Rebalancing the corporate portfolio for increased risk adjusted return
- update on shipping

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Rebalancing the portfolio for increased risk adjusted return

Special topic: Shipping

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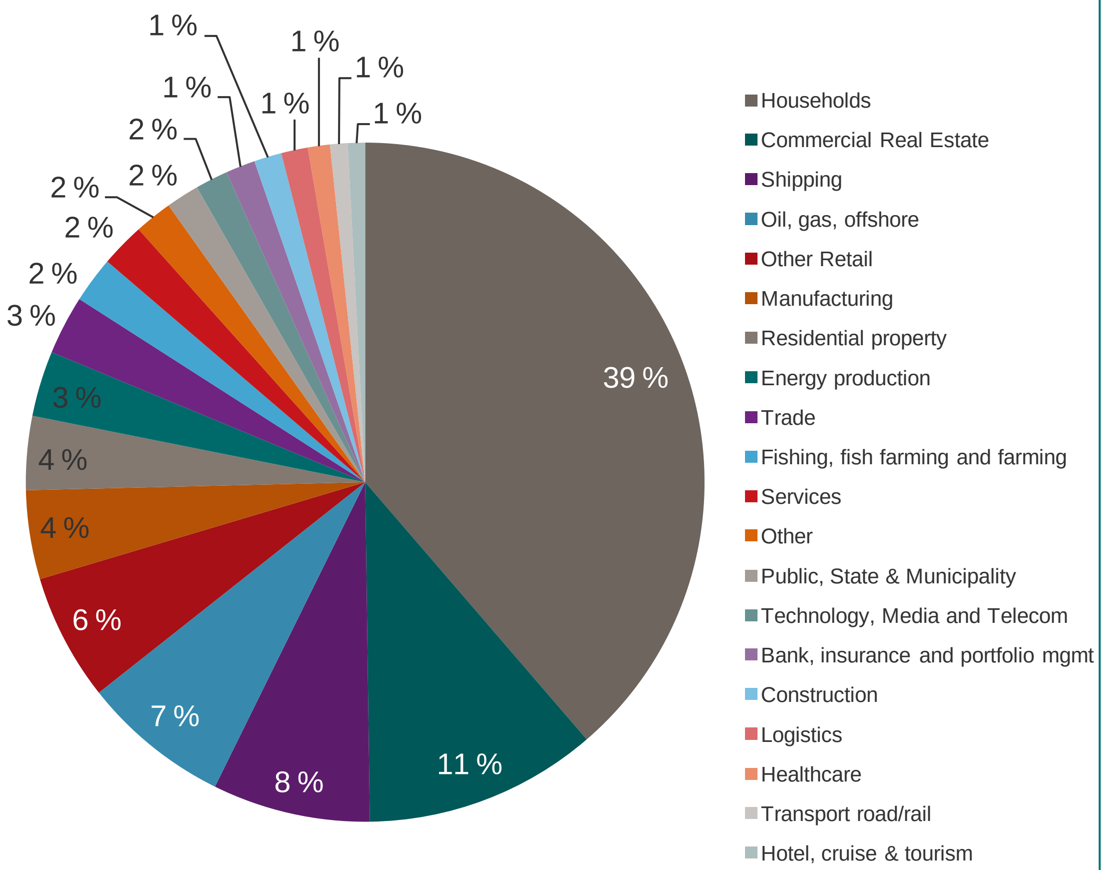
DNB has a diversified portfolio

EaD* (NOK 1 733 billion as at 30 June 2012)



EaD = Exposure at Default

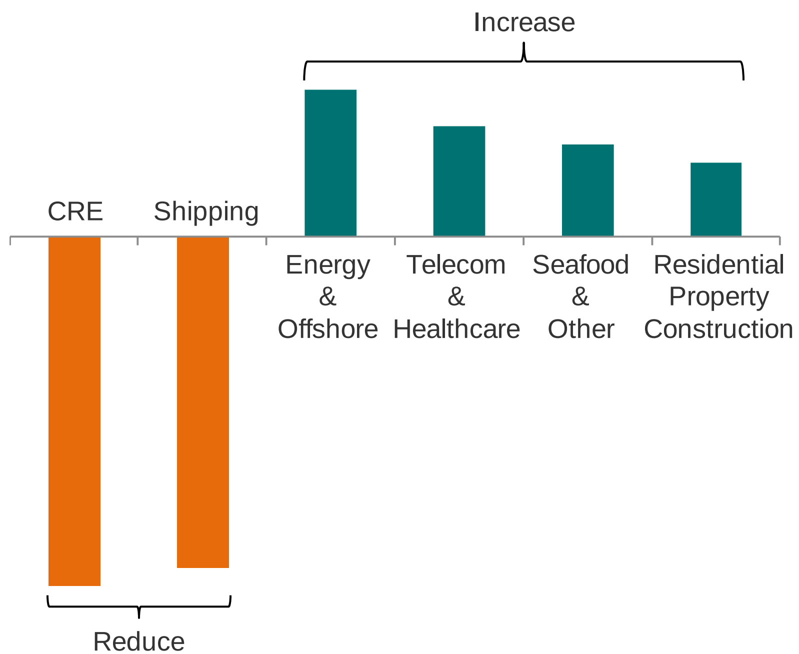
Portfolio facts

- Household and SME exposure represent approx. 60% of DNB's total EaD
- In 17 of 20 industry sectors, exposure is less than 5% of total EaD
- Commercial real estate and shipping represent 18.6% of DNB's total EaD **

* Including Baltics and Poland ** SMEs within CRE constitute approx. 1.3 per cent of DNB's EaD, or 14 per cent of the CRE portfolio

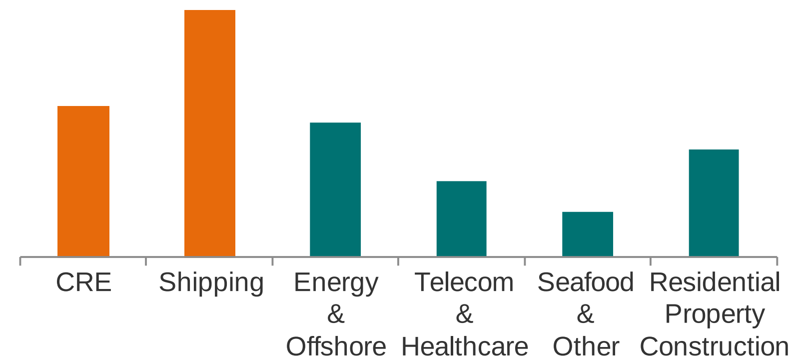
Rebalancing the corporate portfolio towards 2015

Reducing CRE and shipping *



CRE = commercial real estate

Reducing average weighted PD**



PD = probability of default

Increased capital efficiency, reduced concentration risk, reduced risk profile

*Indication of relative rebalancing in 2012-2014 (EaD) **Indication of relative average weighted PD

Growth potential in Energy & Offshore and Telecom

Energy & Offshore

Continued growth in global E&P spending from current high levels

DNB: more than 40 years' experience in the oil sector and 100 years in hydropower

Telecom

Stable growth drivers in a low cyclical sector

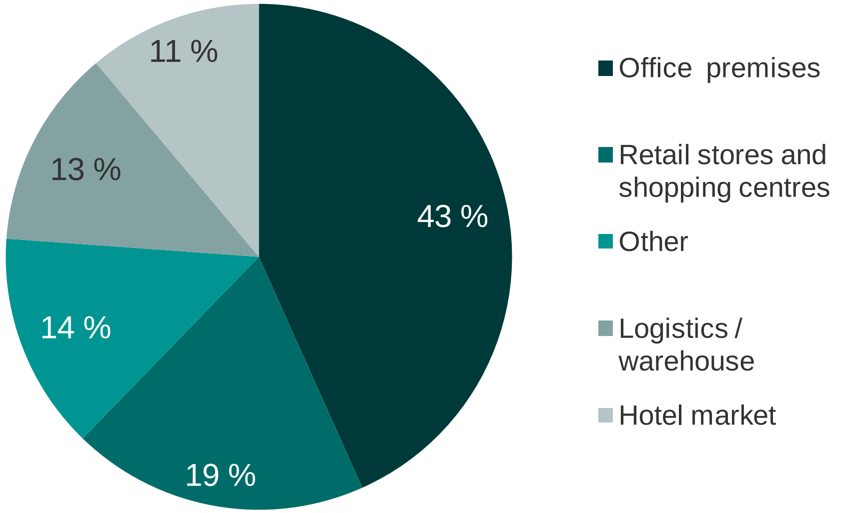
DNB: Long track record built on Nordic telecom cluster

Attractive risk/return

...DNB is well positioned to tap growth potential

Robustness in commercial real estate exposure - Benefiting from the strong Norwegian economy

EaD per risk driver (NOK 192.5 billion as at 30 June 2012)



Commercial real estate strategy

- Prioritise Norway, exit Sweden, Denmark and Finland
- Support industrial players – not financial investors

We are comfortable with our real estate exposure

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Norway is a leading maritime nation
- DNB no. 1 shipping bank globally

”Far Samson”, owned and operated by Farstad Shipping

DNB – a one-stop bank

Mainly larger, leading industrial clients

Shipping strategy

Long-term and relationship driven

Leading industry expertise

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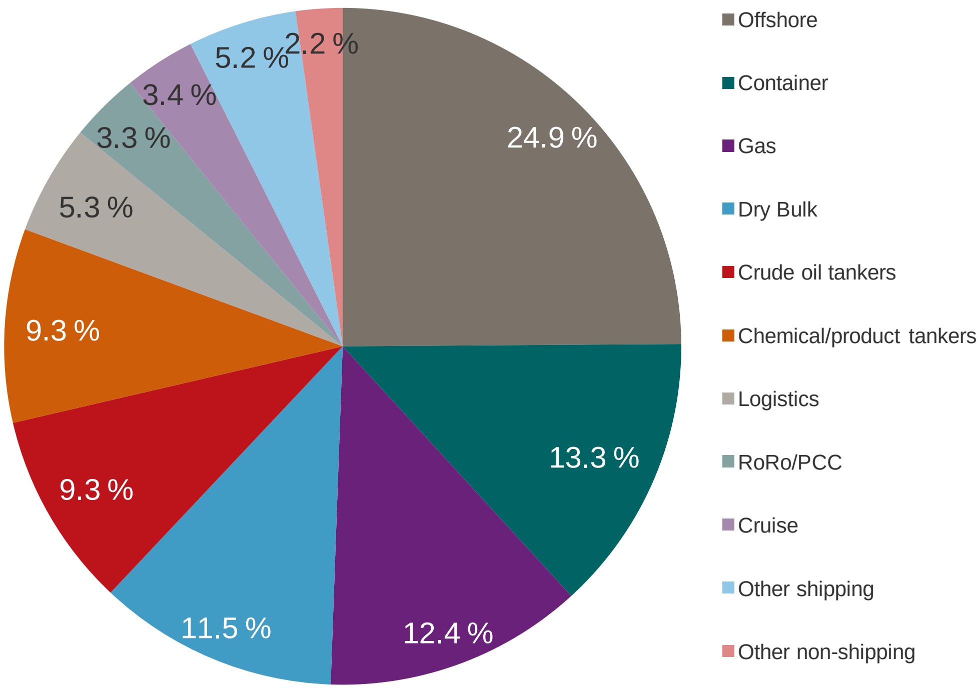
A diversified portfolio within Shipping, Offshore & Logistics Division

Total shipping, offshore and logistics portfolio by sector

EaD as at end of June 2012



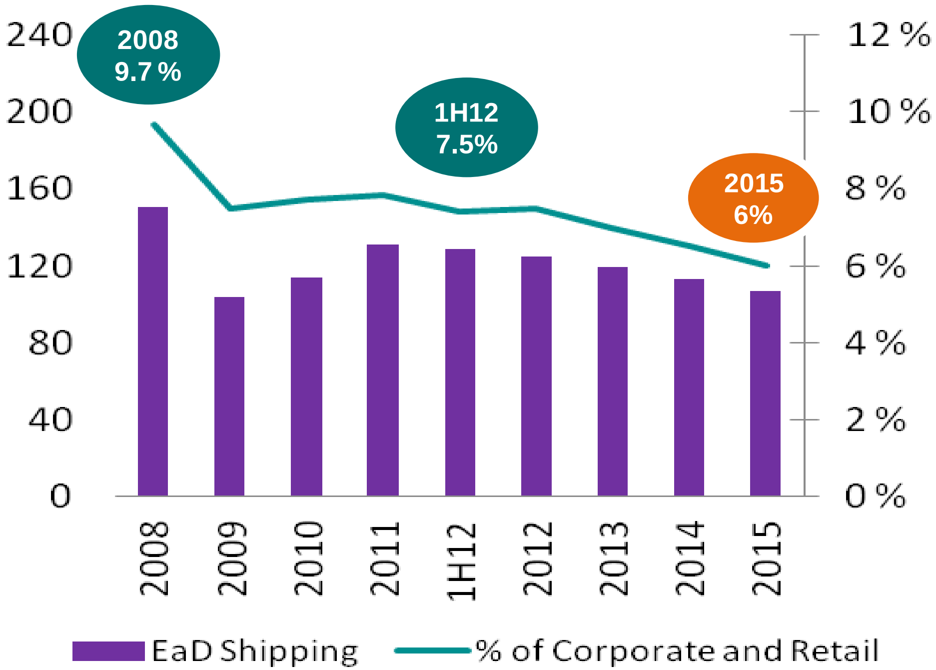
Portfolio facts

- One quarter of the portfolio within offshore – this will increase
- Traditional shipping* constitutes 64 per cent – this will be reduced
- Dry bulk and tanker segments at 11.5 and 9.3 per cent, respectively

*Traditional shipping is defined as all segments except offshore, cruise, logistics and other non-shipping

Traditional shipping exposure will be reduced - Aiming at 6 per cent of total DNB EaD by 2015

Shipping portfolio as share of DNB total



Going forward...

- Increased activity towards ECAs
- Capitalise on DNB Markets' strong position in syndication, bonds and equities
- Continue stricter prioritisation of clients

ECA=Export Credit Agencies

Client selection is key to portfolio quality

Client selection through the 4 Cs

Client

- Financial strength
- Track record & standing
- Investment horizon

Cash flow

- Cash flow projections
- Historical performance
- Volatility

Covenants

- A set of financial and minimum value covenants
- Act as early warning signals
- Used actively in client discussions

Collateral

- 1st priority mortgages
- Acceptable jurisdictions
- Modern and standard tonnage

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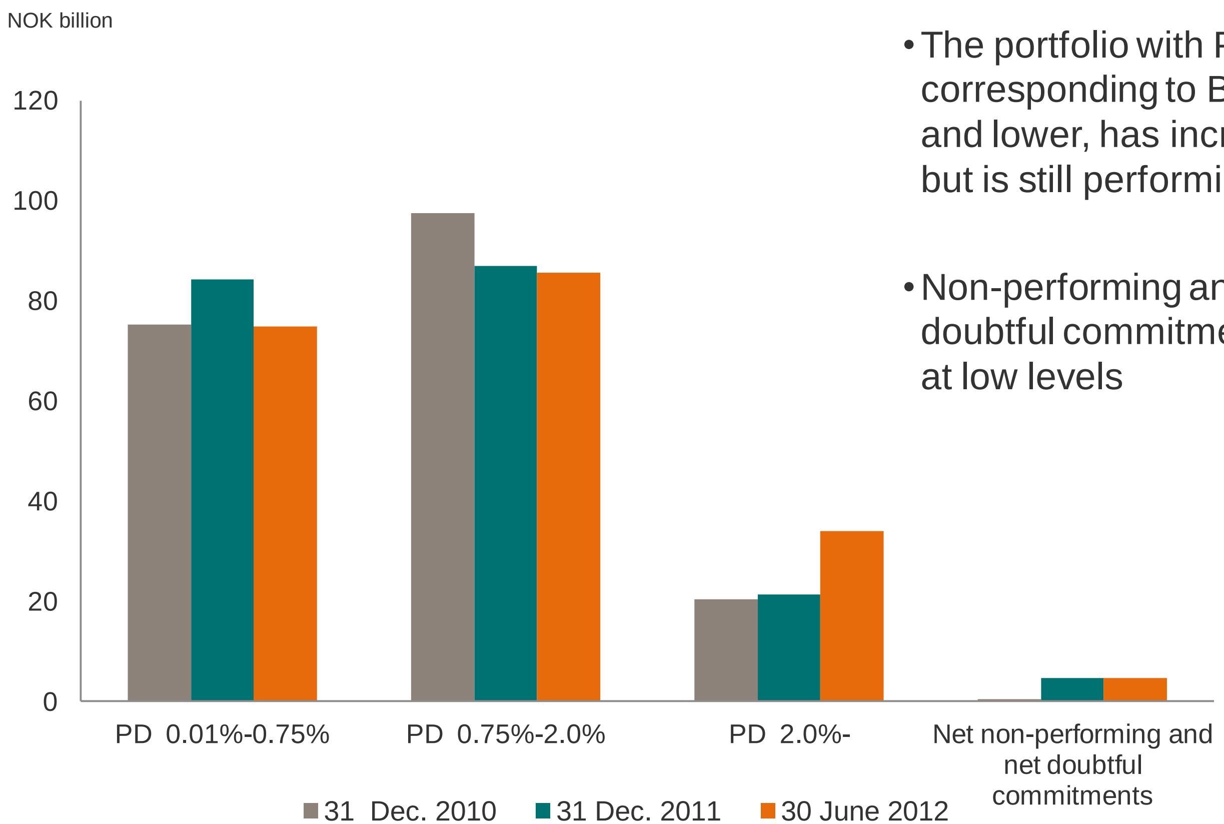
Risk has increased slightly, but portfolio is still robust

Distribution by PD - shipping, offshore & logistics portfolio



- The portfolio with PD > 2%, corresponding to BB-/Ba3 and lower, has increased, but is still performing
- Non-performing and doubtful commitments at low levels

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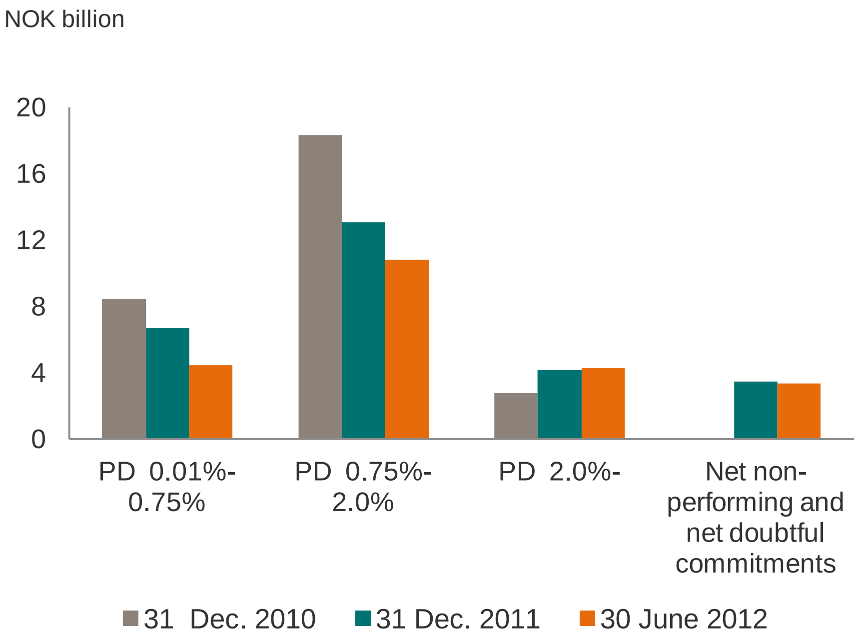
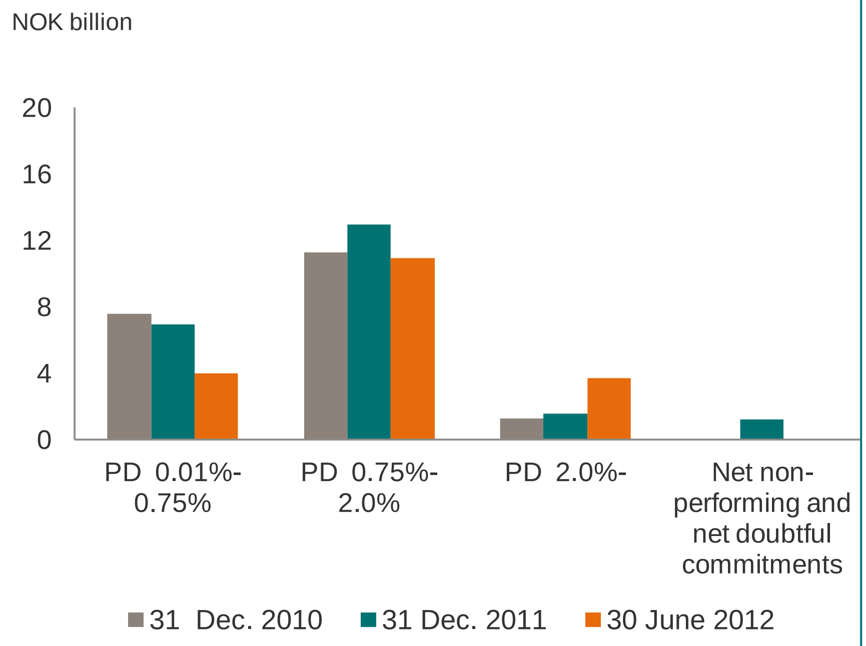
Portfolio migration mainly within dry bulk and tanker segments

Distribution of PD - dry bulk segment



Distribution of PD - tanker segment



Dry bulk portfolio reduced significantly

Most of tanker segment exposure to integrated shipping companies

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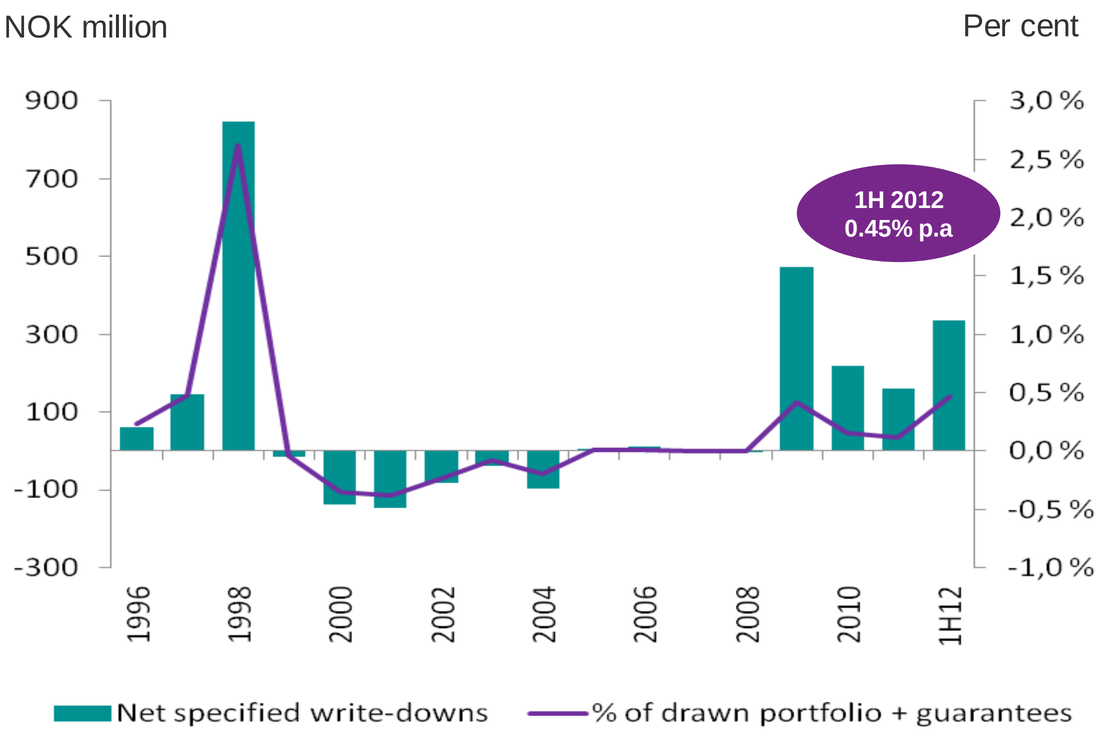
Proven strategy contributes to low specified write-downs

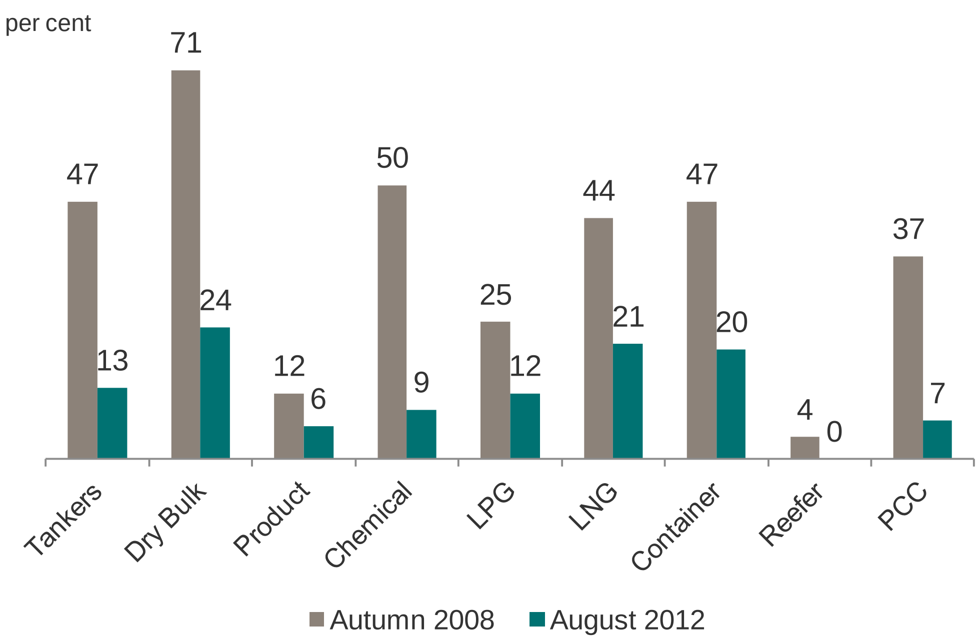
Specified write-downs, shipping offshore and logistics portfolio



- 2012 write-down level expected to be NOK 0.8-1 billion (in line with guiding)
- 2013 write-down level expected to be NOK 1-1.5 billion

Order book has been significantly reduced, but challenging dry bulk and tanker markets

Order book within the major shipping segments as per cent of the existing fleet



Key takeaways

- Order book is significantly reduced compared with the peak in 2008
- New delivery > scrapping
- Low increase in demand
- Spot rates expected to remain at low levels for some time

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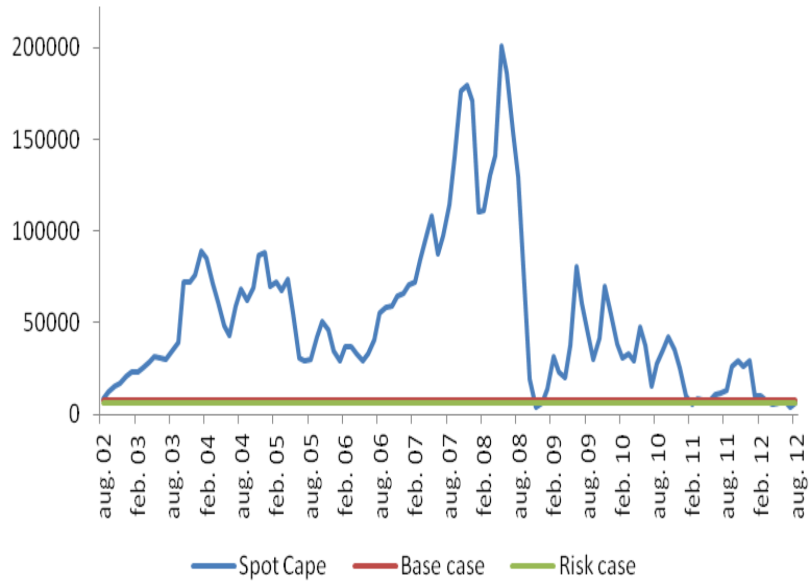
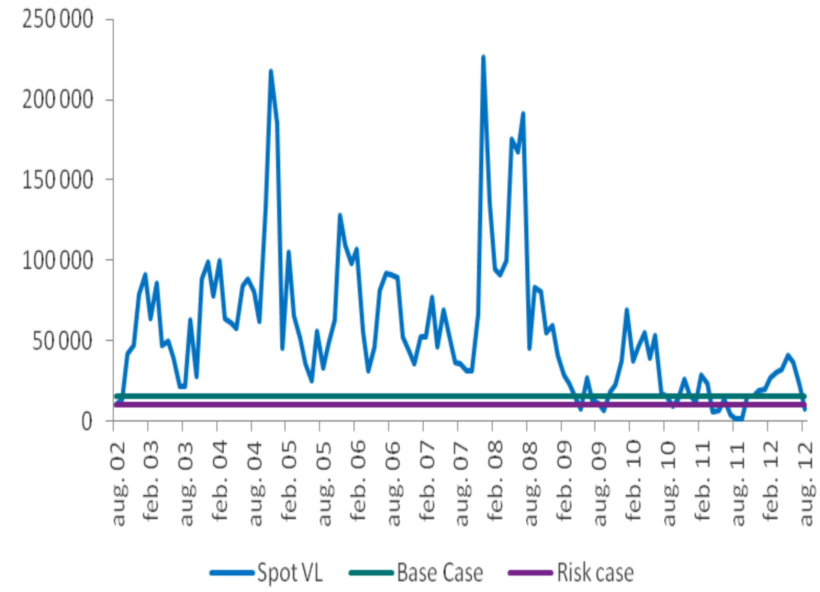
DNB is conservative in its rate assessments

Capesize bulk carriers



Very Large Crude Carriers



Watchlist portfolio is actively managed

- Early and constructive dialogue with our clients
- One special restructuring unit handles all difficult cases
- Watchlist clients are subject to very close follow-up, including frequent internal reporting
- Write-downs on all watchlist clients are assessed on a quarterly basis – subject to internal and external auditor's review

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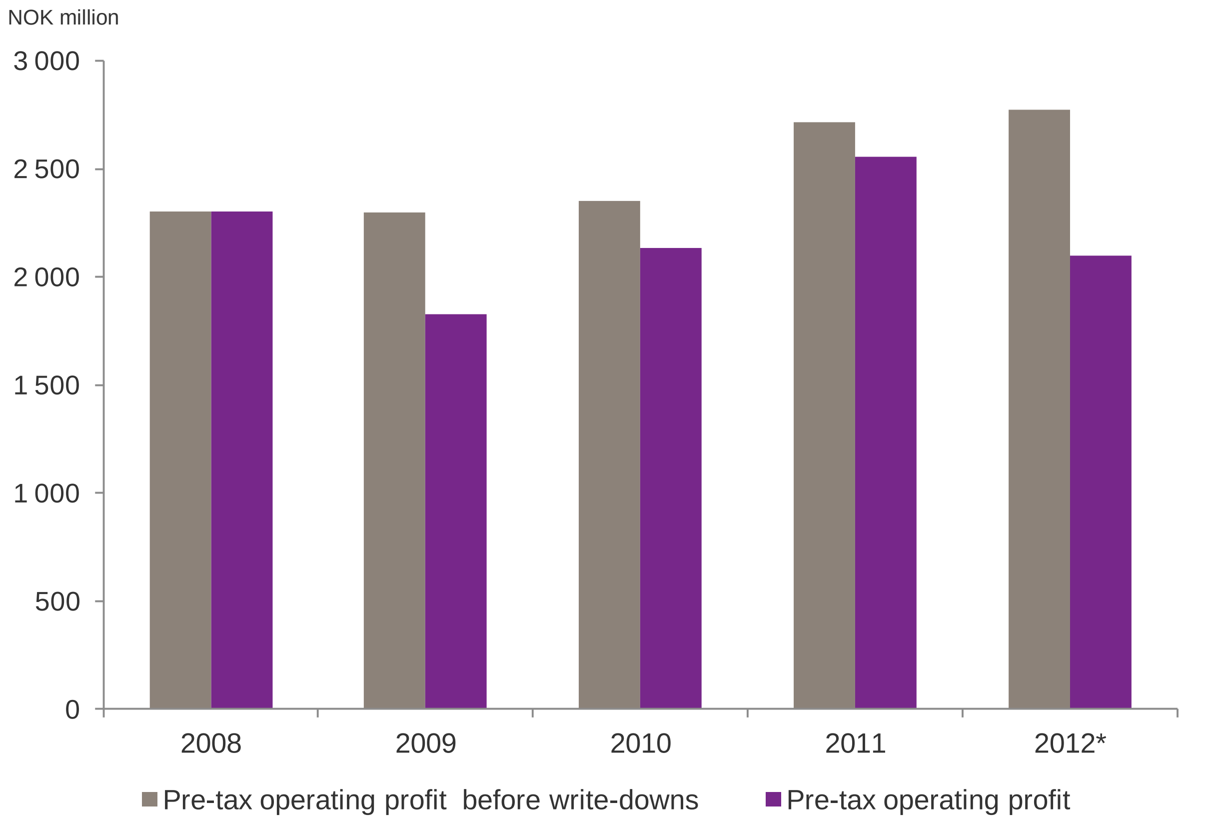
DNB's maritime business has considerable loss-absorbing capacity

Shipping, Offshore & Logistics Division's financial performance 2008-2012



Top maritime bookrunners first half 2012

1	***DNB Bank ASA***
2	Nordea Markets
3	BNP Paribas
4	Bank of America Merrill Lynch
5	Sumitomo Mitsui Financial Group
6	Mizuho
7	ING
8	Citi
9	Natixis
10	National Australia Bank

Source: Dealogic

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* Annualised 2012

Concluding remarks

Rebalancing our large corporate portfolio to increase capital efficiency

Targeting 6 per cent shipping exposure of total DNB Group EaD by 2015

Write-down level within shipping expected to be NOK 0.8-1 billion in 2012 (in line with guiding) and NOK 1-1.5 billion in 2013

DNB's maritime business is profitable and has considerable loss-absorbing capacity

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