



Capital Markets Day 2009

**Credit quality of
commercial real estate,
shipping and DnB NOR**

Leif Teksum, group executive
vice president

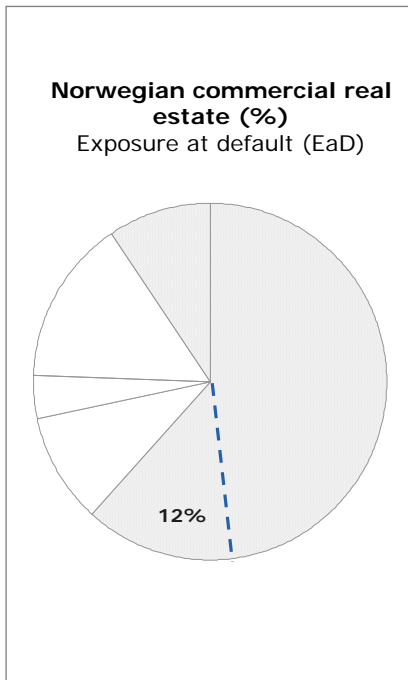
DnBNOR

Credit policy based on future cash flow

*"The customer's debt service capacity is
the key element when considering
whether to approve a credit.*

*If the customer has not proven
satisfactory debt service capacity, credit
should normally not be extended, even if
the collateral is adequate."*

Key criteria in credit risk assessment of commercial real estate

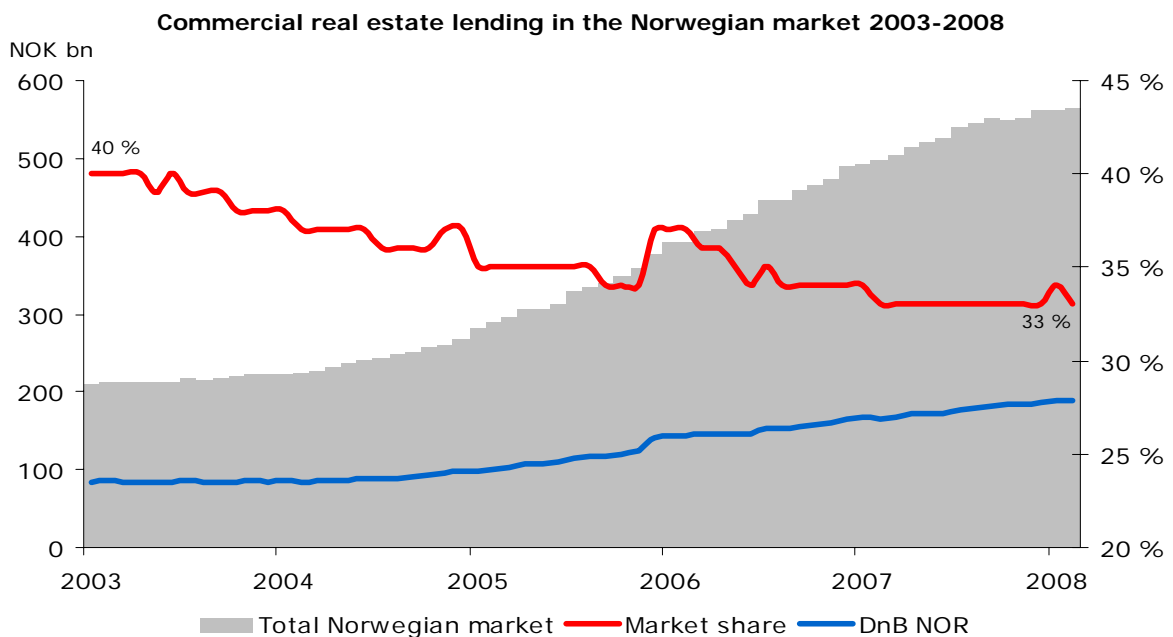


- Quality of cash flow
- Location and quality of property
- Exposure to changes in interest rates/interest coverage ratio
- Experience and track record of management
- Loan-to-value ratios
- Residual values

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Conservative credit policy results in lower market share



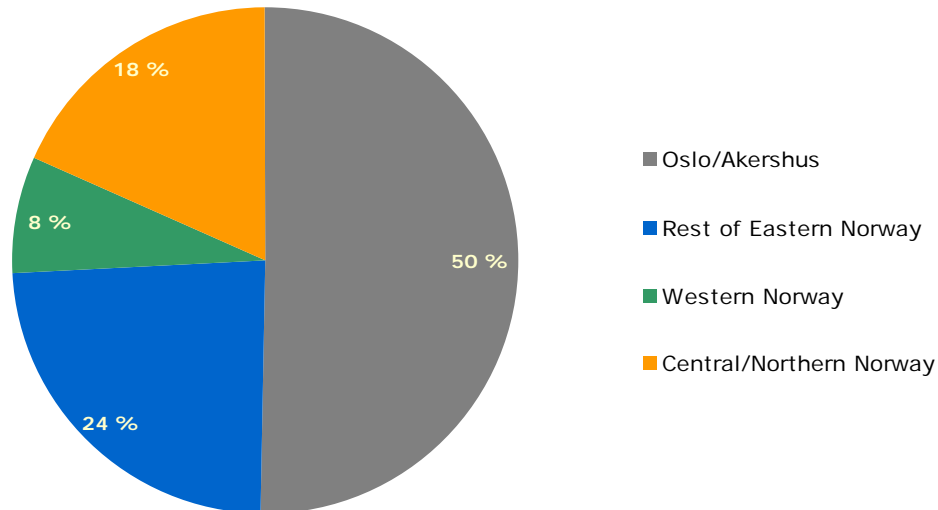
Source: Norges Bank, DnB NOR

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Centred around large Norwegian cities

Geographic split of commercial real estate exposure* 2008
EaD NOK 179 billion



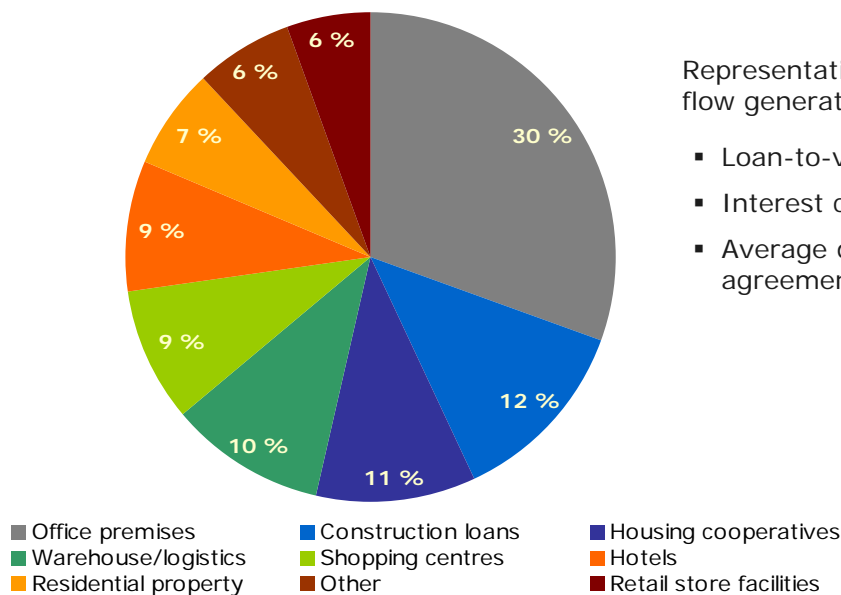
* DnB NORD and Swedish commercial real estate (NOK 13 billion) not included

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Evenly spread over several segments

Commercial real estate by segment 2008



Representative portfolio* of cash flow generating assets:

- Loan-to-value is 69%
- Interest coverage ratio is 1.8
- Average duration of tenancy agreements is 7.4 years

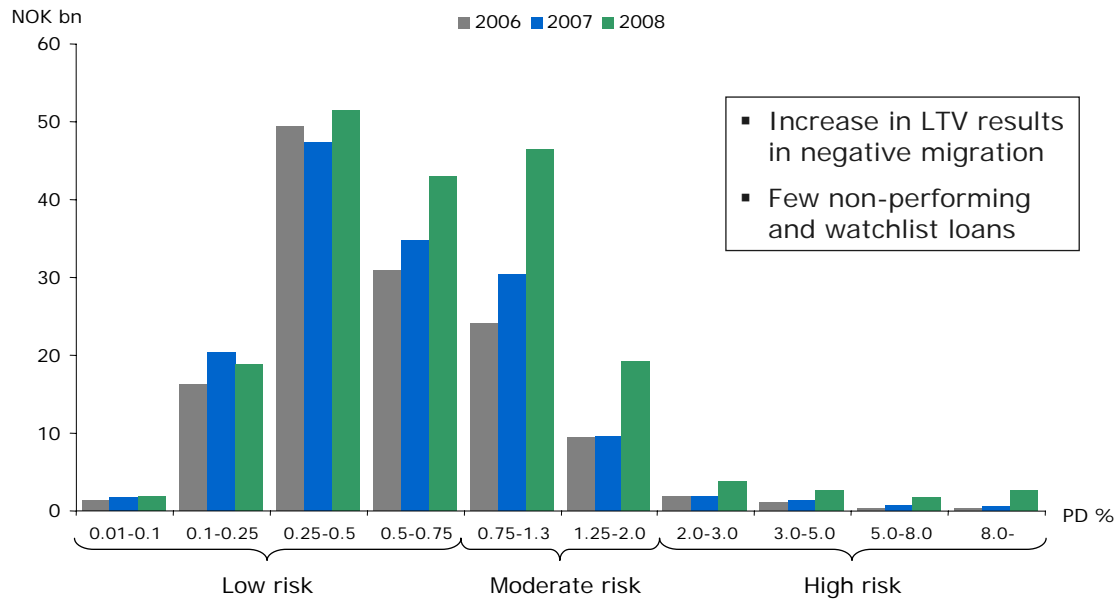
* Lending per customer > NOK 1 billion

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Low to moderate risk

Risk classification, commercial real estate 2006-2008



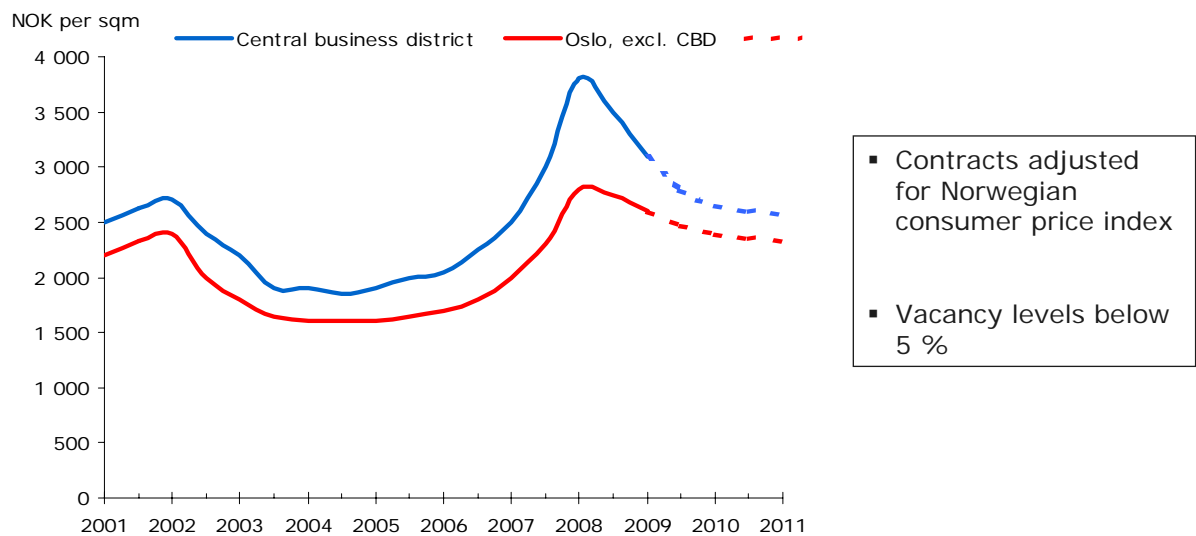
* PD = Probability of Default

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Tenancy contracts established at lower levels than today

Rent levels in greater Oslo area

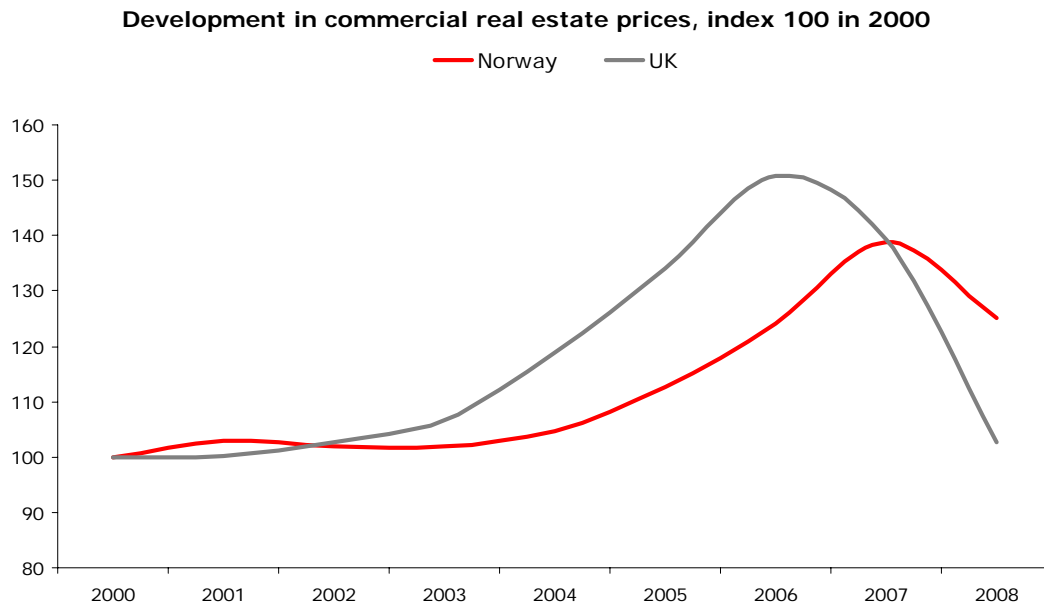


Source: DnB NOR Næringsmegling

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Less volatile prices



Source: IPD (Investment Property Databank) research

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Stable commercial real estate risk due to sound Norwegian economy

Focus on cash flow

Low to moderate risk

Few non-performing and watch-list loans

Price and rent levels still comfortable

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