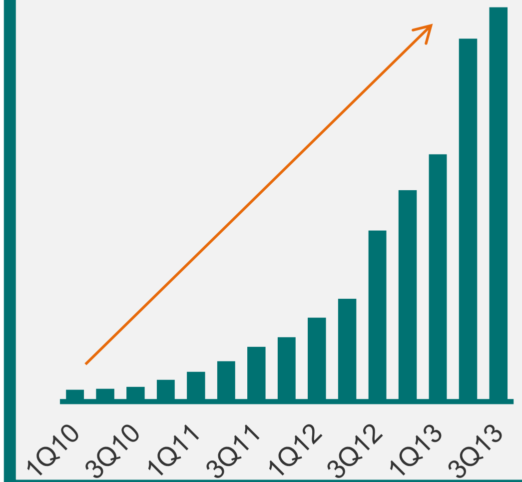
~25 per cent 2013-2016

50 per cent Long-term policy

2. From my customer to our customer with distinct customer segments
– Set to meet rapidly changing customer trends

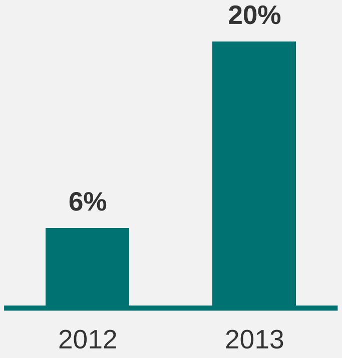
Personal banking
– From branches to mobile

Number of visits to DNBs mobile bank



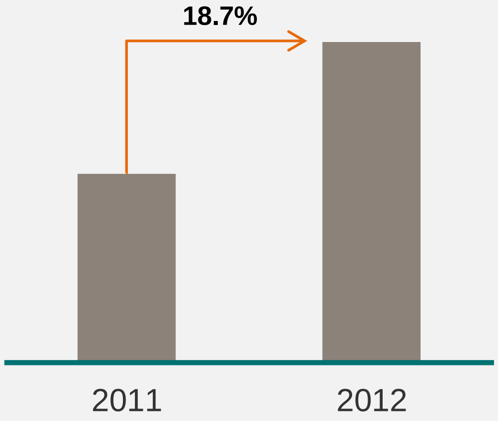
SMEs
– From office hours to 24/7

Share of client banking activity outside office hours



Private banking
– From bank to wealth manager

Development in number of USD millionaires, Norway

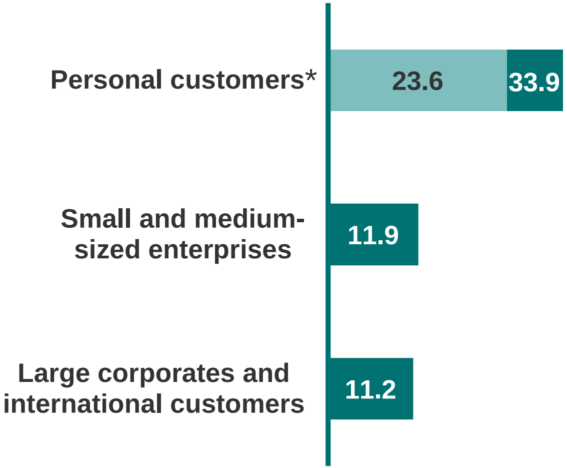


Source: Capgemini's World Wealth Report 2013/ Statistics Norway

DNB

New incentives to stimulate the “our customer” mindset
–Increasing sales of capital-light products

Reporting based on customer segments…
Return on allocated capital, 1Q13-3Q13, per cent



...stimulates cross-sales and increases customer profitability


DC life insurance


Issuance of bonds


Non-life insurance

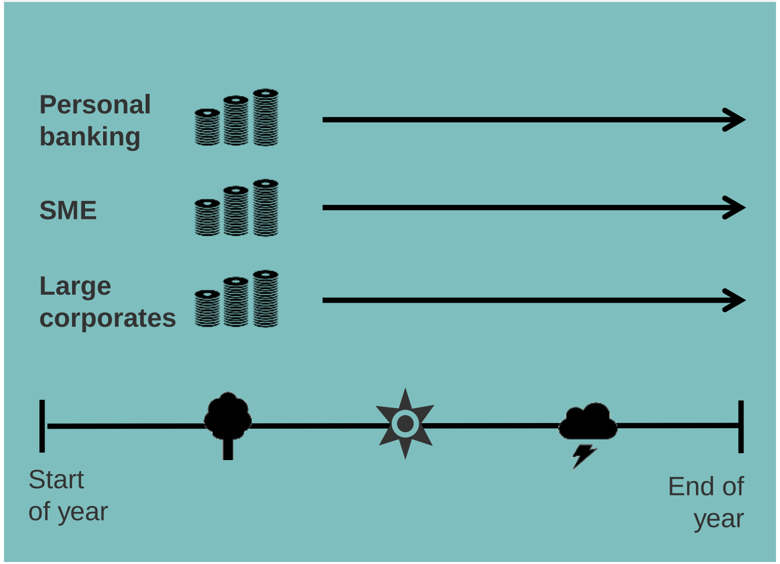

Leasing and factoring

* The light turquoise area is ROE based on the new increased LGD floor for the mortgage portfolio

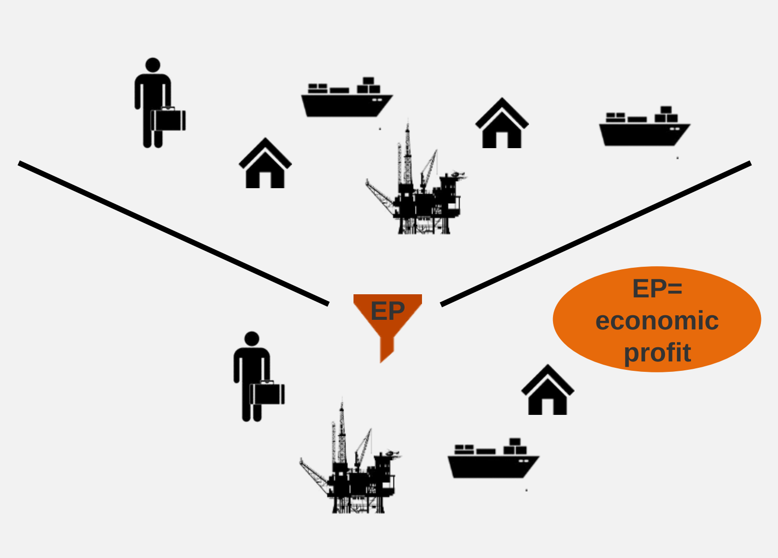
3. From static to dynamic allocation of capital based on profitability

Continuous assessment secures optimal use of scarce capital

From annual capital limits…



…to dynamic allocation based on profitability



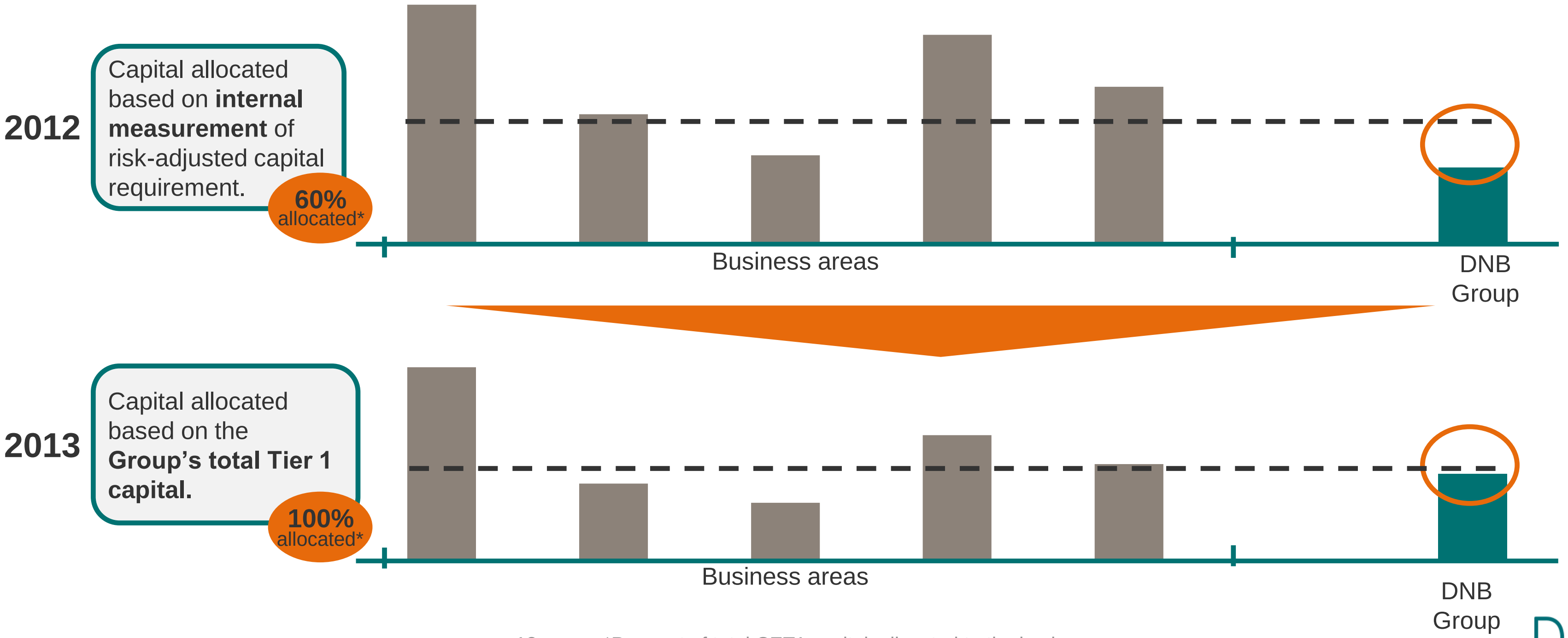
Economic profit = Profit for the period – cost of capital
Cost of capital = Allocated capital * The market's required rate of return

Allocation of *all* capital to the business areas

– Ensures that the required return on CET1 capital is understood and transparent

Return on allocated capital

Illustration



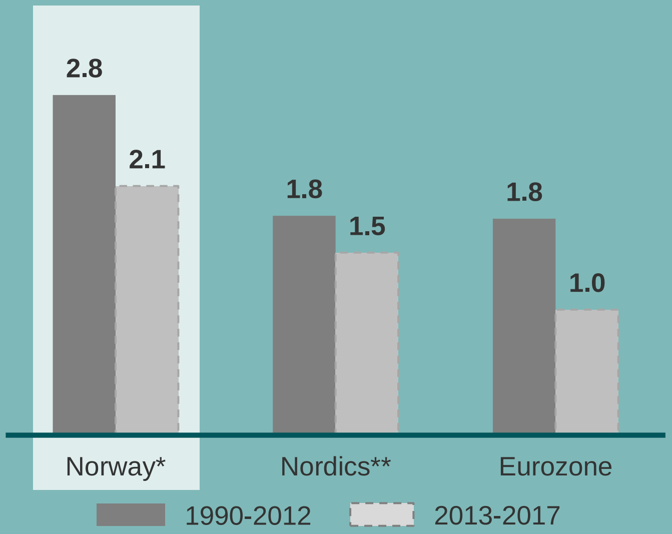
*Per cent of total CET1 capital allocated to the business areas

A robust Norwegian platform

– Slower growth, but still not the average economy

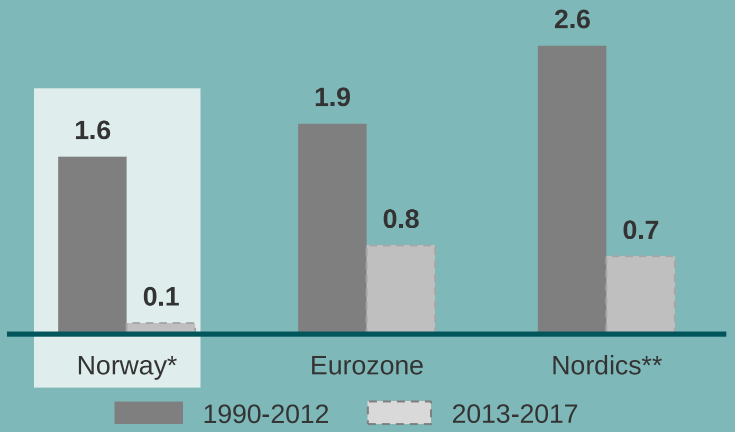
Average real GDP growth

Historical and consensus based, per cent



Standard deviation, GDP growth

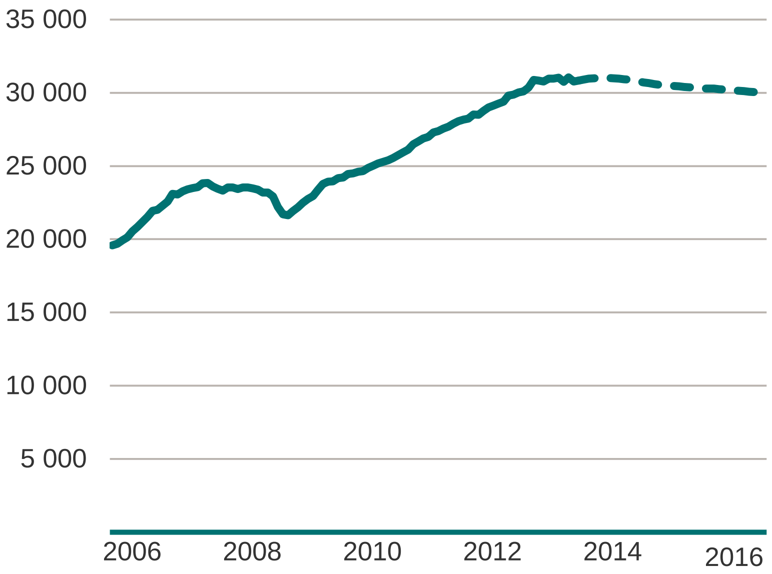
Historical and consensus based, per cent



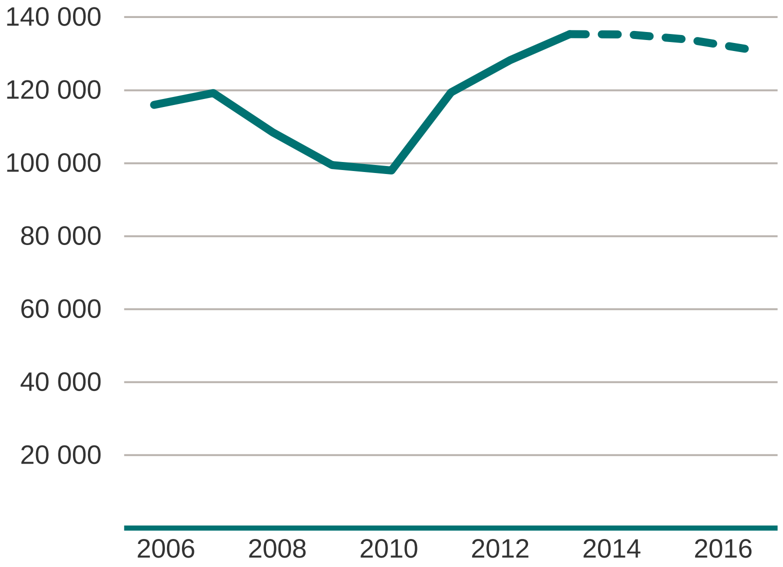
*Mainland **Denmark, Sweden and Finland, Source: DNB Markets

The Norwegian housing market is developing as expected
– Prices are stabilising and investments are about to peak

Housing prices
Average price per square metre, NOK



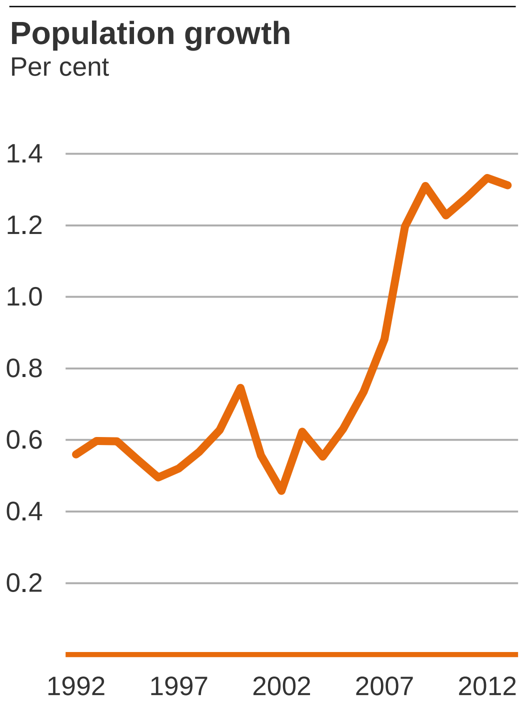
Housing investments
In 2010 prices, NOK million

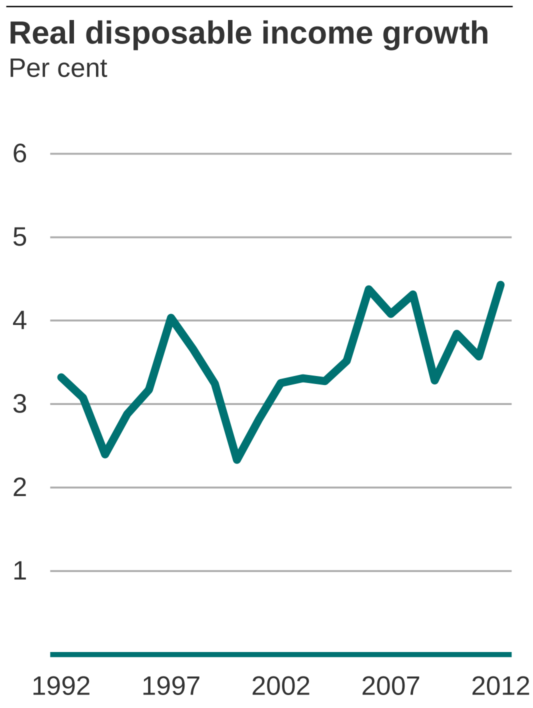


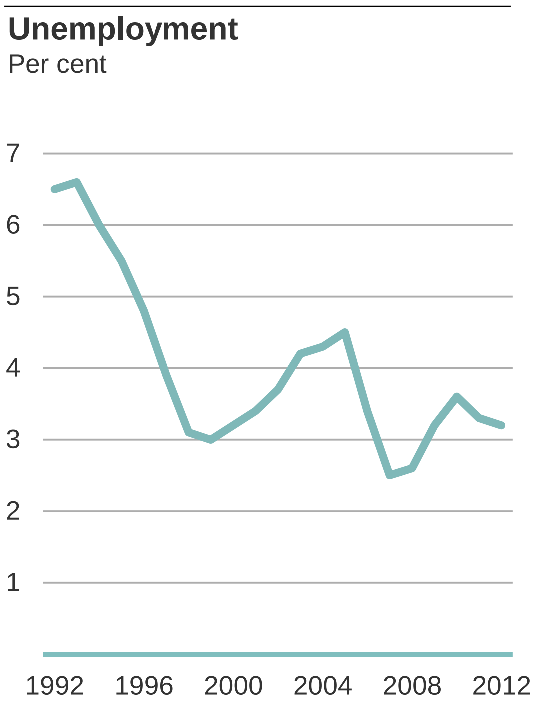
Source: EFF/Eiendomsverdi/finn.no/DNB Markets/Statistics Norway

Underlying fundamentals are strong on the demand side…

– Population increase, income growth and low unemployment in Norway





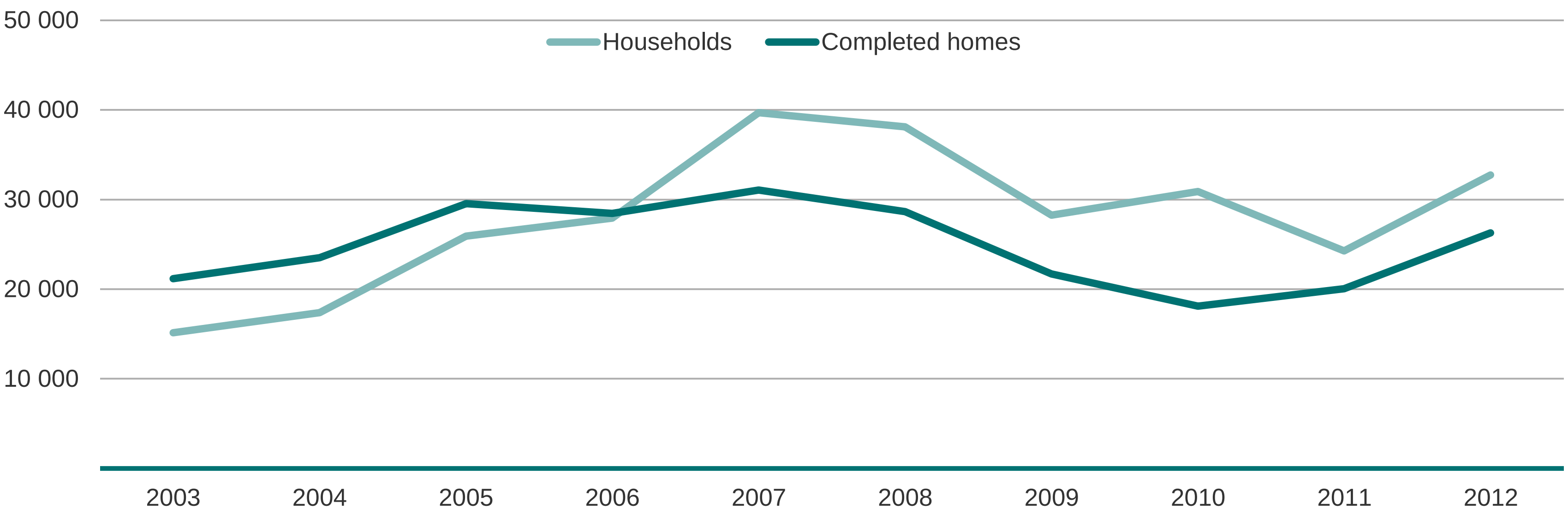


Source: Statistics Norway

…and on the supply side

– Housebuilding activity lags behind population growth

Households and completed homes
Thousands



Source: Statistics Norway

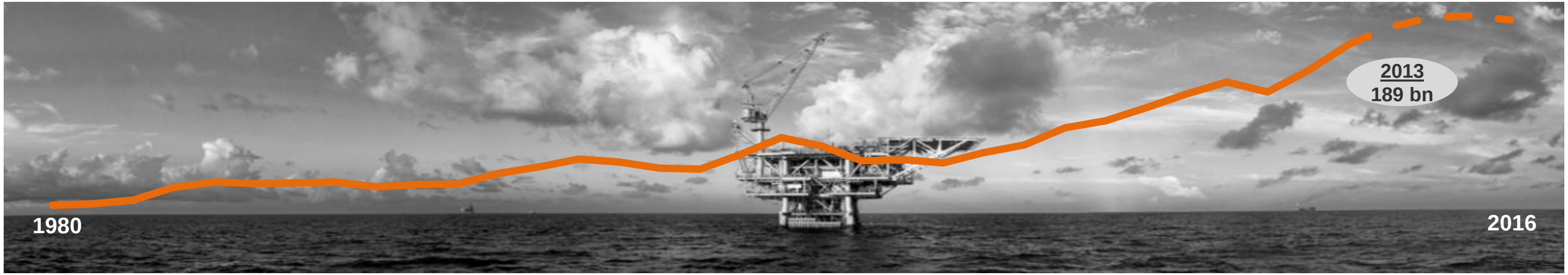
DNB

A sustainable Norwegian oil industry

– Investments are levelling off and prices are declining, but remain at a high level

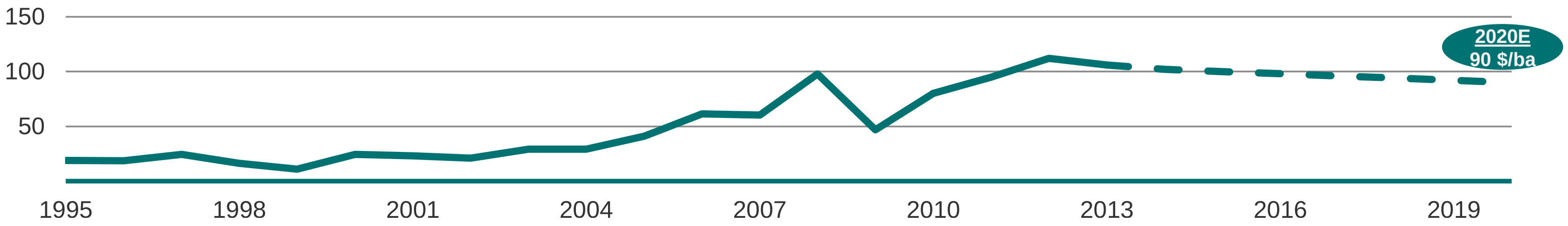
Norwegian petroleum investments

NOK billion



Long-term oil price forecast

$/barrel

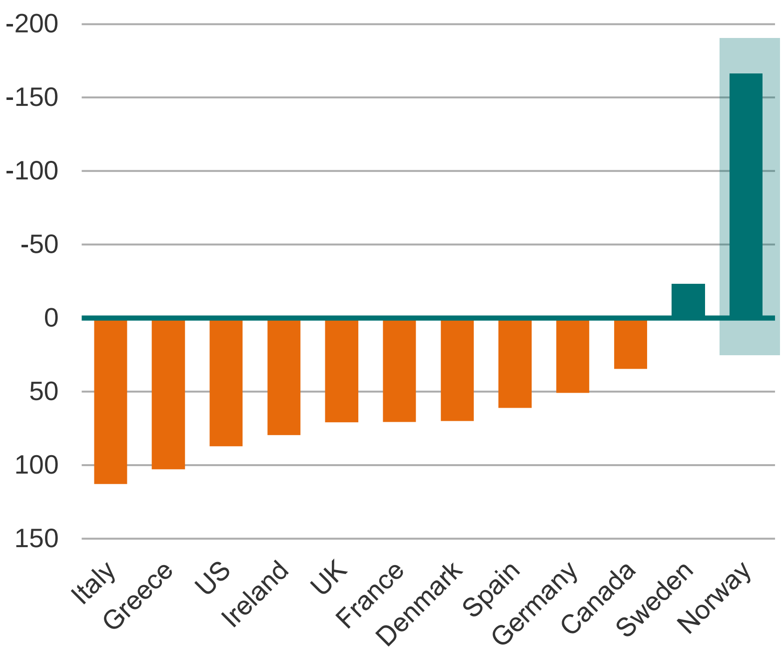


Source: DNB Markets

Large public wealth gives ample leeway to smooth business cycles

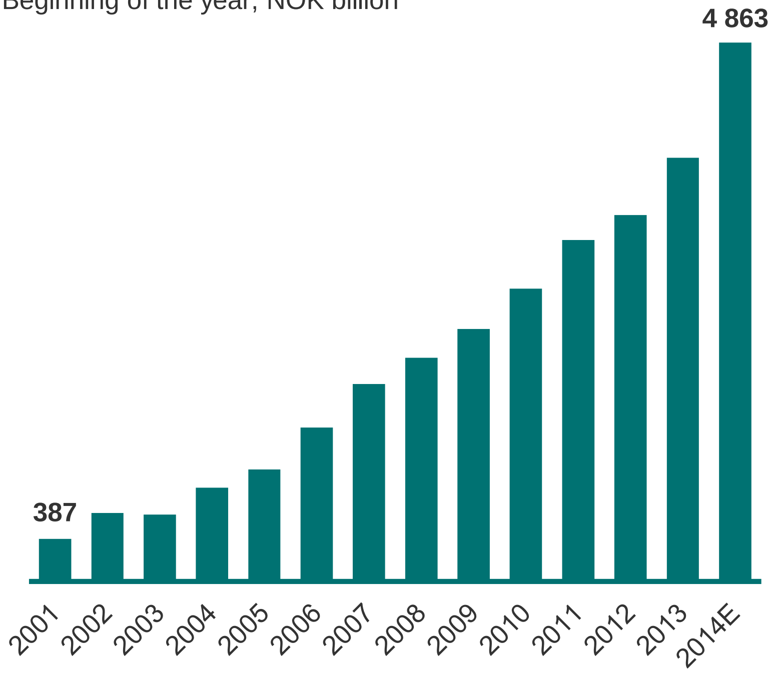
General government net financial liabilities

As a percentage of nominal GDP 2012



Government Pension Fund Global

Beginning of the year, NOK billion



Source: OECD, National Budget Norway

Reduced impairment expectations

Guiding

2013

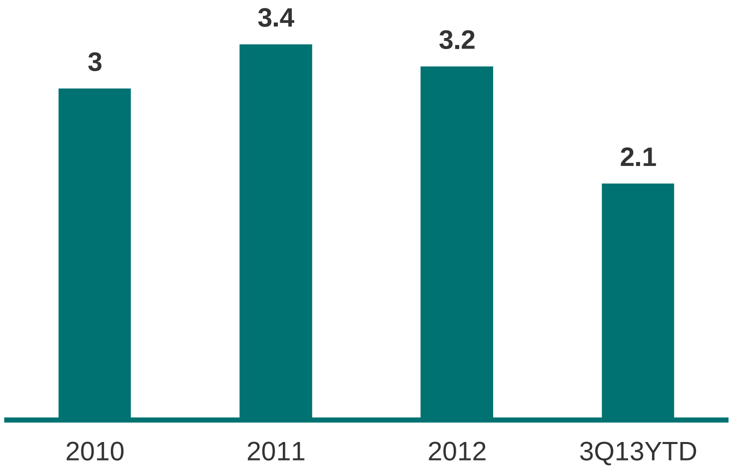
- Our guiding for impairment of loans and guarantees for 2013 is expected to end below the NOK 3-4 billion interval in our previous guiding.
- Individual impairment within shipping in 2013 is expected to end below the NOK 1 -1.5 billion interval in our previous guiding

2014

- Our best estimate for 2014 is somewhat lower impairment of loans and guarantees than 2013

Impairment developments

NOK billion



Key messages from the group CEO

Setting direction towards 2016

- *Target: Return on equity above 12 per cent*
- *Requirement: CET1 ratio at 13.5-14 per cent*

Meeting a new banking reality

- *Targets: from several to one*
- *Customers: from my to ours*
- *Resource allocation: from static to dynamic*

A robust Norwegian platform

- *Slower growth, but still not the average economy*

Capital and liquidity

Optimising our capital position in a new regulatory era

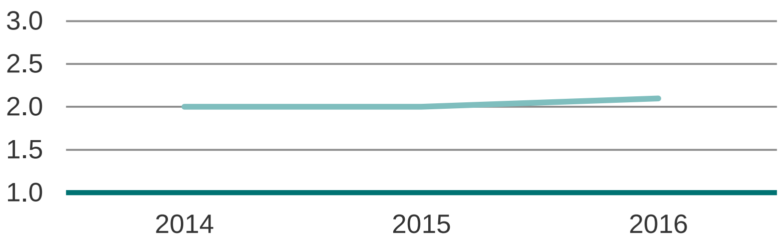
- Continuing to strengthen our capital ratio organically
- Still some regulatory uncertainty
- Handling the guaranteed back book for life insurance
- Complying with future liquidity regulations

Bjørn Erik Næss
Chief Financial Officer

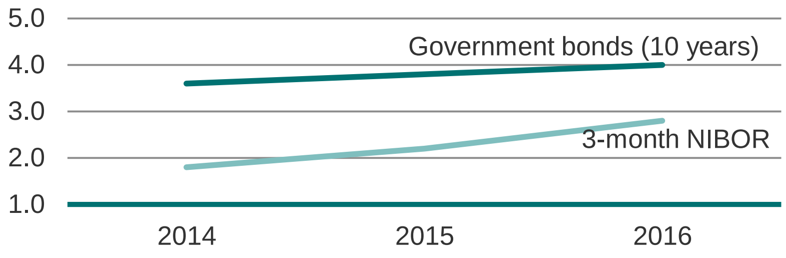
DNB

Macro parameters, Norway
– Future assumptions

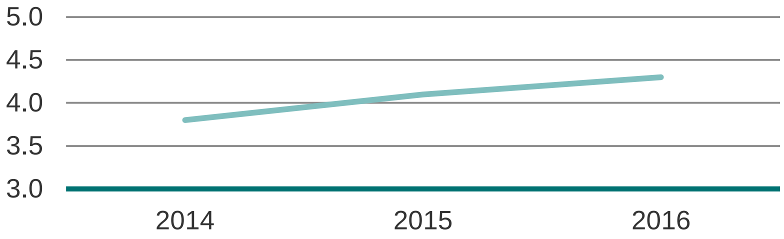
GDP growth*
Per cent



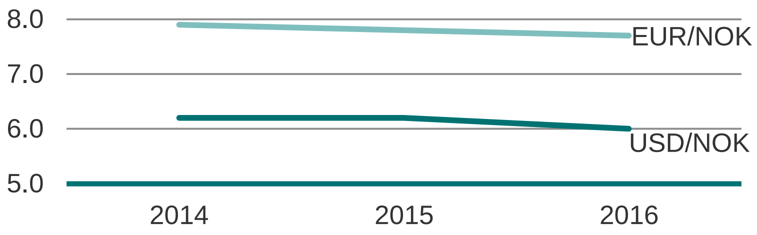
Interest rates
Per cent



Unemployment rate
Per cent



Exchange rates
EUR/NOK, USD/NOK

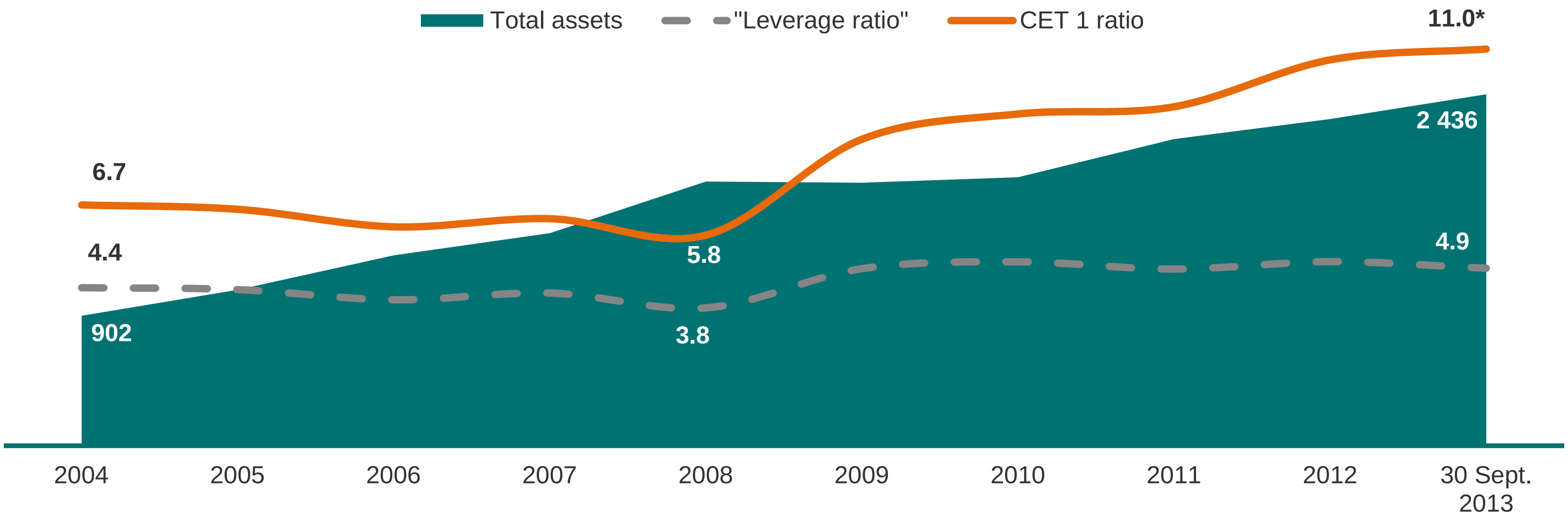


 Source: DNB Markets *Mainland Norway

Continuing to strengthen our capital ratio organically

A strong history
– Improved capitalisation parallel to substantial growth

Total assets, "leverage ratio", CET 1 capital ratio – transitional rules
Per cent, NOK billon

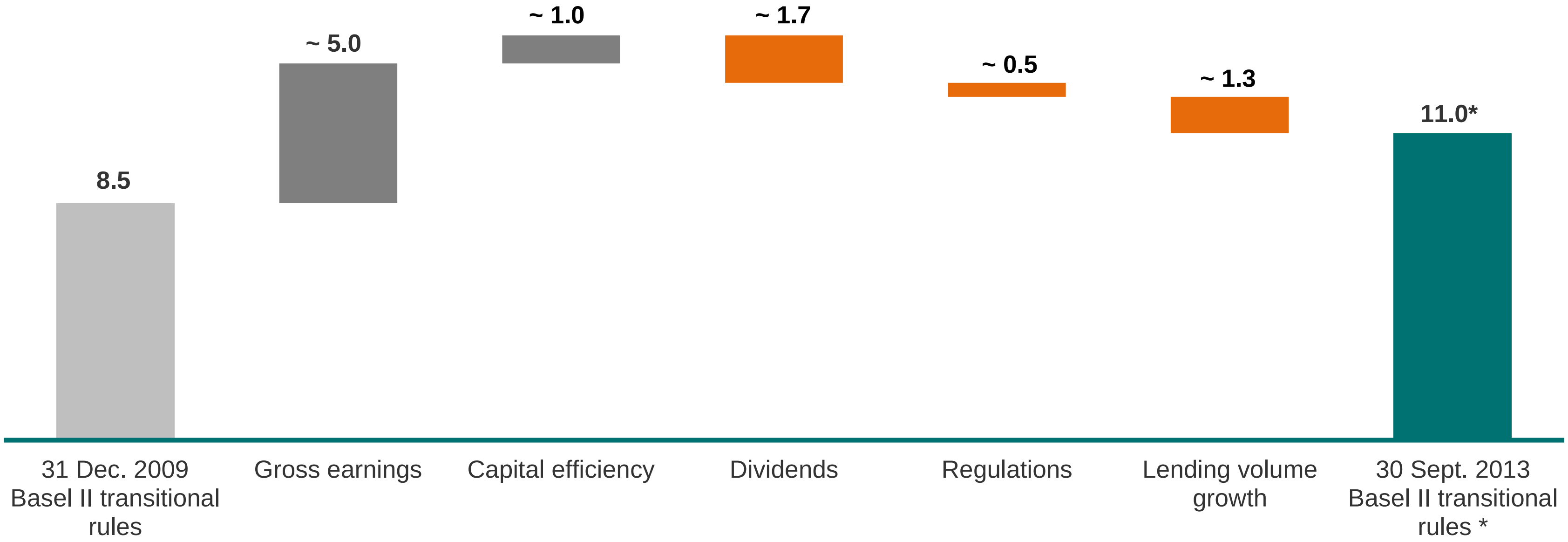


CET 1: Common Equity Tier 1, "leverage ratio" = CET 1 / total assets
* Including 50 per cent of profits for the period (11.3 per cent if 75 per cent of profits is included)
CET 1 ratio Basel III: 12.5 per cent as at 30 September 2013

Our capital ratio has been strengthened organically

CET 1 capital ratio, Basel II transitional rules

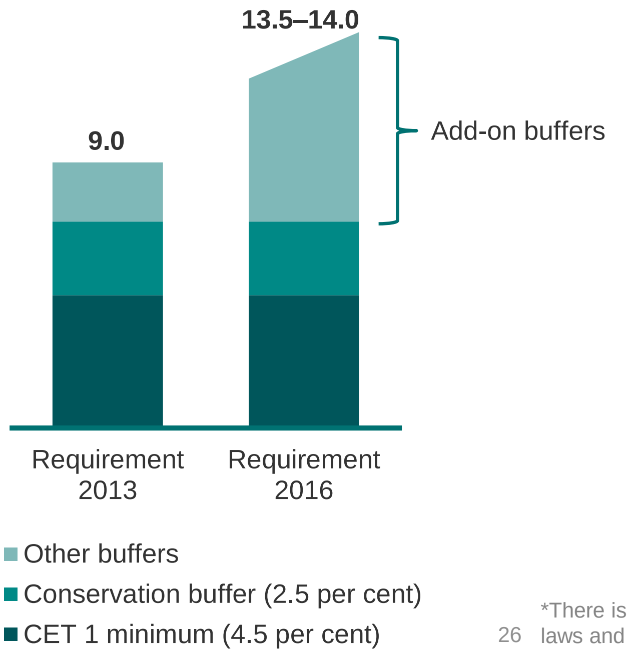
Per cent, percentage points



*Including 50 per cent of profits for the period (11.3 per cent if 75 per cent of profits is included)
CET 1 ratio Basel III: 12.5 per cent as at 30 September 2013

Common Equity Tier 1: The regulatory way forward
– Expected requirement of 13.5-14.0 per cent in 2016

CET 1 ratio
Per cent



Regulatory capital

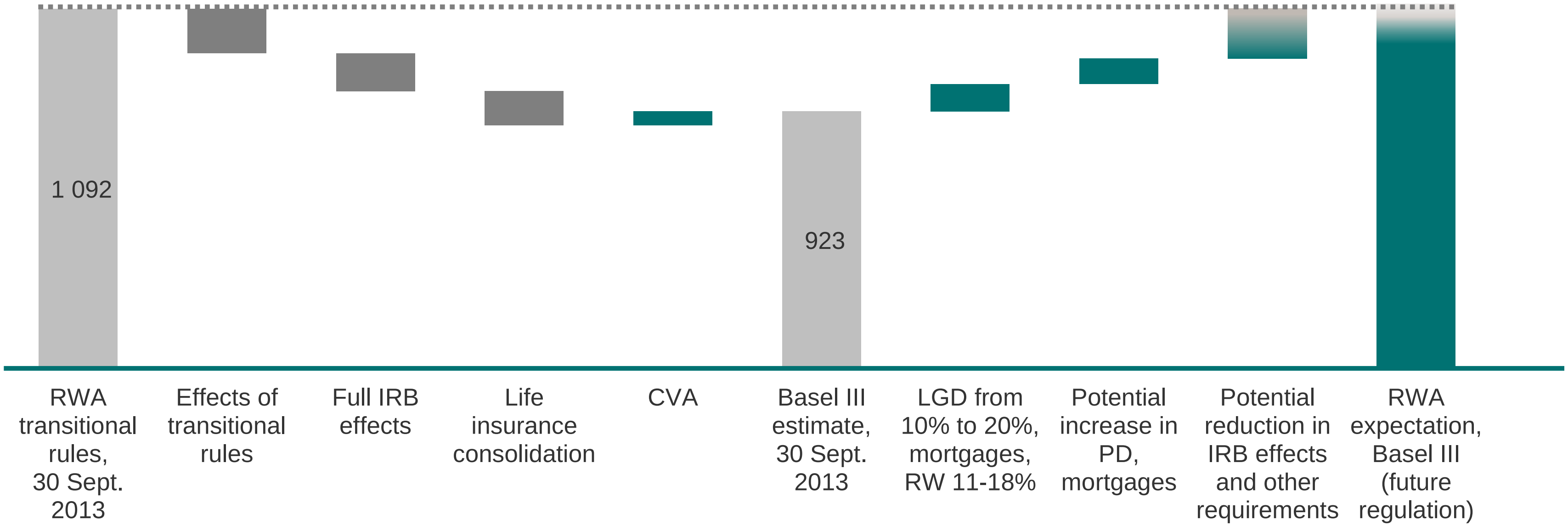
- Minimum capital requirement of 7 per cent in 2016, plus various additional buffer requirements of 6.5–7.0 per cent
- The add-on buffers consist of a number of buffers in dynamic interaction*:
  - Systemic buffer
  - Systemically important financial institution (SIFI) buffer
  - Countercyclical buffer** applying to a weighted average of local countercyclical requirements
  - Pillar 2 buffer
  - DNB's own buffer
- Various sets of risk-weighted asset (RWA) calculations (e.g. transitional rules, Basel III) are expected to converge towards 2016

*There is still uncertainty as to how the CRD IV regulations will be implemented in Norwegian laws and regulations ** Domestic RWA is assumed to be ≈ 2/3

RWA effect of full Basel III implementation will be offset by Norwegian requirements

Basel II transitional rules ≈ future Basel III requirement

NOK billion as at 30 September 2013

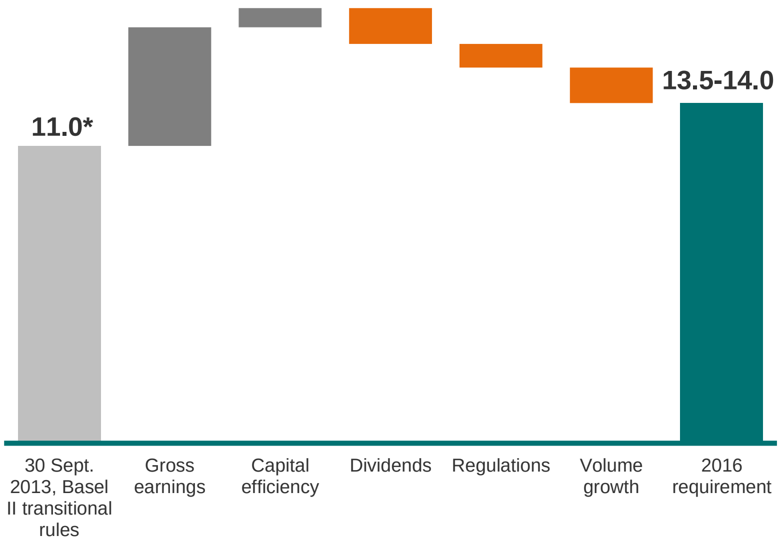


LGD: Loss Given Default, PD: Probability of Default, IRB: Internal Ratings-Based model, CVA: Credit Value Adjustments

Our capital position will be further strengthened organically

CET 1 ratio

Per cent



Key aspects

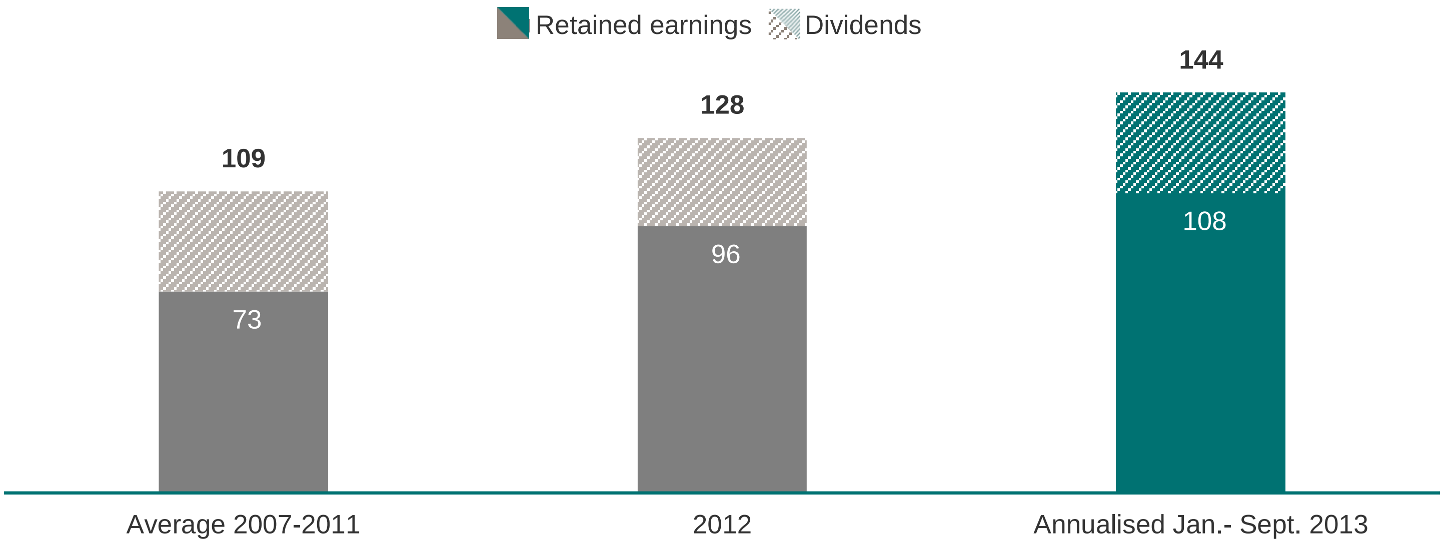
- No equity issue
- Gross earnings, through retained earnings, will be the main source of capital accumulation
- Further capital efficiency measures
- Minimum 25 per cent dividends
- Regulatory convergence of RWA
- Potential for 3-4 per cent annual volume growth

*Including 50 per cent of profits for the period (11.3 per cent if 75 per cent of profits is included)

CET 1 ratio Basel III: 12.5 per cent as at 30 September 2013

Gross earnings will be the main source of capital accumulation
– Above 100 bps per year is well within reach

Total gross earnings split into retained earnings and dividends
Basis points (bps), Basel II transitional rules



25% dividend payout ratio for 2013 assumed, based on annualised Jan.–Sept. 2013 earnings

Significant contribution also from capital efficiency measures
– Aiming for 80–100 bps towards 2016

Optimisation to the regulatory framework

- Approval of all IRB models
- Increasing precision of risk measurement
- Restructuring of the product range

Strict prioritisation of resources

- Dynamic prioritisation between business areas
- Reallocation of assets between business areas
- Increased focus on capital-light products

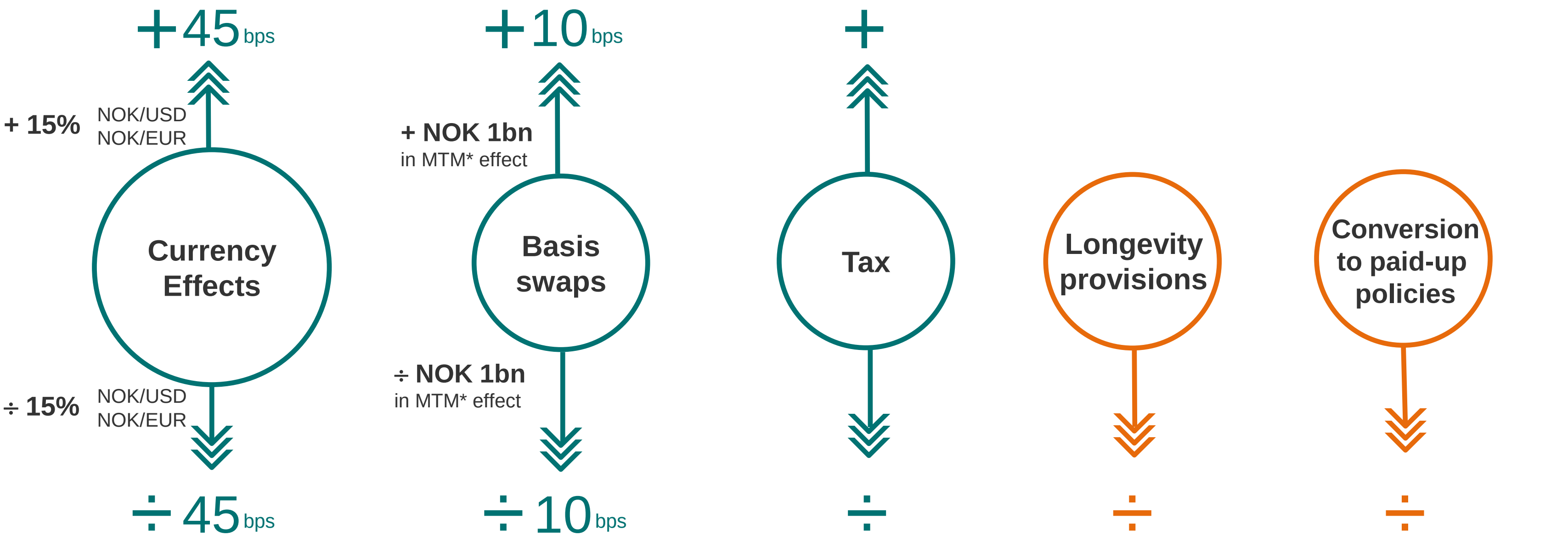
Balance sheet optimisation

- Reduction in capital deductions
- Realisation of capital gains
- Disposal of non-core assets

Certain elements are beyond our control

Elements affecting the CET 1 ratio

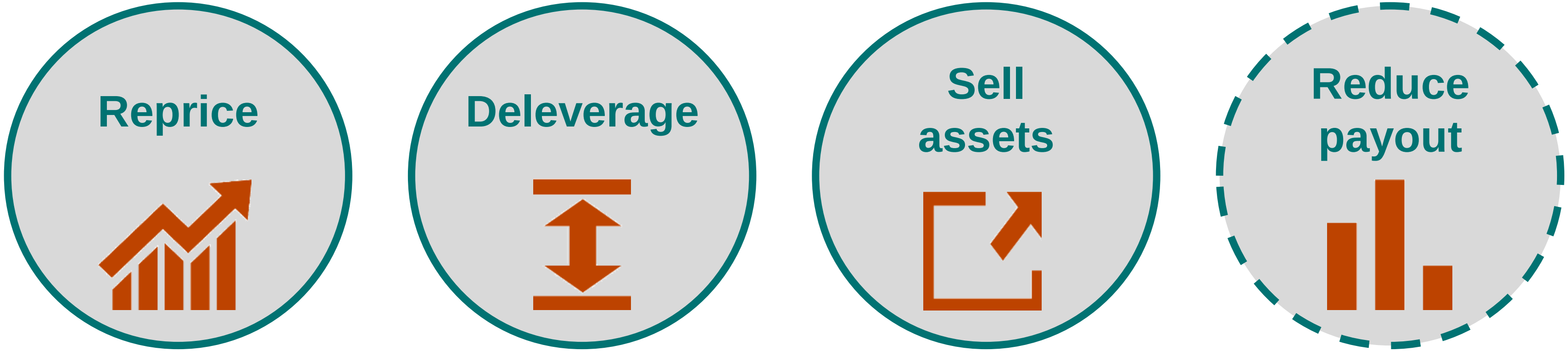
Scope of impact



* MTM: mark-to-market

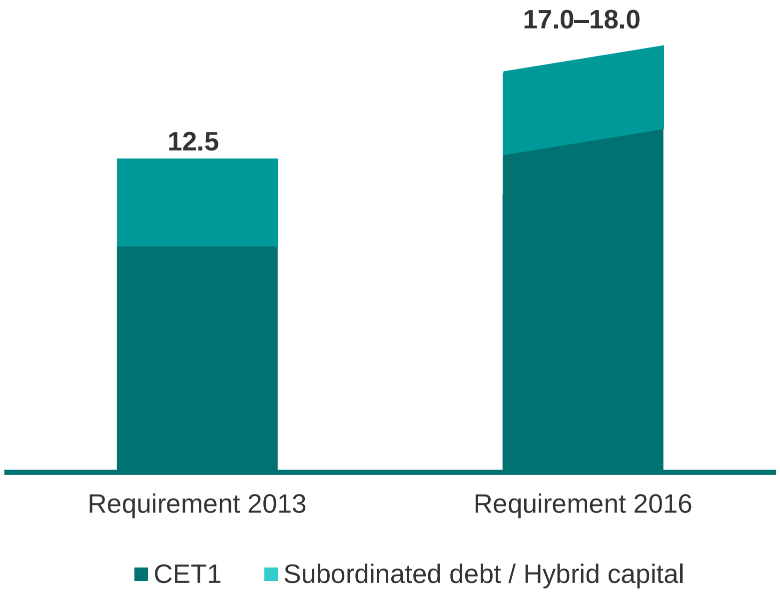
Several options provide flexibility if the capital requirements turn out differently than expected

Options



Total capital ratio: The regulatory way forward
– Expected requirement: 17-18 per cent by 2016

Total capital ratio requirement targets
Per cent



Optimising our total capital structure

- Continue to issue additional capital instruments to optimise our capital structure, i.e. 3.5 per cent
- Dividend payments on ordinary shares and coupon payments on Additional Tier 1 (AT1) instruments are at the discretion of the issuer
- DNB intends to decide on such payments based on the hierarchy of DNB's capital structure
- With the current price level of our funding, subordinated debt and hybrid capital, the positive effects from lower long-term funding costs are expected to partly compensate for the negative effects of the higher cost level for additional capital instruments

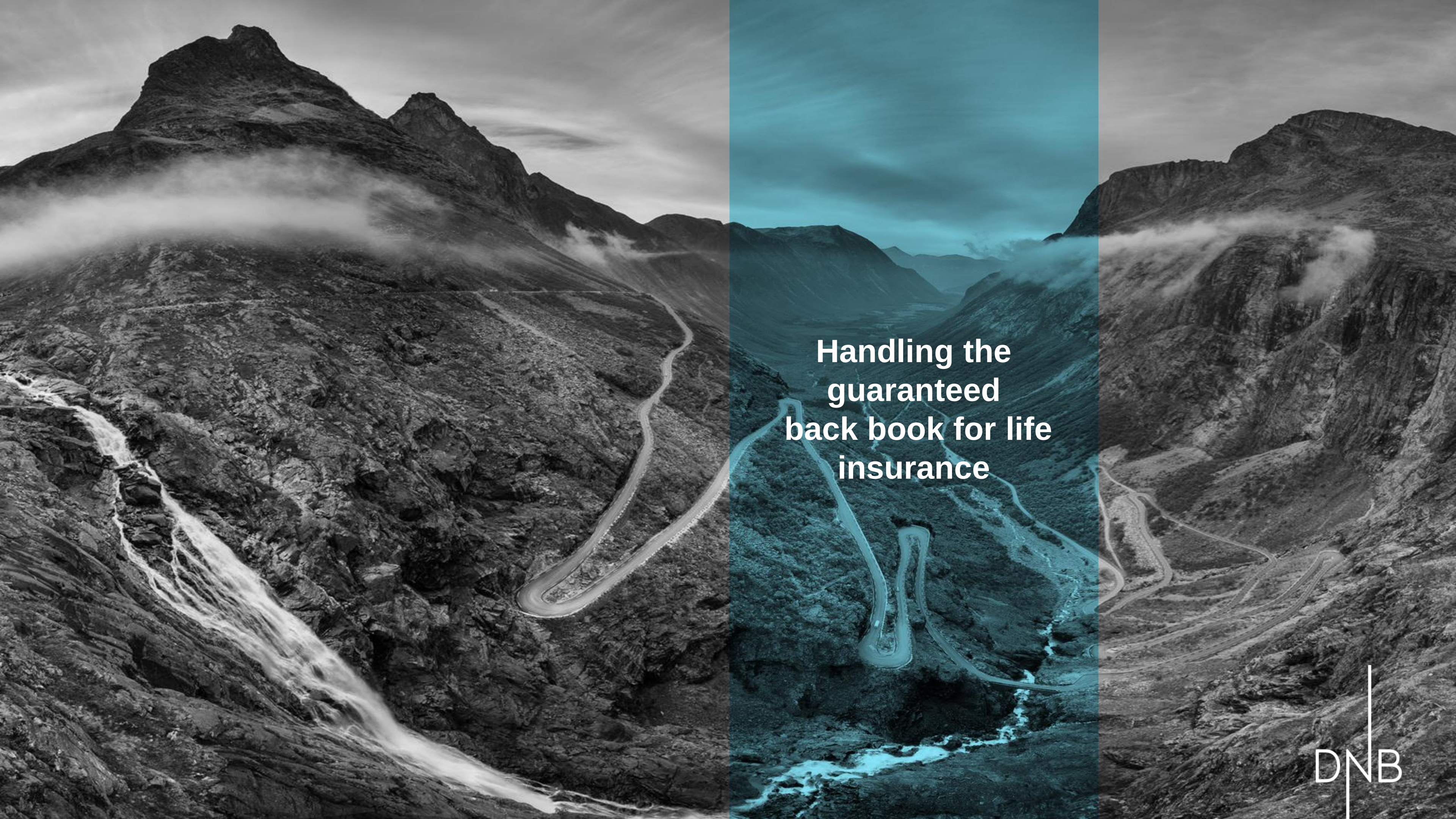

Still some regulatory uncertainty

Unresolved regulatory issues

Banking regulations	Liquidity regulations	Insurance regulations

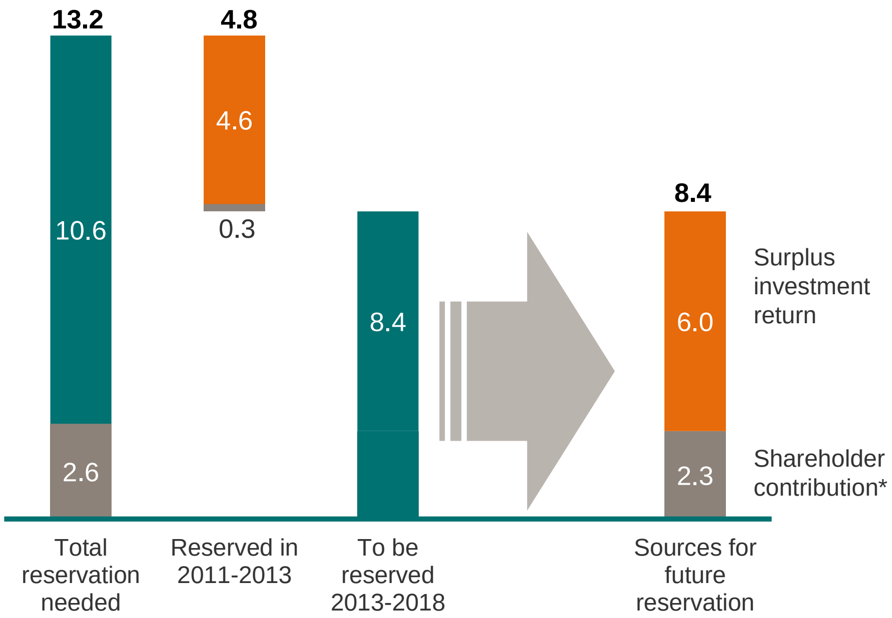
• Norwegian implementation of Basel III/CRD IV
  • Risk weights on home mortgages
  • Countercyclical buffer
  • Transitional rules
  • Insurance consolidation
• Recovery and Resolution Directive (RRD)
	• Basel III liquidity requirements
	  • Final calibration of Net Stable Funding Ratio (NSFR) and Liquidity Coverage Ratio (LCR)
		• Solvency II implementation
		• New legal product framework

Handling the guaranteed back book for life insurance

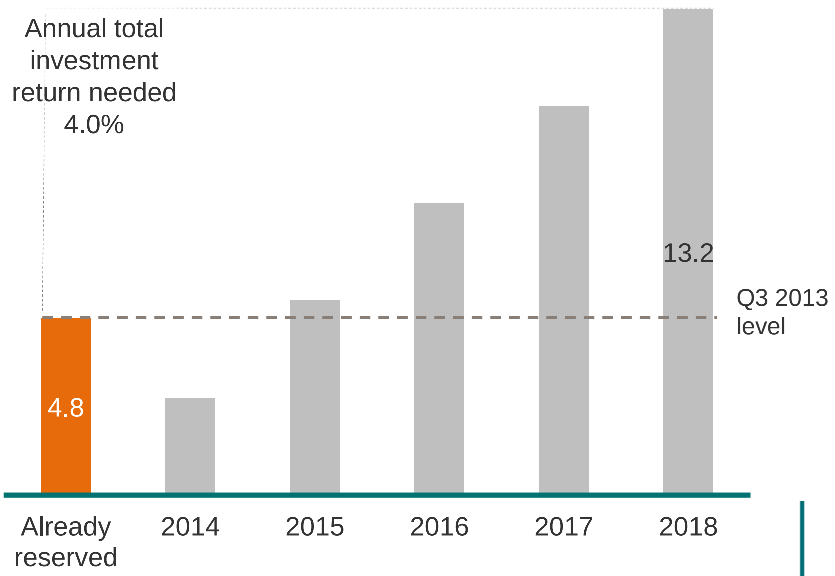


Longevity provisions two years ahead of schedule
– above the expected 2015 level at year-end 2013

Longevity provisions as at end-Sept. 2013
NOK billion



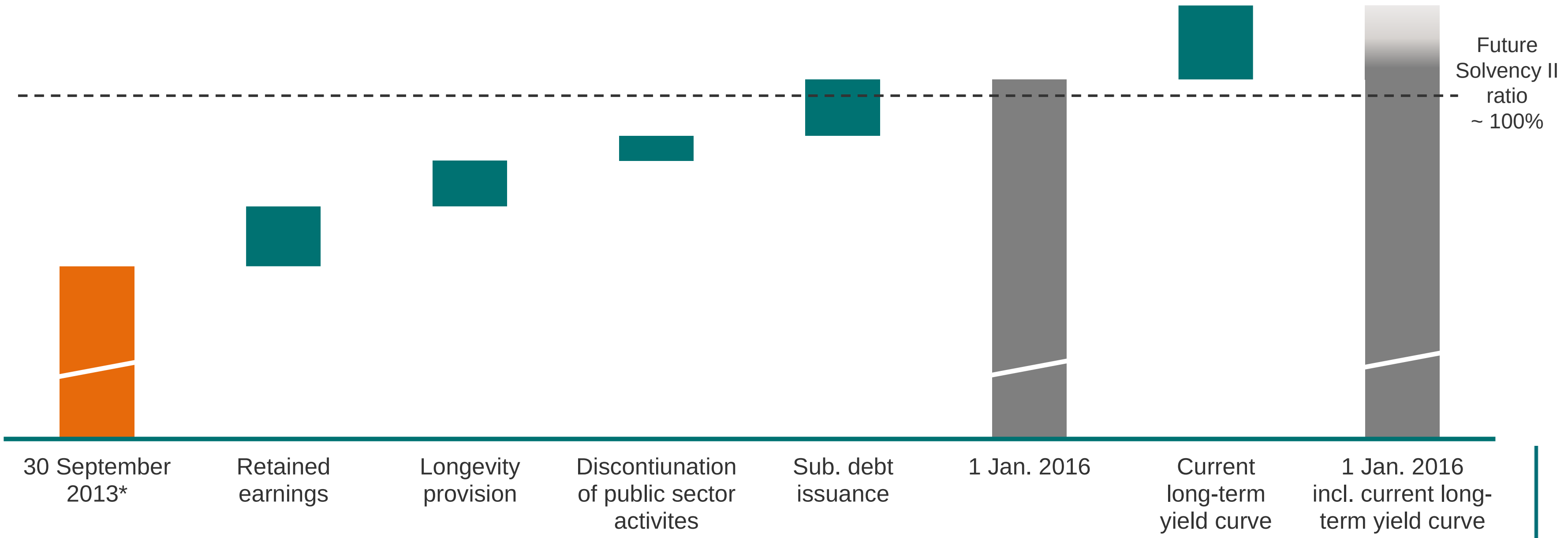
Future reservation plan
NOK billion



* Of which defined benefit schemes (DB) = approx. NOK 1.6bn and paid-up policies = approx. NOK 0.7bn

Solvency II
– Compliant before potential transitional rules are implemented

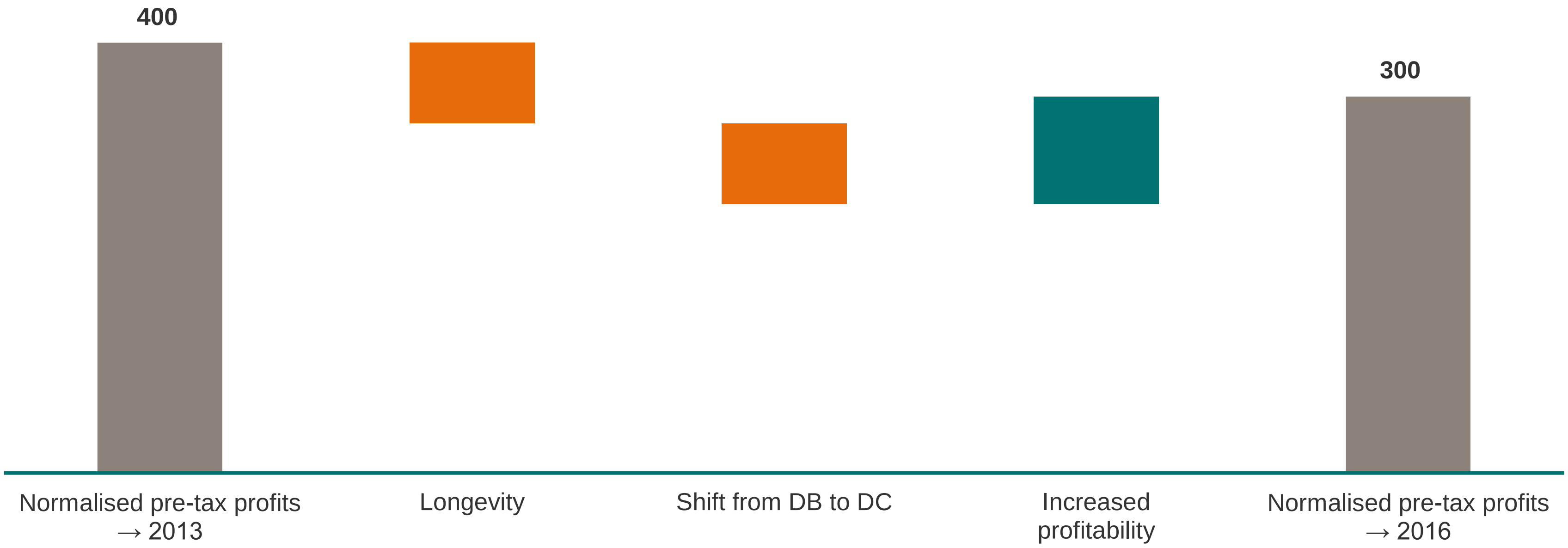
Projected Solvency II position at the start of 2016
Per cent



* Current Solvency I ratio: 184 per cent

Impact on earnings from longevity and shift to defined contribution schemes

Normalised pre-tax profits, DNB Livsforsikring ASA
NOK million

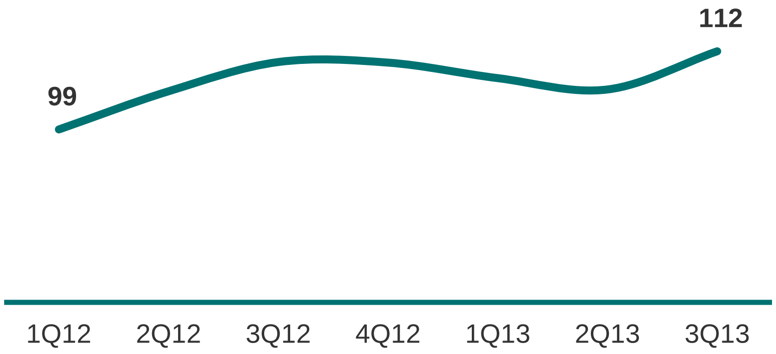


DB: Defined benefit schemes, DC: Defined contribution schemes

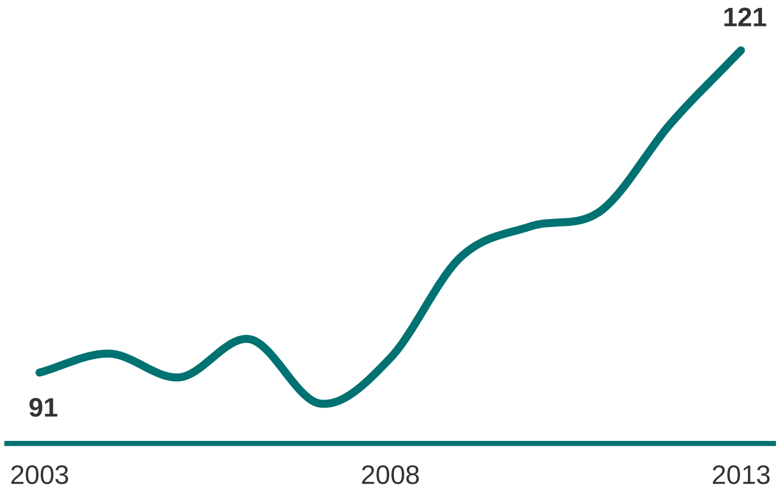
Complying with future liquidity regulations

Complying with future liquidity regulations

Liquidity coverage ratio (LCR)*
Per cent



Share of long-term stable funding**
Per cent

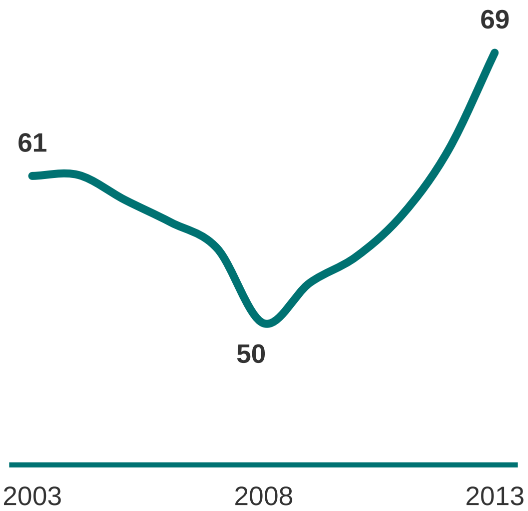


*Based on the Basel Committee's proposal from Dec. 2010. The revised version (Jan. 2013) will probably lift the line around 25 percentage points, but this is still subject to regulatory uncertainty.
** Deposits from customers, subordinated debt, covered bonds and senior debt > 12 month residual maturity divided by total lending

A healthy funding situation

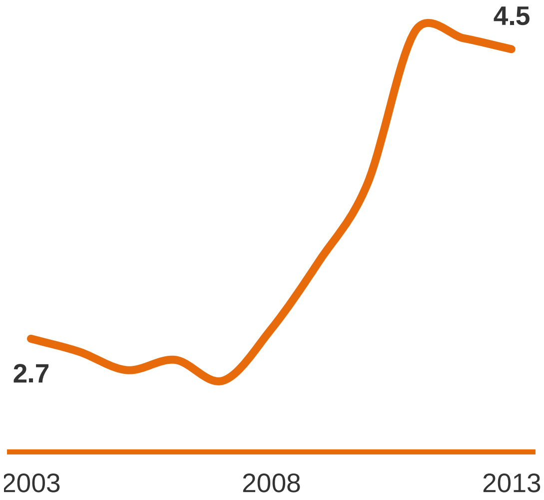
Deposits-to-loans ratio

Per cent



Average life of long-term funding

Average number of years



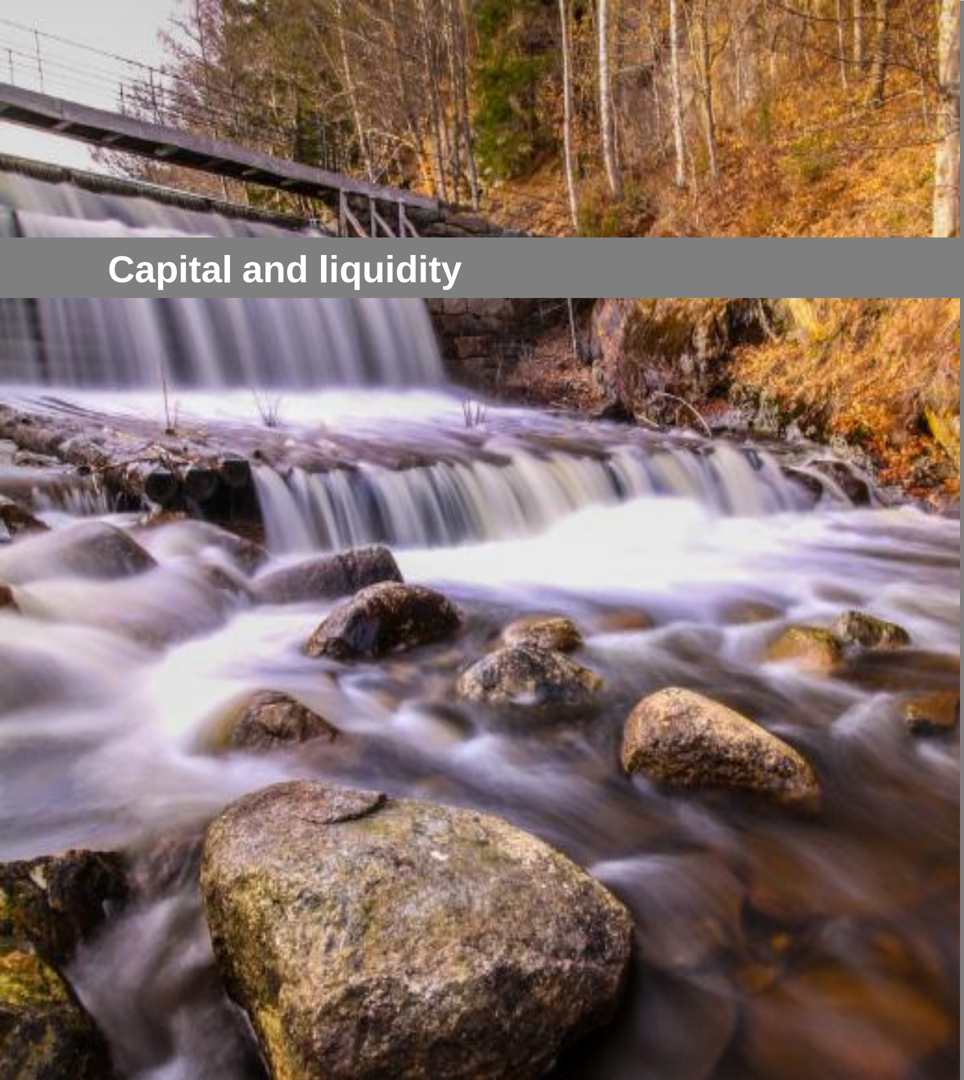
Secondary prices for bonds in NOK

Pricing in bps above NIBOR *

* Average annual index for secondary prices for 5-year DNB senior and 10-year DNB covered bonds, respectively. NIBOR = Norwegian InterBank Offered Rate

DNB

Capital and liquidity



Optimising our capital position in a new regulatory era

- Continuing to strengthen our capital ratio organically
- Still some regulatory uncertainty
- Handling the guaranteed back book for life insurance
- Complying with future liquidity regulations

Personal customers Norway

Profitable growth by enhancing customer experience

- Market leader in one of the most attractive banking markets globally
- Robust and profitable mortgage portfolio
- Growth in less capital-intensive products
- Adopting a proven retail concept and leveraging digital channels

Trond Bentestuen
Head of Personal Banking Norway

Market leader benefiting from a solid reputation

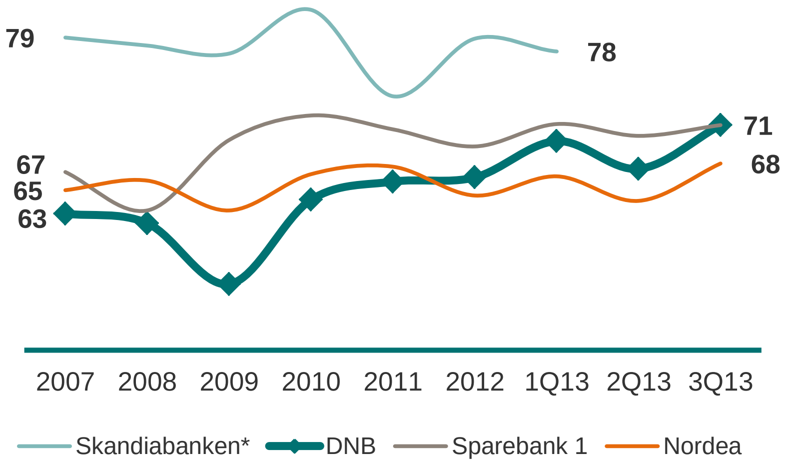
– Operating in one of the most attractive banking markets globally

Market share, Norwegian households

August 2013, per cent

Reputation (brand)

Index= 1-100



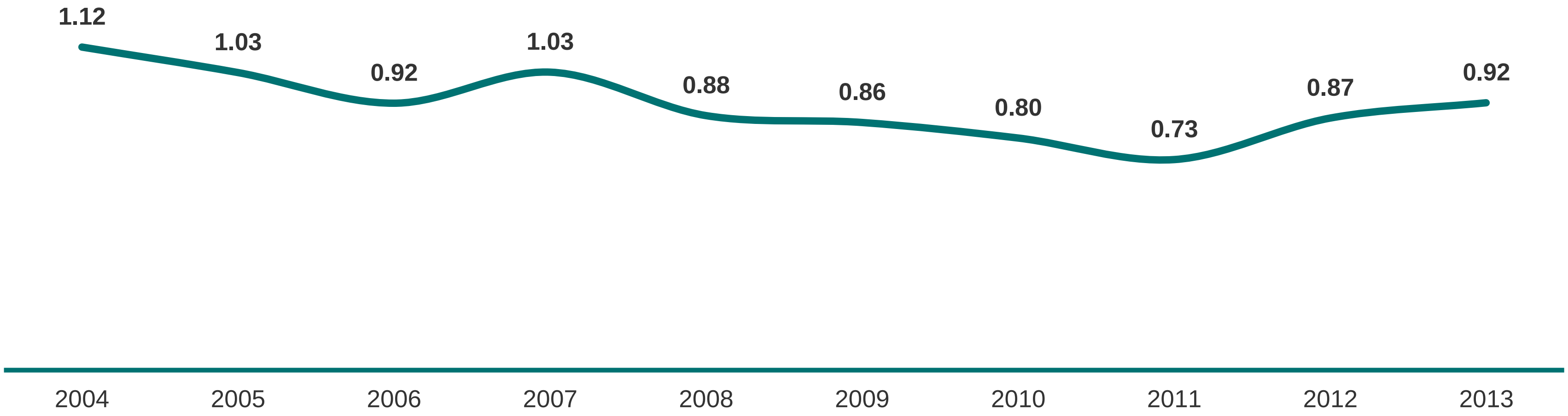
Source: RepTrak™ (Reputation Institute and Apeland), Statistics Norway, Finance Norway, EPSI Norway * Latest survey 1Q2013

Spreads are low in a historical context

– Sustainable net interest rate

Weighted lending and deposits spreads

DNB personal customers, per cent



Credit portfolio remains robust
– Low and decreasing portfolio risk

Key portfolio risk indicators
Personal customer portfolio 2013

Loan-to-value: 94 per cent of portfolio < 85 per cent

Floating interest rate: Applies to 88 per cent of the mortgage portfolio

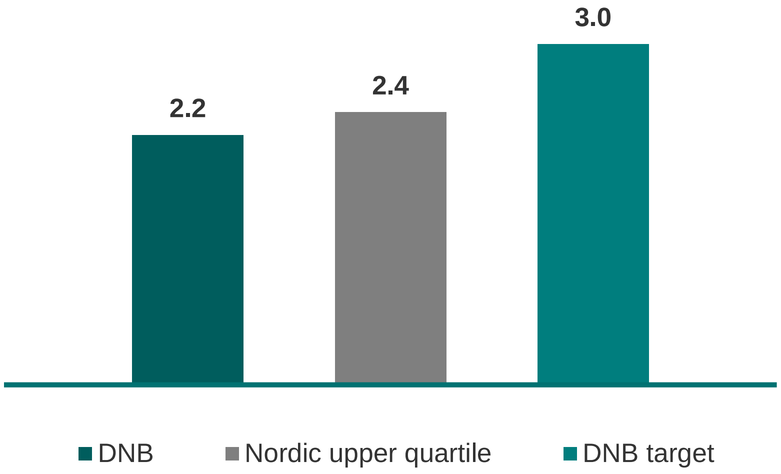
Instalments: 83 per cent of mortgage customers are paying instalments

Full recourse: Loans/mortgages are a personal responsibility

Source: Statistics Norway and DNB's annual reports (private individuals DNB Bank Group)

Great potential in leveraging our existing customer base
– Key profitability driver

Products per customer
Benchmarking study, average number of products



Opportunities to improve other income

- Non-life insurance products: ~10 per cent of customer base
- Mutual funds: ~ 20 per cent of customer base
- Life insurance/pension funds: ~ 20 per cent of customer base
- Credit cards: ~ 45 per cent of customer base

Source: Finalta – Nordic Sales Effectiveness Benchmarking 2013

Extensive customer reach

– A foundation for future growth

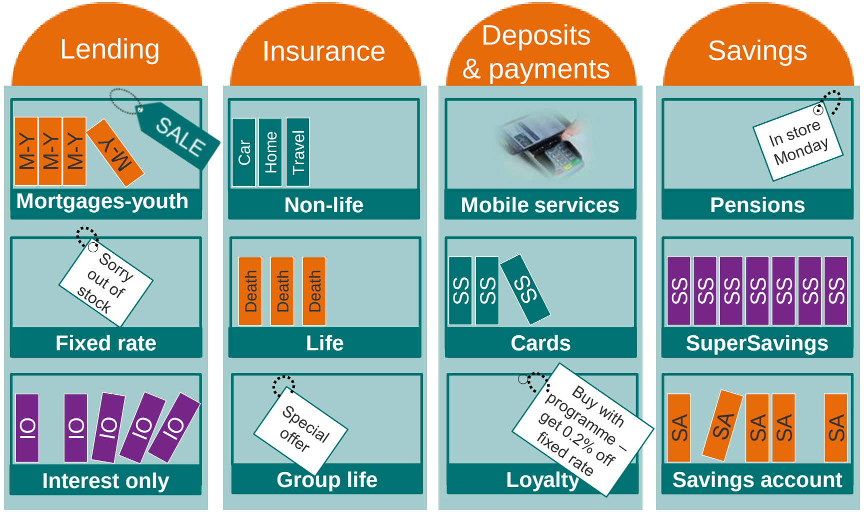
Customer reach per channel

	Online & mobile	Call centres	Branches	Real estate	In-store banking
					Posten Norge NorgesGruppen
Points of entry	**4**	**1**	**150**	**130**	**2 100**
Weekly visits	**3 100 000**	**100 000**	**50 000**	**3 000**	**75 000**
	Real-time response from our customers	**Only Norwegian bank with 24/7 customer service**	**Local access for > 75% of Norwegian population**	**Over 80% of all new home-buyers**	**Easy access to basic banking services**

DNB

Adopting proven retail concepts
– Enhanced customer experience

Category management



Chain-store management

Consistent DNB experiences in all channels

Loans and insurance

– Core business as a lever for non-life insurance

Ambitions

	From	To	Effect
DNB real estate agents Financing of properties sold	40%	50%	Increased income, loans
Pre-qualification letters Increase conversion rate	50%	60%	Increased income, loans
Non-life insurance coverage Coverage for new loan customers	10%	40%	Increased income, insurance

Savings

– Growth driven by the national pension reform

Ambitions

	From	To	Effect
Pension schemes Percentage of customers with pension schemes	4%	10%	Increased income, savings
Monthly savings schemes Percentage of customers with savings schemes	40%	60%	Increased income, deposits/savings
Consolidation Number of savings products	300	30	Cost reductions & efficient sales

Banking services
– Focus on efficiency and loyalty programmes

Ambitions

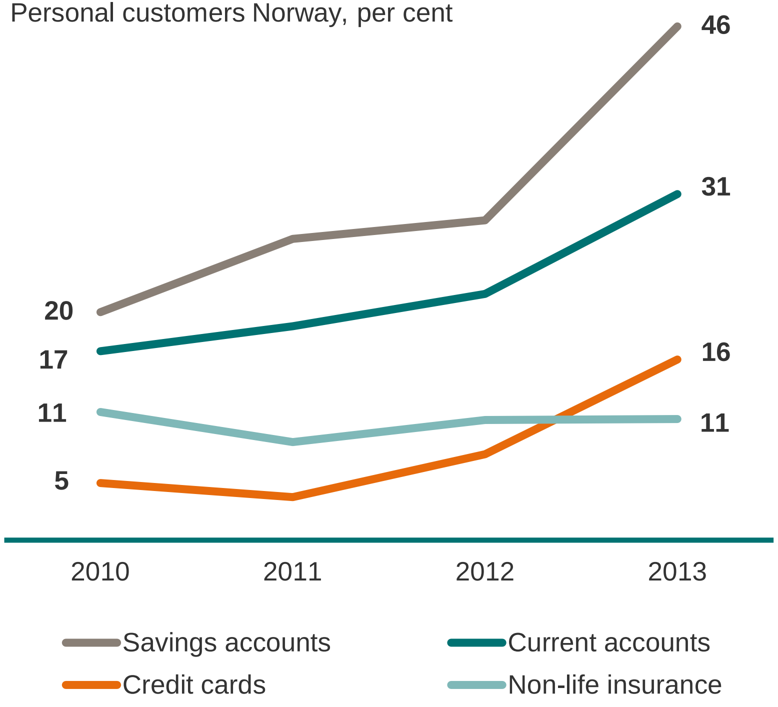
	From	To	Effect
Active mobile bank users In per cent of active customers	20%	50%	Customer satisfaction & effectiveness
Loyalty programmes	Payment cards	Loyalty cards with added value	Customer loyalty
Consolidation Number of products and services	125	80	Cost reductions

Opportunities in leveraging digital channels

– Shaping customer behaviour to improve efficiency

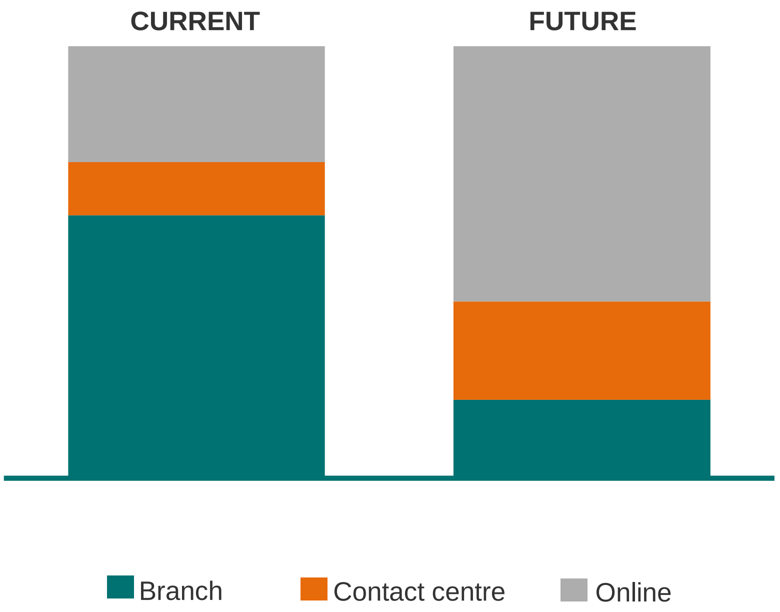
Online sales as share of total sales

Personal customers Norway, per cent



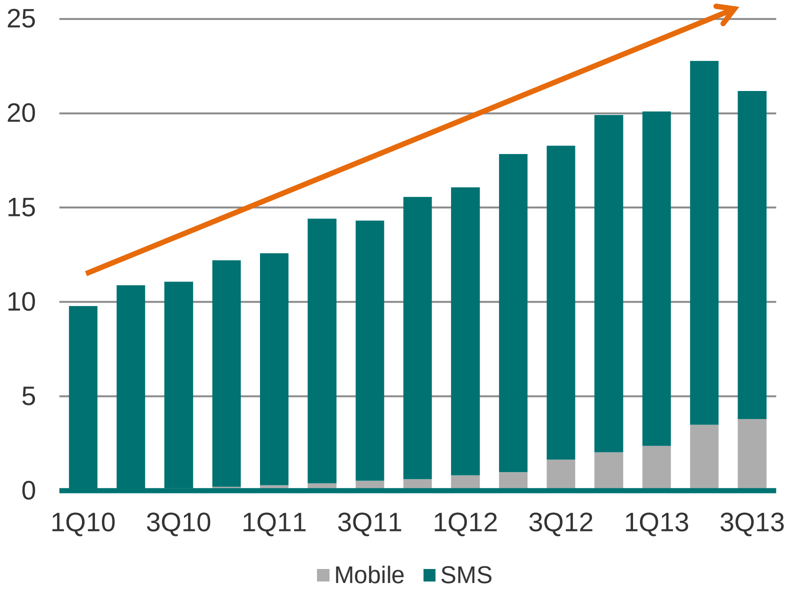
Manual transactions

Distribution model, banking services



Strong position in mobile banking

Number of visits to DNB's mobile bank
Million



VALYOU – the new mobile wallet

– To be launched Q1 2014

Personal customers Norway

Profitable growth by enhancing customer experience

- Market leader in one of the most attractive banking markets globally
- Robust and profitable mortgage portfolio
- Growth in less capital-intensive products
- Adopting a proven retail concept and leveraging digital channels

Corporate Banking

Achieving improved profitability

- Rebalanced portfolio – robust quality
- Increase customer profitability – select the right customers
- Leverage industry sector strengths

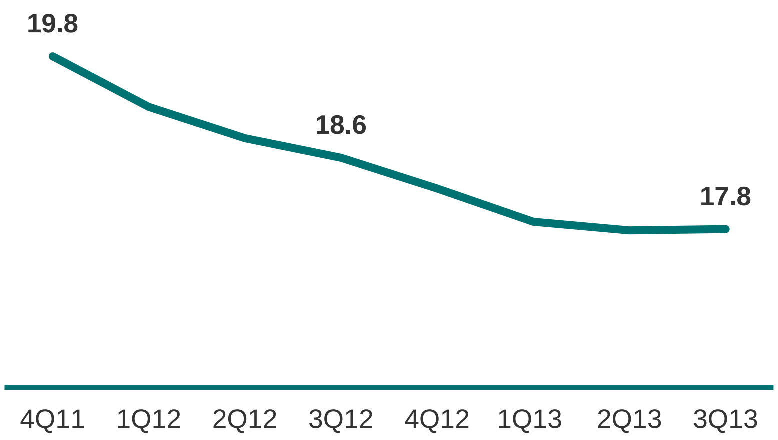
Harald Serck-Hanssen
Head of Large Corporates and International

DNB

Shipping and commercial real estate portfolio reduced

Shipping and commercial real estate portfolio

Per cent of group EAD*



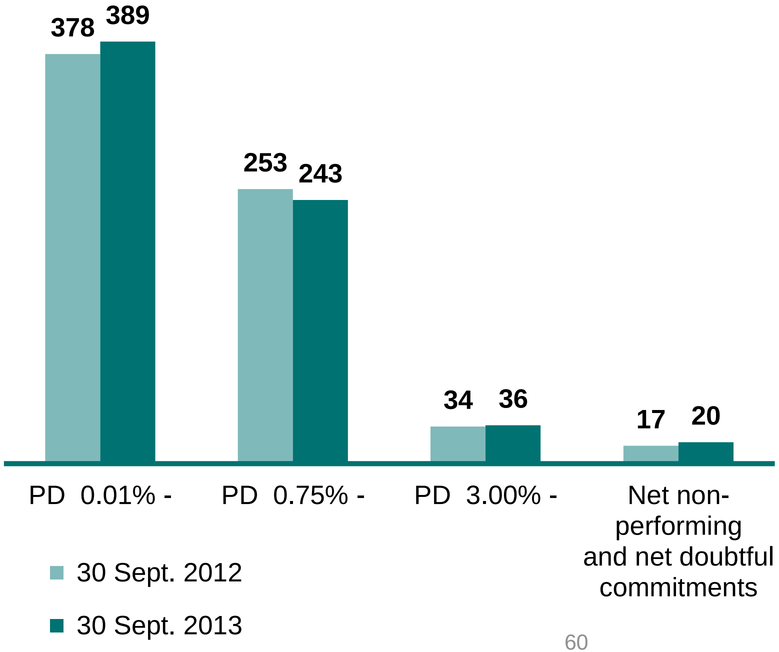
Execution on 2012 guiding

- Rebalancing targets achieved
- Commercial real estate exposure reduced. Exit from Sweden, Finland and Denmark on track
- Shipping exposure reduced – on track for the 6 per cent limit in 2015
- Market positions still strong

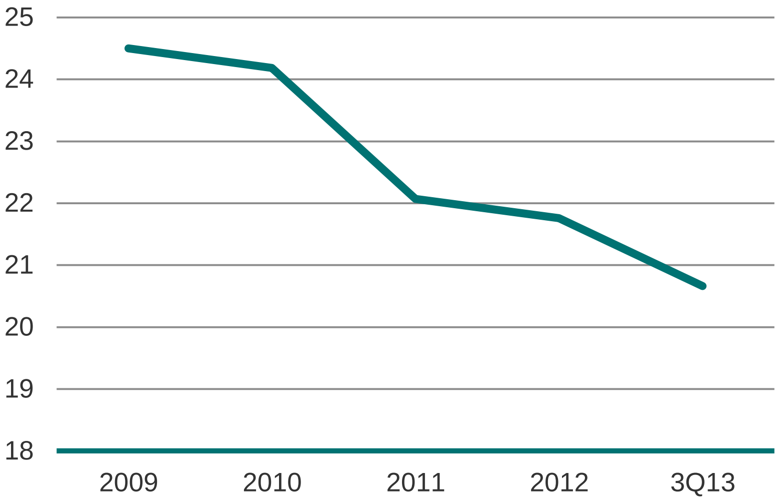
* SMEs within commercial real estate account for approx. 1.4 per cent of group EAD0

Stable portfolio quality with reduced concentration risk

Distribution by Probability of Default
Large Corporates and International, NOK billion



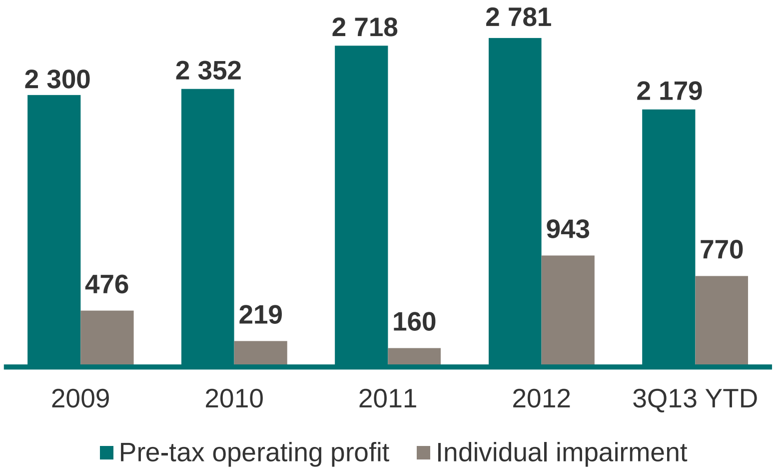
Exposure at Default, 30 largest corporates
Per cent of large corporates (EAD)



Shipping losses on the way down

Pre-tax operating profit

Shipping, Offshore and Logistics, NOK million



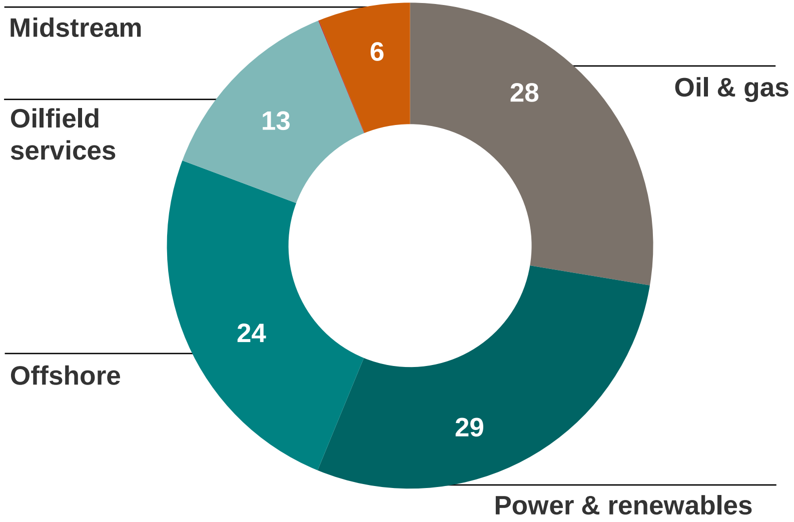
Guiding 2013

Individual impairment within shipping in 2013 is expected to end below the NOK 1 -1.5 billion interval in our previous guiding

Robust energy portfolio

Well diversified portfolio

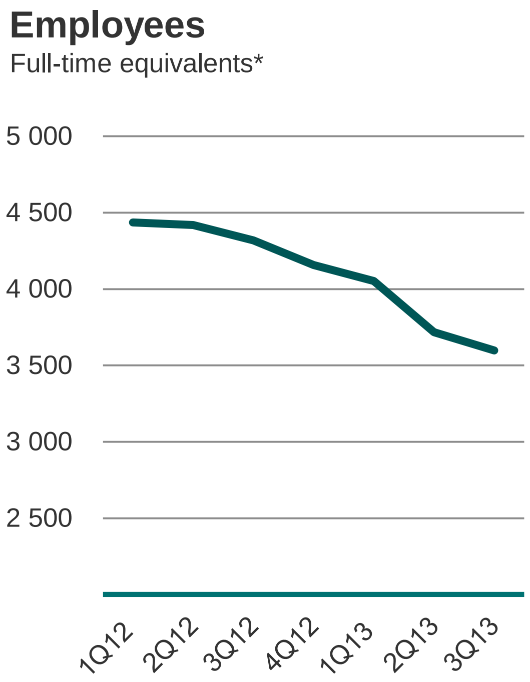
Energy EAD split per 3Q13, per cent

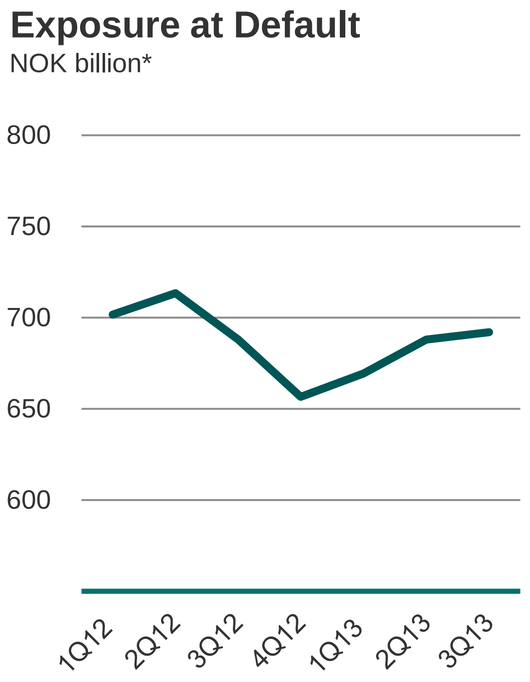


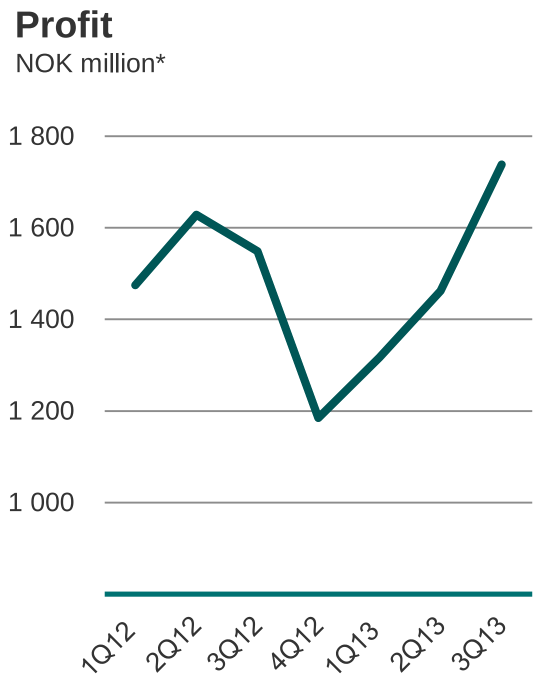
Capital efficient with high returns

- Total DNB Group exposure (EAD) to the energy sector per 3Q13 is NOK 175 billion
- Our portfolio is well diversified, has high credit quality and is profitable
- DNB's oil and gas related portfolio is robust enough to tolerate oil prices well below current forward curve levels
- Consistent return on allocated capital above 20 per cent
- The energy outlook is positive with significant levels of investment expected in the coming years

Creating more with less







* Large Corporates and International

Creating value for the right customers

Select the right customers…

- Economic profit / customer profitability
- Raising the bar on customer selection
- Potential for ancillary business
- Right balance between profit and risk

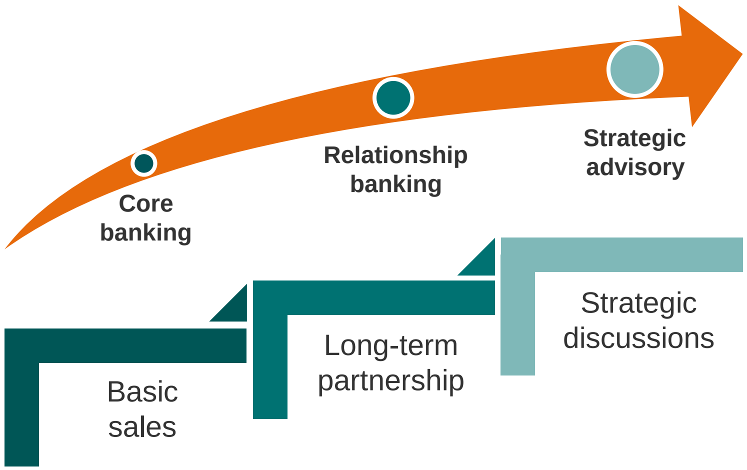
...and deliver value

- Strong industry sector expertise
- Relationship-oriented
- Long term
- Strong balance sheet
- Quick and predictable

DNB

Broader and deeper relationships
– Strengthen relationships to increase share of wallet

Be a strategic adviser...



…by improving our relationship management

- Freeing up relationship managers' time
- Improving credit analysis through specialisation
- Dedicated customer teams – stronger investment banking team (merged DCM and ECM/M&A)

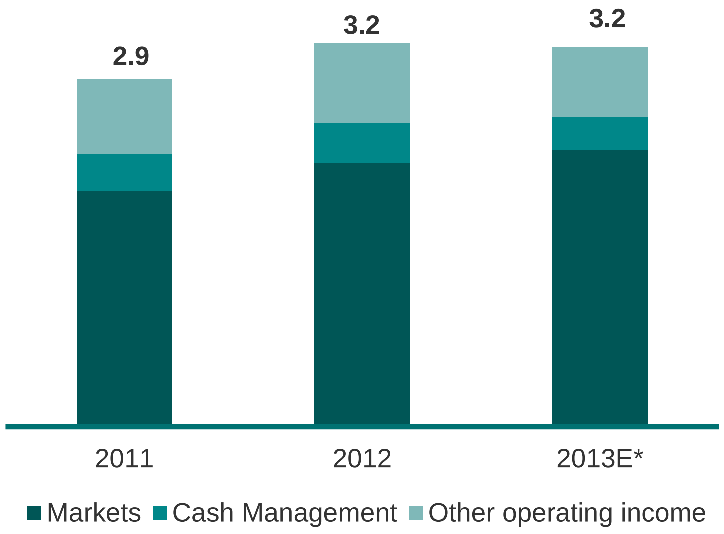
Effects

- Increase share of wallet
- Maintain a low cost/income ratio and high customer satisfaction
- Terminate customer relationships with marginal profitability potential

Strong cross-sales results, but potential for further increase

Non-lending income

NOK billion



Cross-sales opportunities

Other operating income
- Wealth Management & Private Banking
- DC Pension** & Insurance
- Commercial real estate brokerage

Cash Management

Markets
- Investment Banking
- FX/Commodities/Interest rates
- Securities Services

Financing
- Trade Finance and guarantees
- Factoring and leasing
- Structured Finance, Export Credit Agency, Project Financing

Deposits

* Annualised YTD 3Q figures, ** Defined contribution

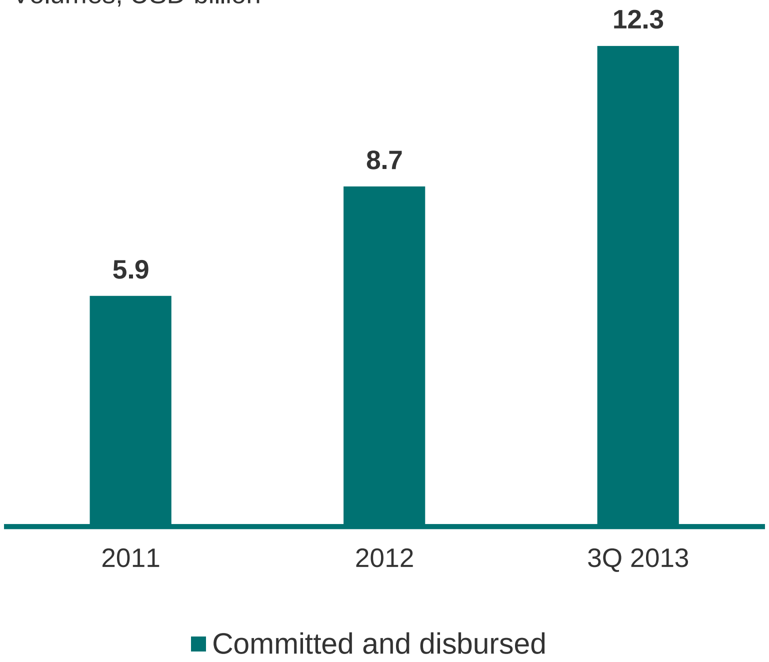
Growth within trade finance and as arrangers of loan facilities backed by export credit agencies

Trade finance

Income, NOK billion, DNB Group

DNB's export credit agency portfolio

Volumes, USD billion

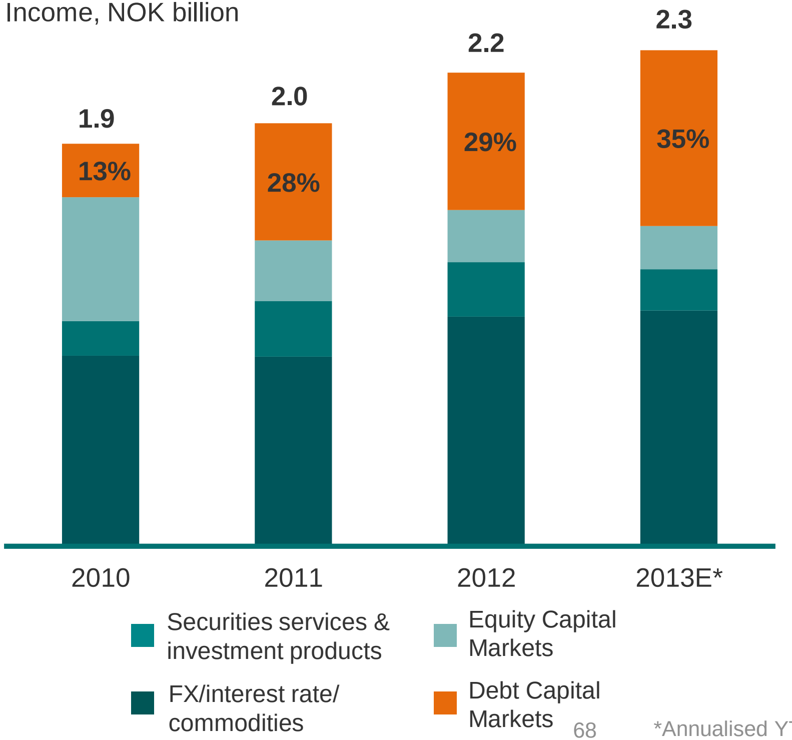


* Annualised YTD 3Q figures

Increasing share of income from Debt Capital Markets

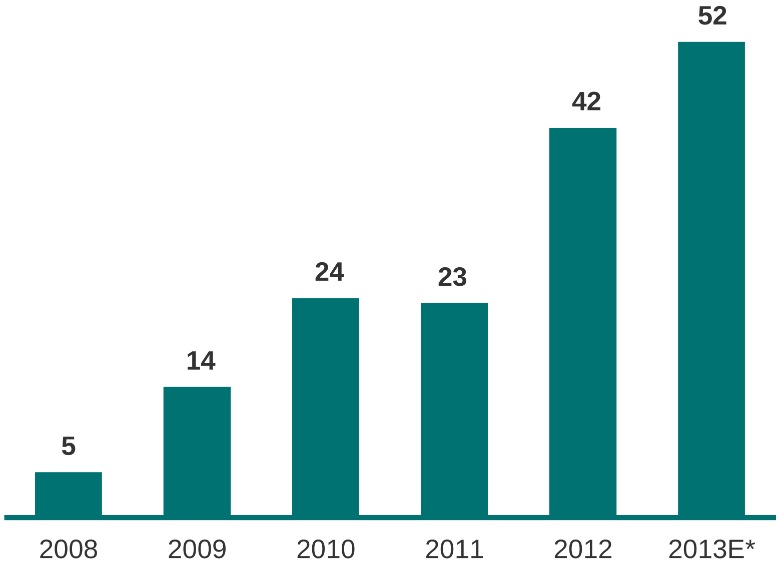
Markets revenue distribution

Income, NOK billion



Norwegian high-yield bond market

New issues, volumes, NOK billion



*Annualised YTD 3Q figures

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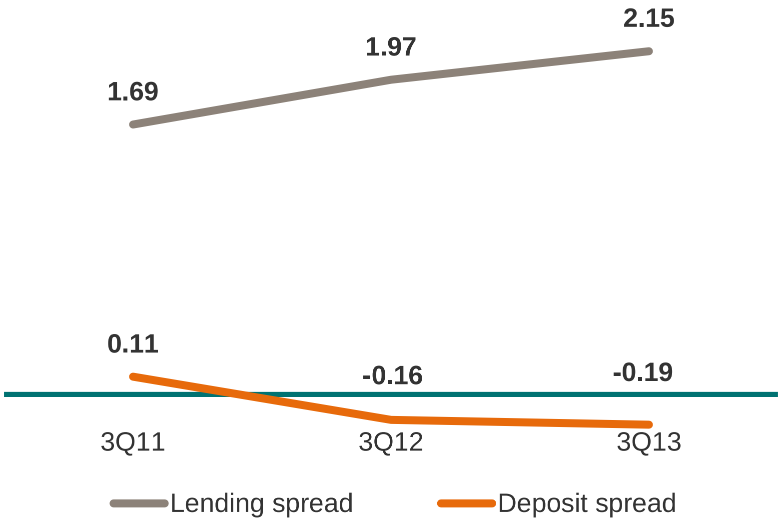
Repricing has increased interest spreads, deposit spreads have bottomed out

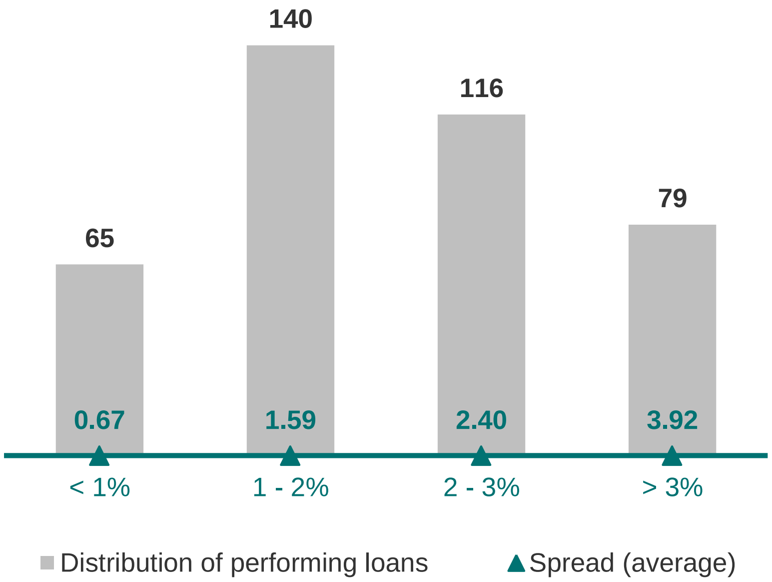
Increasing average interest spread

Per cent*



Still some repricing potential

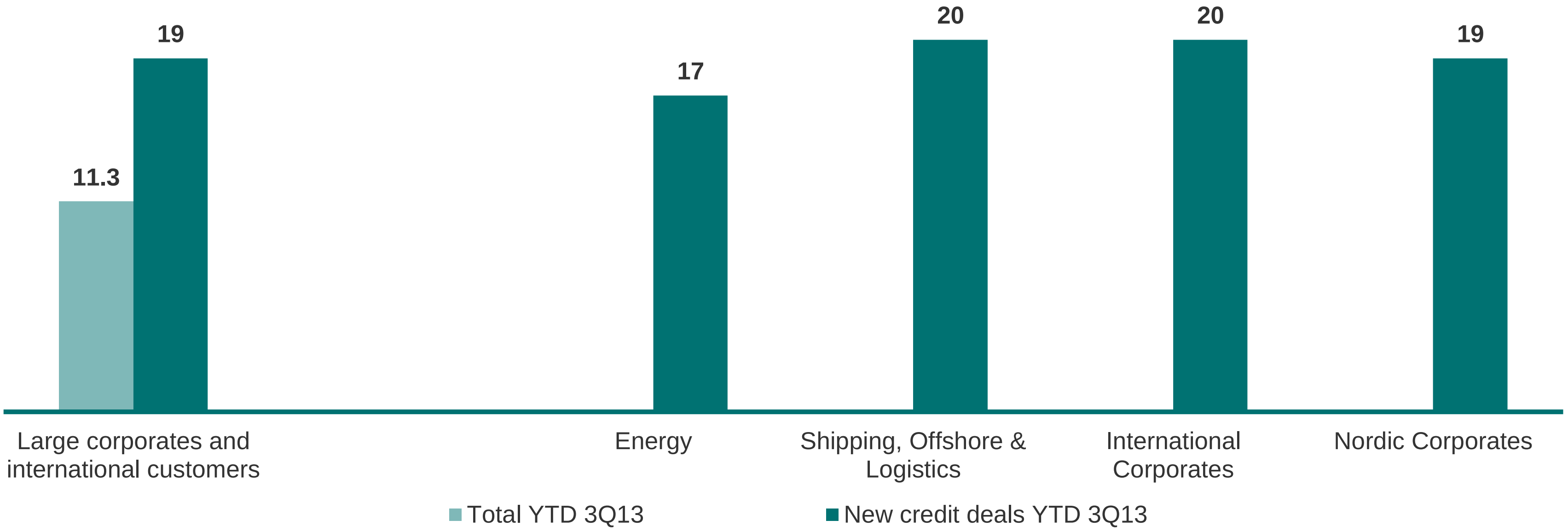
Loan volumes NOK billion, spreads in per cent



*Spreads are calculated based on money market rates and do not include additional funding costs related to liquidity measures

Improved performance in a capital-light banking environment
– Profitable return on new deals so far in 2013 based on present market conditions

Return on allocated capital
Per cent



Leveraging industry strengths


Shipping, offshore & logistics


Energy


Seafood


Healthcare


Telecoms


Packaging


Media


Technology


Manufacturing industries


Real estate and construction


Retail industries


Public sector


Service


Finance

Global scope

Selective international scope

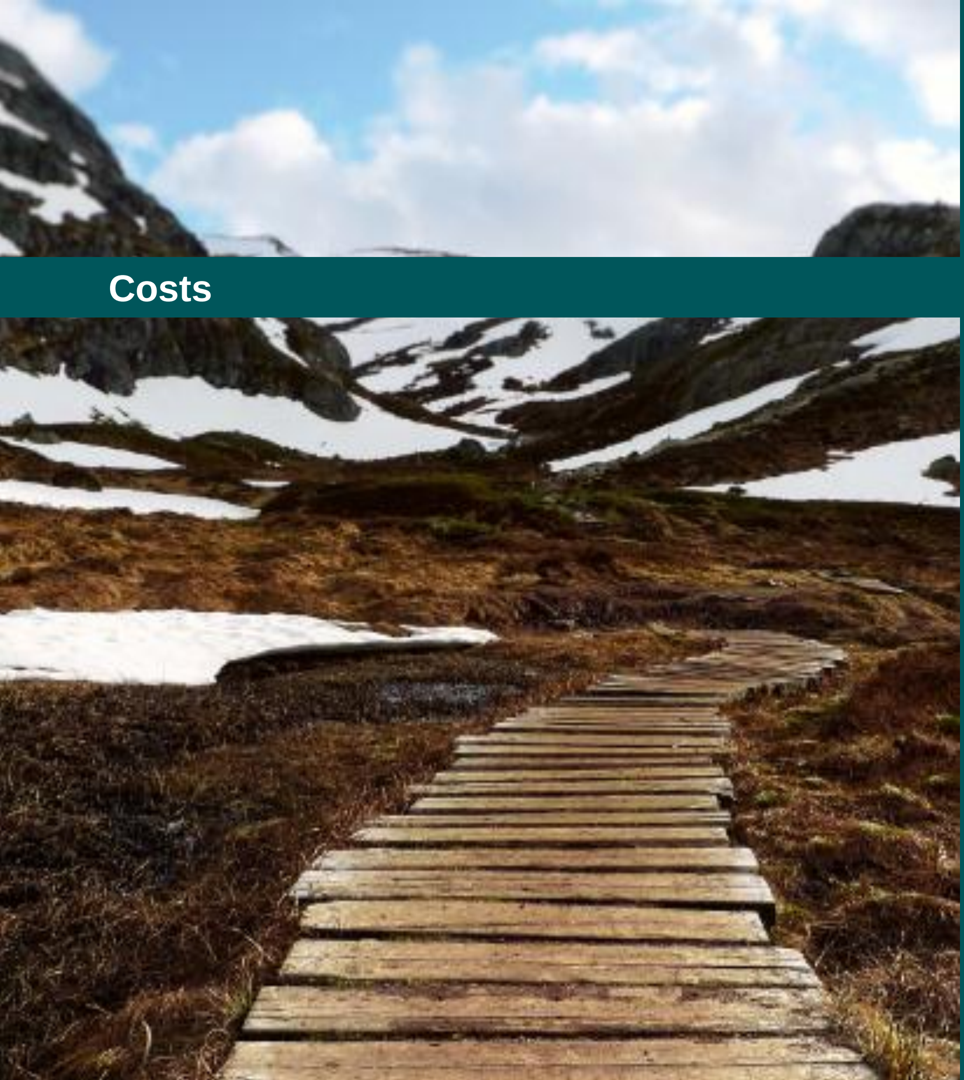
Norwegian/Nordic/
North European scope

Corporate Banking

Achieving improved profitability

- Rebalanced portfolio – robust quality
- Increase customer profitability – select the right customers
- Leverage industry sector strengths

Costs



Continued strong cost focus

- Aiming to remain one of the most cost-efficient banks in the Nordic region
- Cost guiding maintained
- Launched initiatives on track
- Promising areas for further cost savings

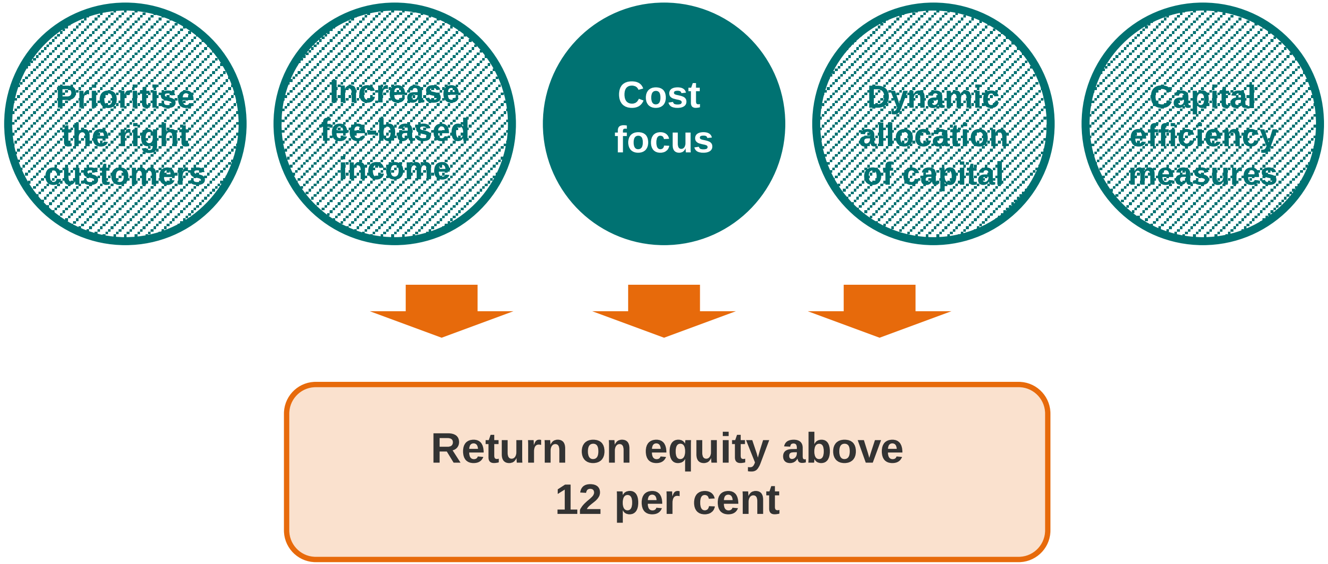
Rune Bjerke
Chief Executive Officer

Bjørn Erik Næss
Chief Financial Officer

DNB

Several tools to achieve our principal target

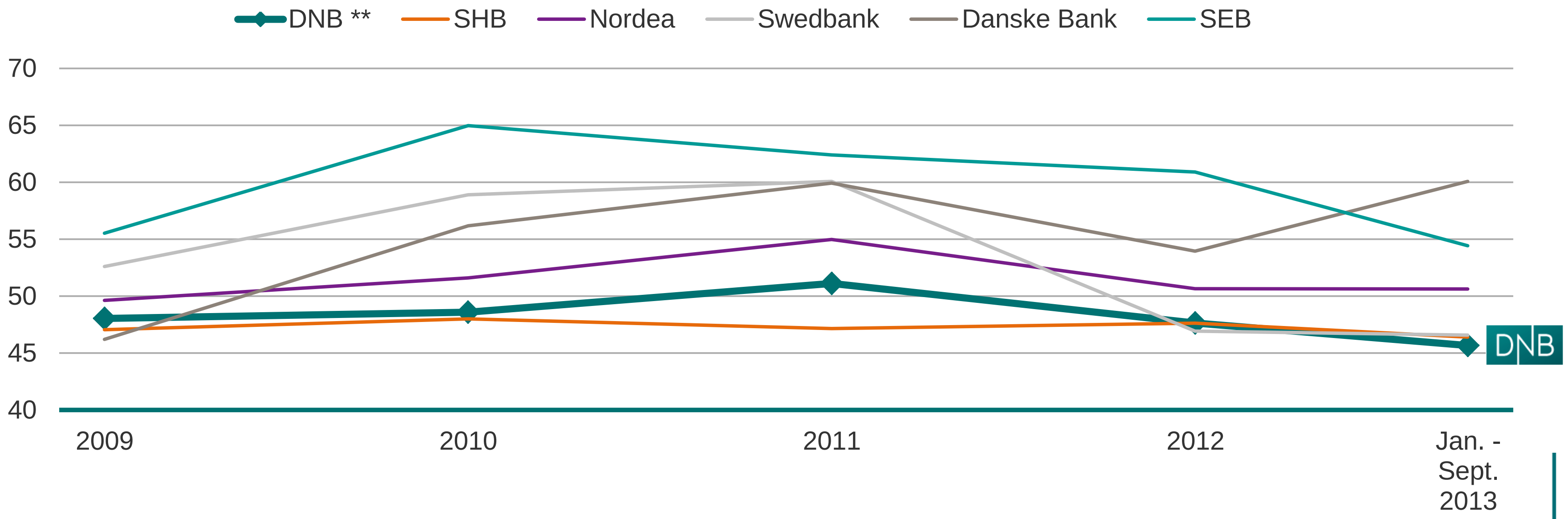
Illustration



Competitive cost/income ratio

Cost/income ratio*

Per cent

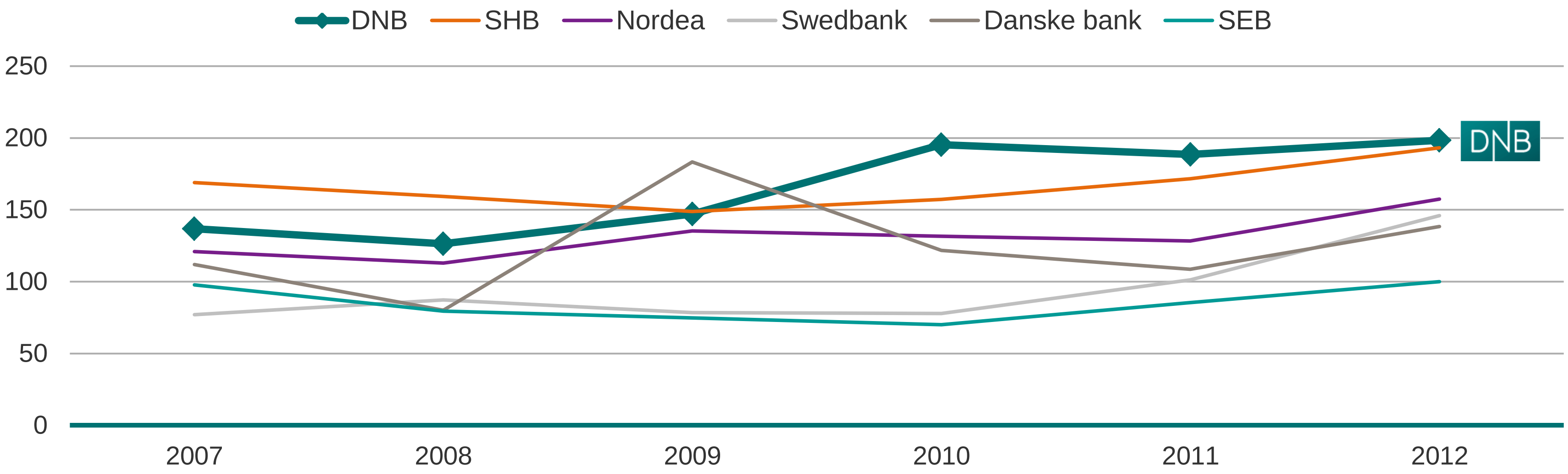


* Cost/income ratio = total income / operating expenses
** DNB: adjusted for basis swaps and one-offs

Strong position in terms of operational excellence

Pre-tax profit per employee

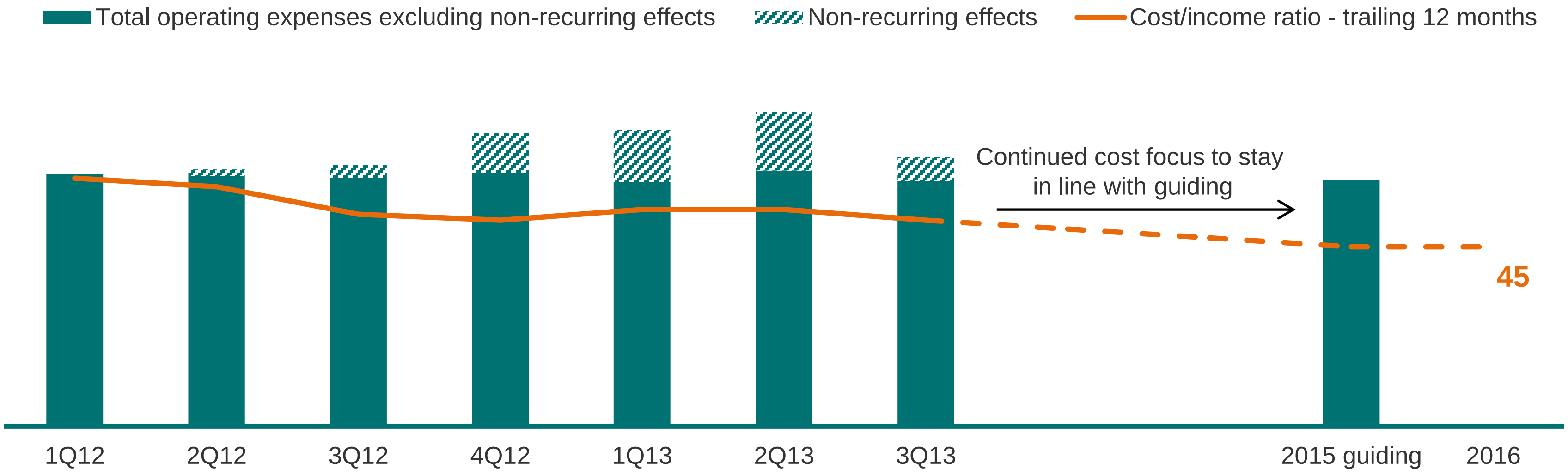
EUR 1 000



Cost guiding maintained

Total operating expenses excluding non-recurring effects

NOK million, per cent



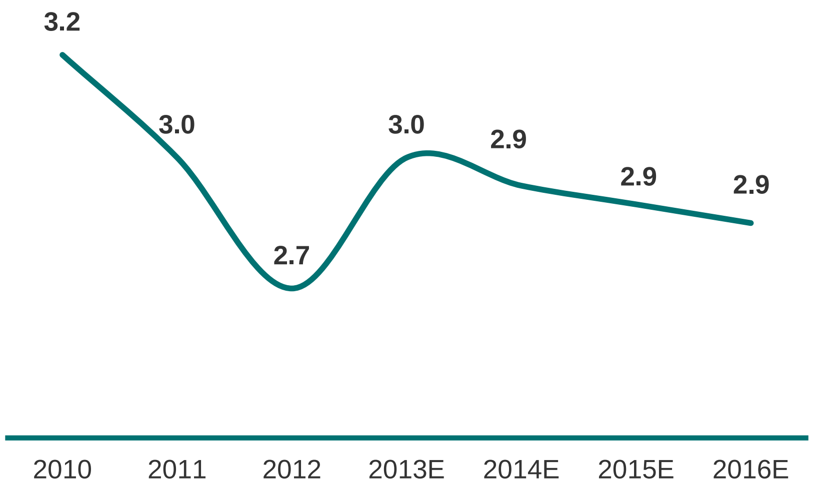
Flat average nominal cost (excluding restructuring costs) towards 2016

Cost/income ratio below 45 per cent towards 2016

Ambitious in light of high Norwegian wage inflation and growth in fee-based income

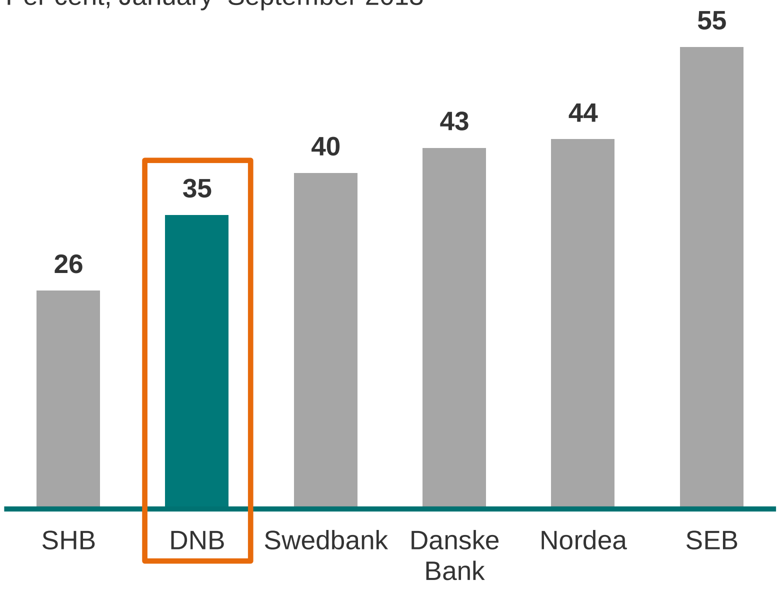
Price and wage inflation*, Norway

Per cent



Net other operating income as share of total income

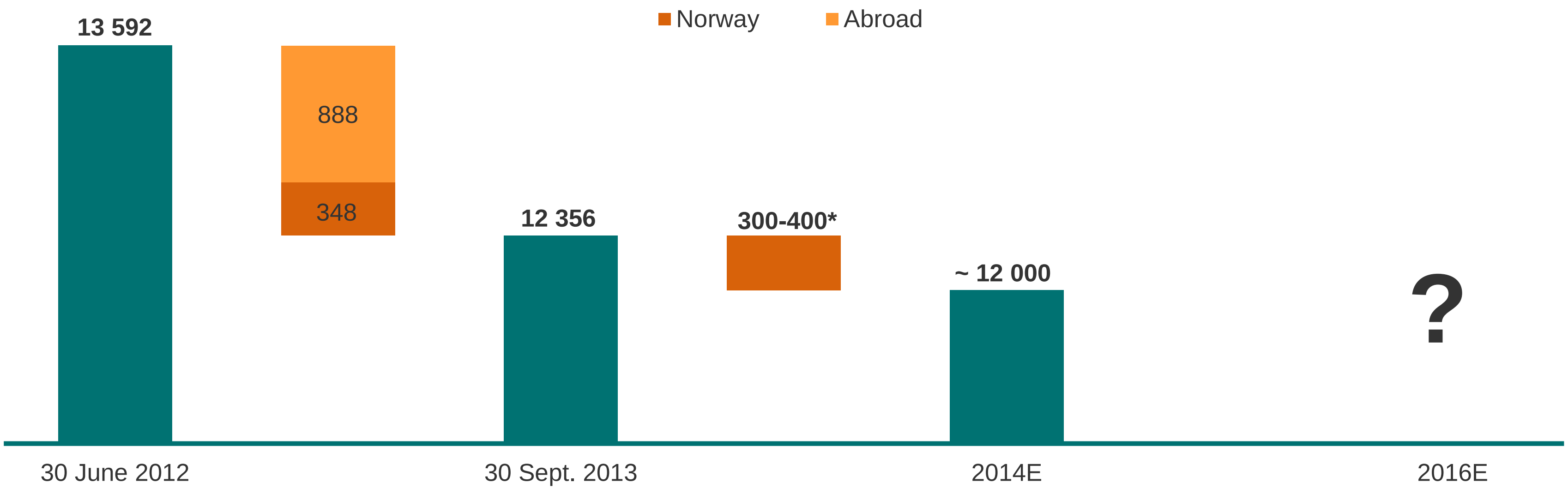
Per cent, January–September 2013



*Weighted 60% wage inflation and 40% price inflation

Staff reductions on track

Development in full-time positions



* Of which approximately 50 per cent over the next two quarters

Four major streamlining and restructuring measures have been launched

Measures

1 **Increased efficiency – One Group**

2 **More efficient retail distribution**

3 **Optimising corporate banking across geographies**

4 **Restructuring life insurance**

On track – with additional potential identified

1. Increased efficiency – One Group
– Developing a more dynamic and lean organisation

Total cost initiatives estimated at NOK 450–550 million in the 2012 to 2016 period

Cost initiatives launched at CMD 2012

- ***Realised effects (NOK 50 million)***
- ***Remaining potential (NOK 300–350 million)***

- Change IT sourcing model, consolidate and decommission IT systems
- Scale and optimise back office/support functions
- Offshore bank production to the Baltics

Additional potential (NOK 100–150 million)

- Procurement savings

2. More efficient retail distribution
– Cost savings driven mainly by changes in distribution model

Total cost initiatives estimated at NOK 400–450 million in the 2012 to 2016 period

Cost initiatives launched at CMD 2012

- ***Realised effects (NOK 250 million)***
- ***Remaining potential (NOK 50–100 million)***

- 33 branches shut down
- Number of management levels reduced
- SalusAnsvar divested
- Nordlandsbanken integrated

Additional potential (NOK 100 million)

- Increased self service
- Continuous adaptation of distribution channels
- Reductions in product range
- Additional divestments

3. Optimising corporate banking across geographies
– Continued restructuring of international activities

Total cost initiatives estimated at NOK 300–350 million in the 2012 to 2016 period

Cost initiatives launched at CMD 2012

► ***Realised effects (NOK 200 million)***

- Optimised core functions across geographic and industry segments
- Restructured banking activities in Poland

Additional potential (NOK 100–150 million)

- Further restructuring of international activities

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4. Restructuring life insurance
– Discontinuation of public sector activities and further streamlining measures

Total cost initiatives estimated at NOK 450–500 million in the 2012 to 2016 period

Cost initiatives launched at CMD 2012

► ***Realised effects (NOK 250 million)***

- Process automation, standardisation and lean back-office operations
- Streamlining of customer service and sales

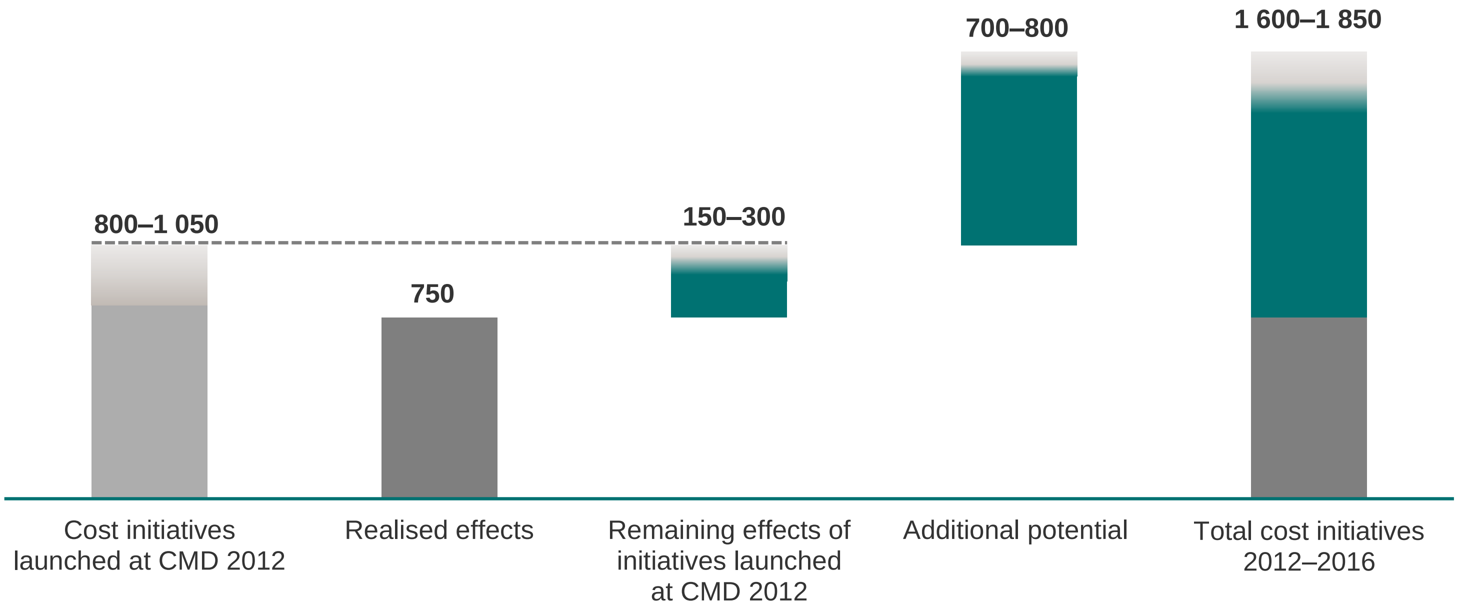
Additional potential (NOK 200–250 million)

- Public sector activities discontinued
- Co-localisation and closer group integration
- Streamlining of customer service and sales
- Further downscaling of resources to reflect reduced activity

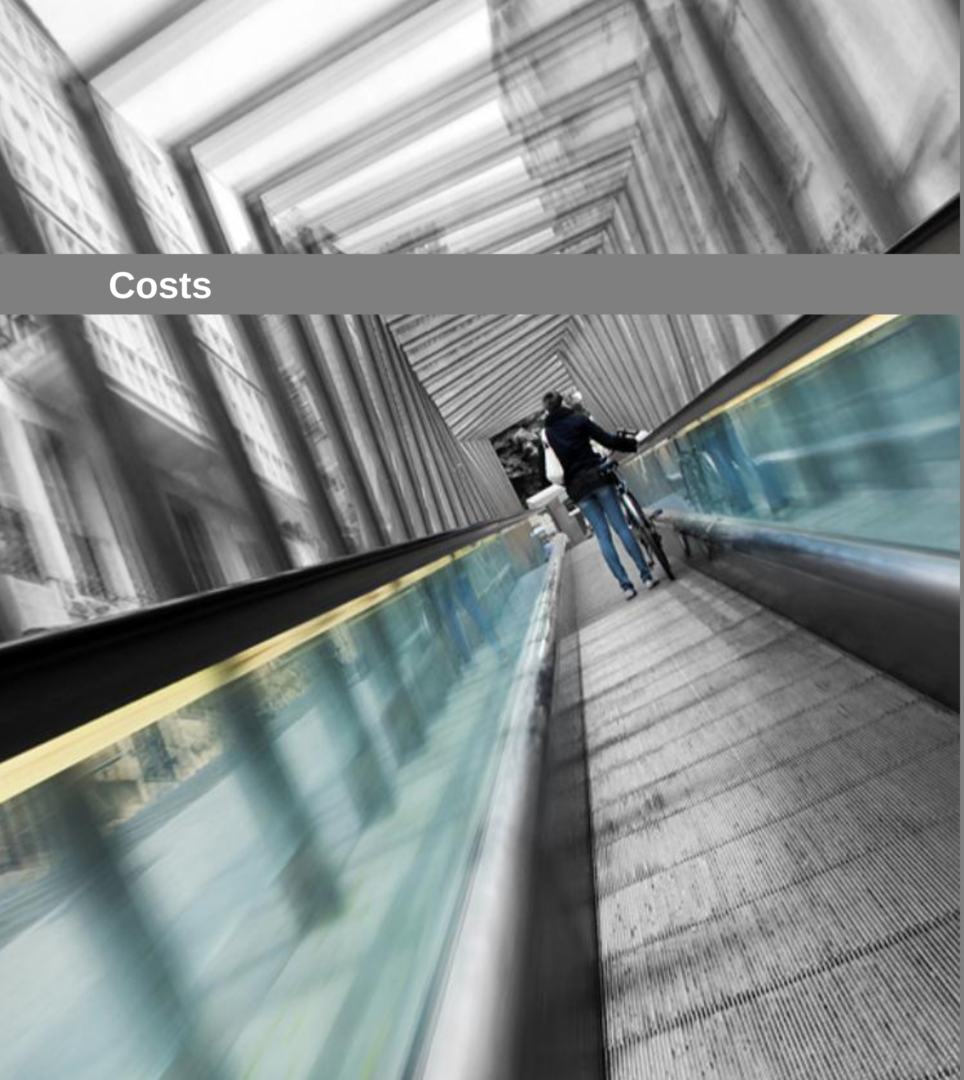
Accumulated effects of cost initiatives towards 2016

Total cost initiatives

NOK million



Costs



Continued strong cost focus

- Aiming to remain one of the most cost-efficient banks in the Nordic region
- Cost guiding maintained
- Launched initiatives on track
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The statements contained in this presentation may include forward-looking statements such as statements of future expectations. These statements are based on the management's current views and assumptions and involve both known and unknown risks and uncertainties.

Although DNB believes that the expectations reflected in any such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct.

Actual results, performance or events may differ materially from those set out or implied in the forward-looking statements. Important factors that may cause such a difference include, but are not limited to: (i) general economic conditions, (ii) performance of financial markets, including market volatility and liquidity (iii) the extent of credit defaults, (iv) interest rate levels, (v) currency exchange rates, (vi) changes in the competitive climate, (vii) changes in laws and regulations, (viii) changes in the policies of central banks and/ or foreign governments, or supra-national entities.

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