

# Growth strategy from 2007 – three dimensions

Utilise Norwegian growth potential

Cost improvement in Norwegian operations

Accelerate international growth opportunities

30-40 per cent market share  
- Still potential for growth in home market?

- 1 Introduction of new products and services
  - Introduce new life insurance company (2008)
  - Increase share of flexible mortgage loans
- 2 Strengthen distribution and market position
  - Introduce 1 000 in-store banking outlets
  - Increase sales force regions with potential for increased market share
- 3 Utilise cross-sale potential
  - Increase revenue structures that increase cross-sale sales and cooperation

Cost/income ratio below 50 per cent  
- Are improvements still possible?

We have commenced a cost programme to reduce costs by NOK 1 billion annually for 2009

Category	Value (NOK billion)
1 Reduce customer acquisition and retention costs	NOK 200-250 million
2 Optimise IT and back-office	NOK 150-200 million
3 Improve operations	NOK 400-500 million

International growth, but where?

Corporate bank, industry dimension	Universal bank, geographical dimension
<ul style="list-style-type: none"><li>- Build on core competences</li><li>- Submarine shipping, energy and related</li></ul>	<ul style="list-style-type: none"><li>- Establish Sweden as part of our core market</li><li>- Further develop DnB NOR</li></ul>

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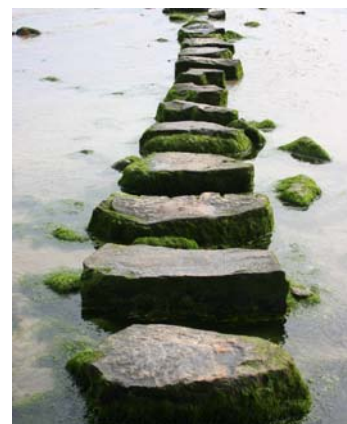
## Today's topics



Norway:  
A strong banking platform



Credit quality:  
Commercial real estate,  
shipping and DnB NORD



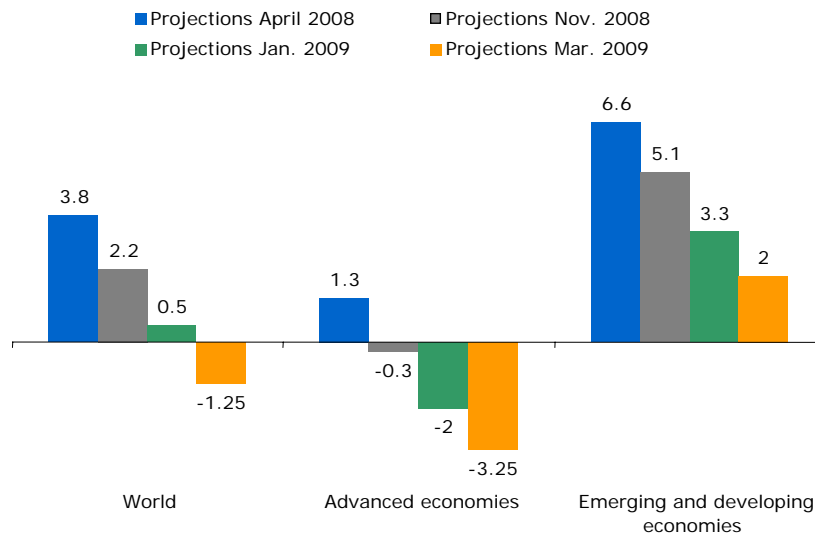
Capitalisation and financial  
targets

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# The global economy is suffering

## IMF's world growth outlook for 2009



Source: World Economic Outlook  
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*Norway is important  
to DnB NOR*



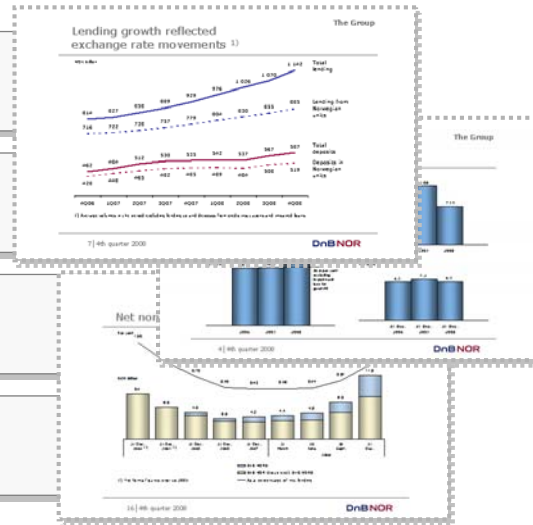
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84 per cent of our income stems from Norway

Financial highlights Q408 Norwegian units

77 per cent of lending
88 per cent of deposits
Cost/income ratio 40.6 per cent <sup>1)</sup>
25 basis point losses



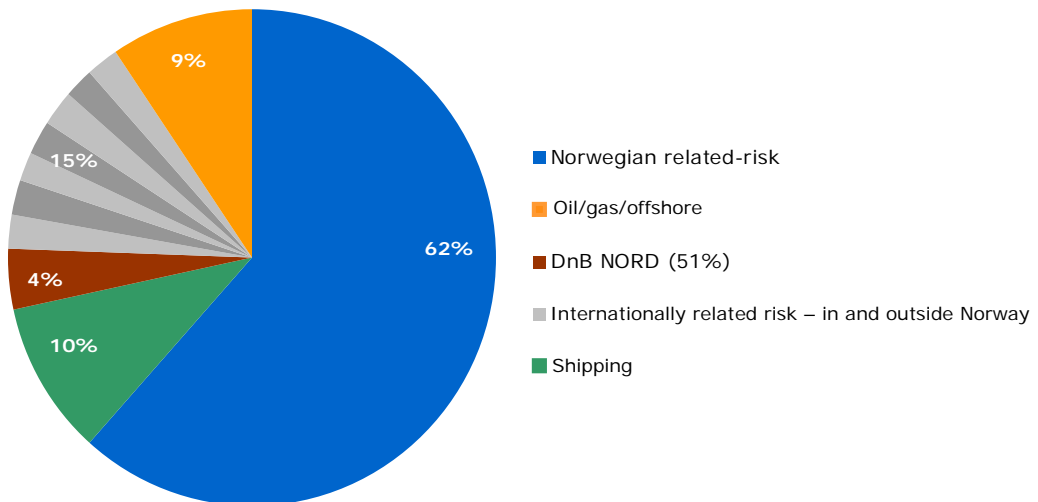
1) Excl. impairment losses for goodwill in the fourth quarter of 2008

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62 per cent of our exposure depends directly on Norwegian demand

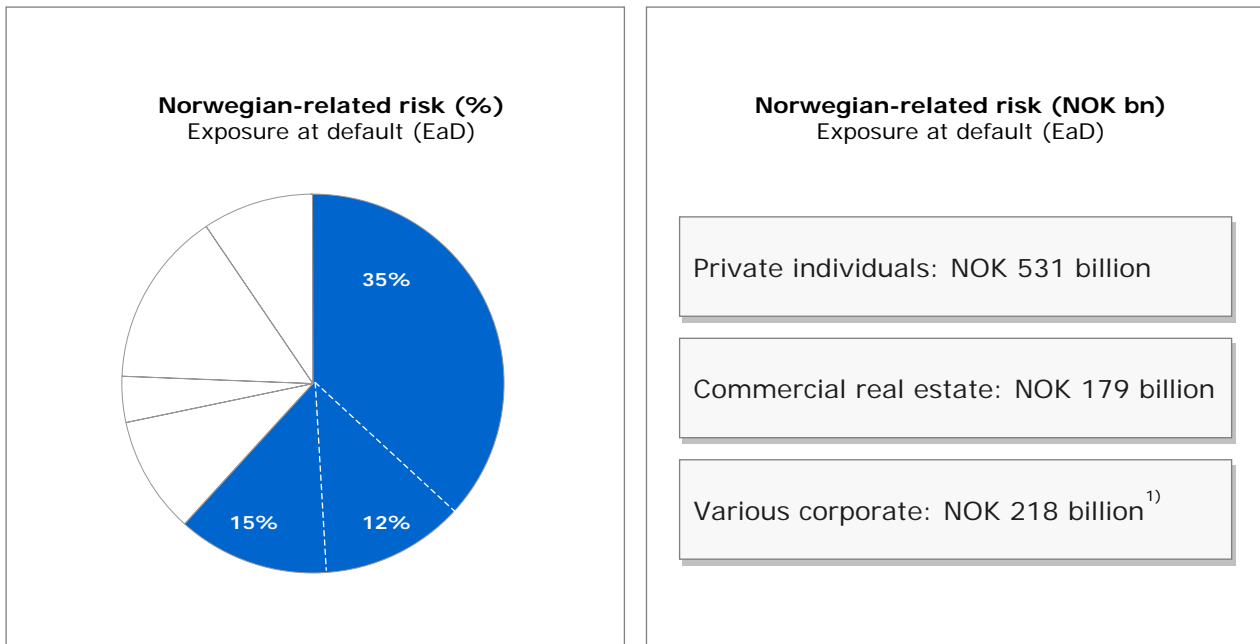
Exposure at default (EaD) DnB NOR  
(Incl. 51% exposure DnB NORD)



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## Private individuals constitute the largest part of the Norwegian-related exposure



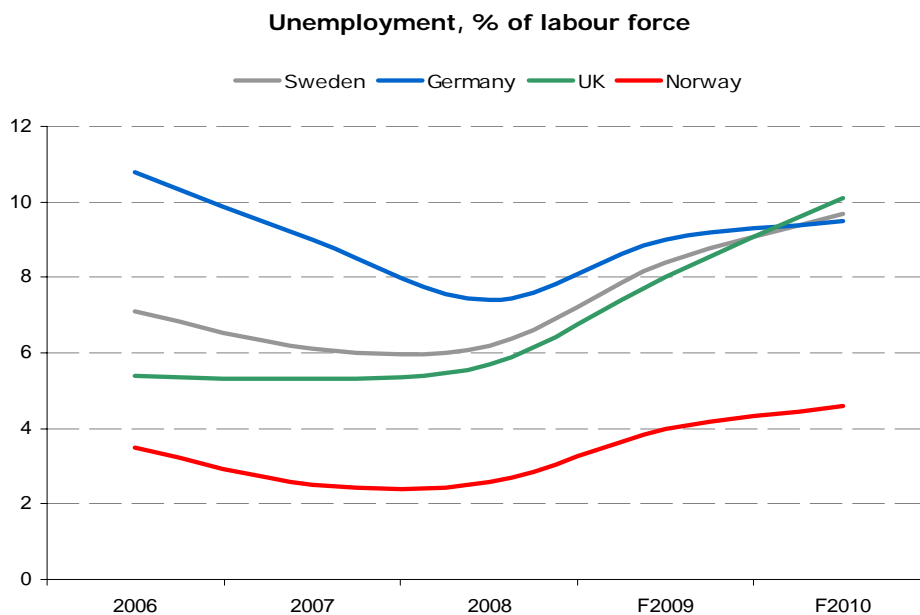
1) Trade, energy production, contractors, services, hotels and accommodation, funds and management, government, health and care, transportation, infrastructure, finance and funds, technology, agriculture, interest groups, air transport, media and telecom (50%), production (25%)

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*Relatively sound outlook for  
the Norwegian economy*



## Average unemployment in Europe today is higher than worst case scenario for Norway

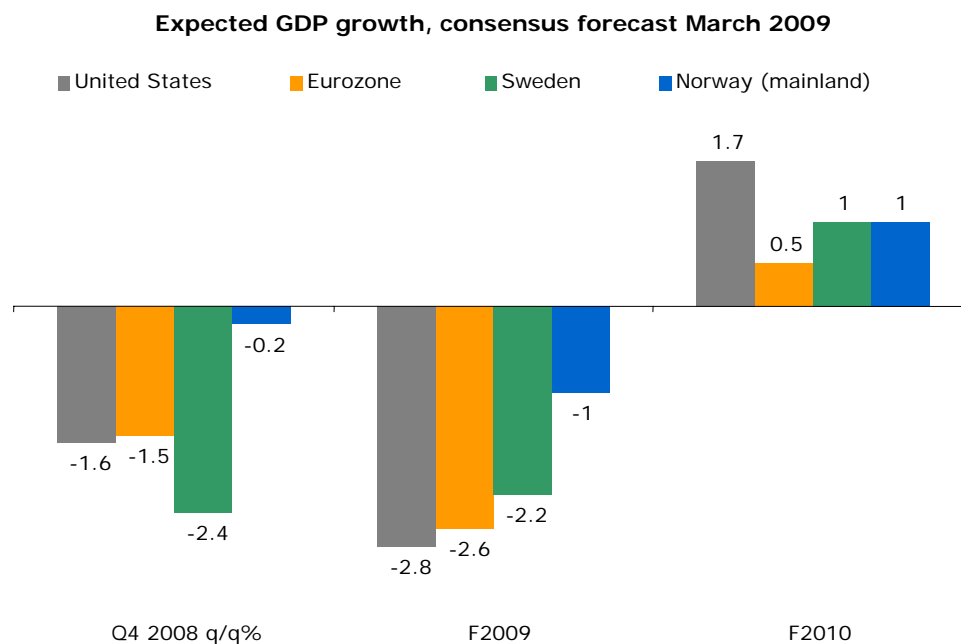


Source: Economist Intelligence Unit

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## The Norwegian economy is performing well

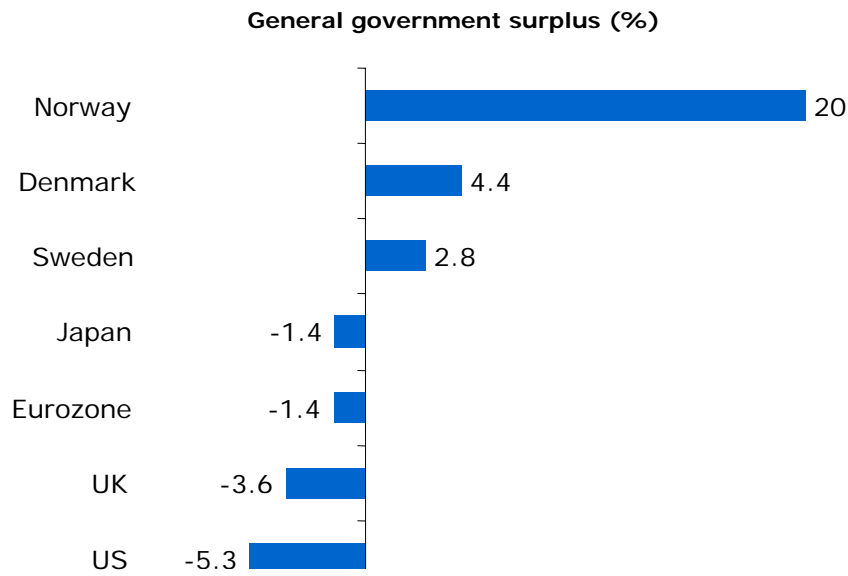


Source: Consensus Economics Inc. March 2009

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## The Norwegian state finances are strong – debt is not an issue

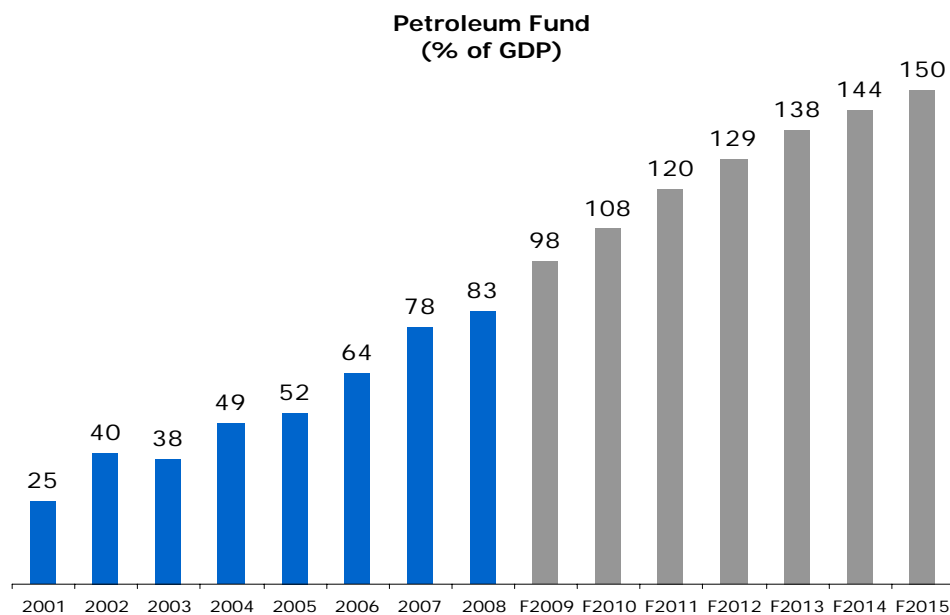


Source: OECD

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## The Norwegian state finances are strong – also in terms of wealth



Sources: National Budget 2009/ St.prp 37/ DnB NOR Markets

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## Financial stimulus packages from the Norwegian government

*"The Norwegian authorities are prepared to implement necessary measures to maintain confidence in the Norwegian banking system"*

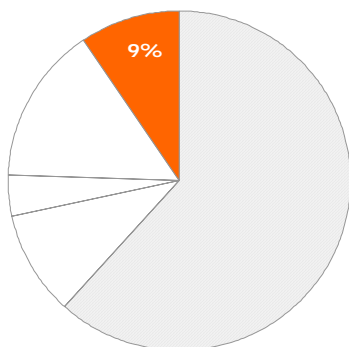
Prime Minister Jens Stoltenberg (12 Oct. 2008)

<b>Fiscal stimulus</b>		
Oct. 2008	Expansionary state budget	(0.7 % of mainland GDP)
Jan./Feb. 2009	Increased spending	(increase to 2.5 % of mainland GDP)
<b>Monetary stimulus</b>		
2008/2009	Cuts in interest rates	(Key policy rate cut 3.75 %)
<b>Funding scheme</b>		
Oct. 2008	Ensure long-term funding for banks	(NOK 350 billion)
<b>Credit package</b>		
Feb. 2009	Bond fund for corporate refinancing	(NOK 50 billion)
Feb. 2009	Finance fund for capital support	(NOK 50 billion)

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**Oil, gas and offshore-related risk (%)**  
Exposure at default (EaD)



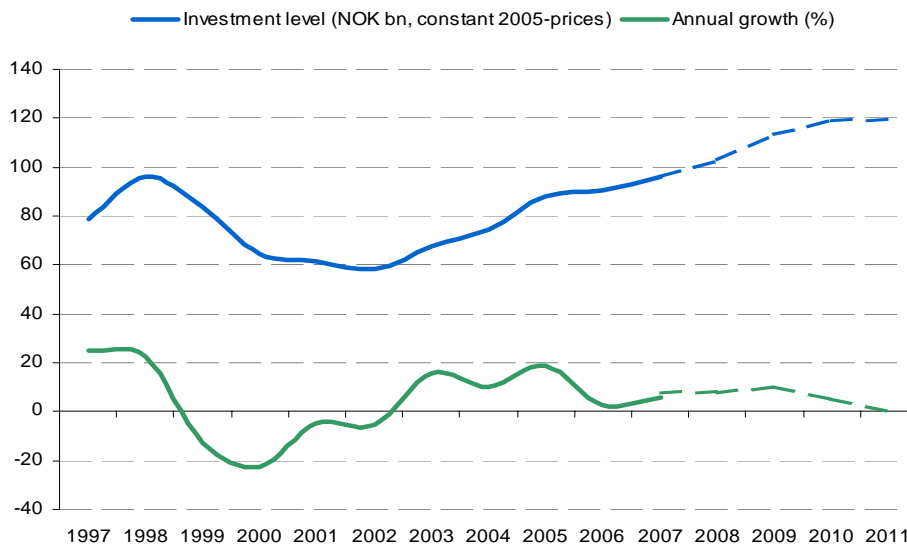
*Norwegian economy is dependent on energy-related sector*

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# Norway has limited vulnerability to oil price fluctuations in the short to medium term

Investment in oil and gas recovery including pipeline transport

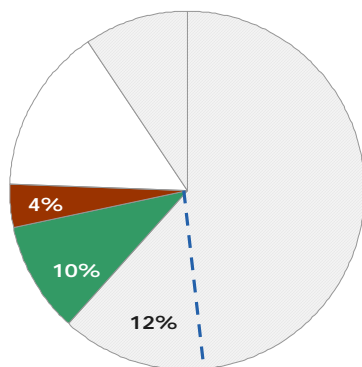


Sources: Statistics Norway and Norges Bank

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Shipping, DnB NORD and Norwegian commercial real estate (%)  
Exposure at default (EaD)



*Challenging areas*



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