

DnB NOR Group

- 4th quarter 2009 results



Rune Bjerke, group chief executive
Bjørn Erik Næss, CFO

Full year 2009

**Growth in pre-tax operating profits before write-downs:
NOK 18.7 billion (15.6)**

**Lower than expected write-downs on loans:
NOK 7.7 billion (3.5)**

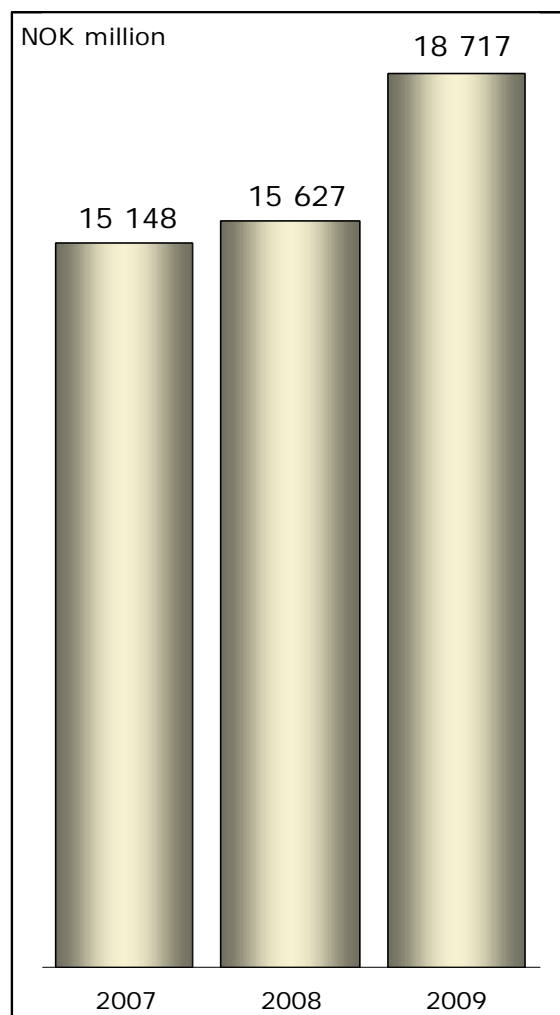
**Robust capital base after the rights issue:
Core capital 9.3 per cent (6.7)**

**Sound profits to DnB NOR's shareholders in a challenging year:
NOK 8.6 billion (9.2)**

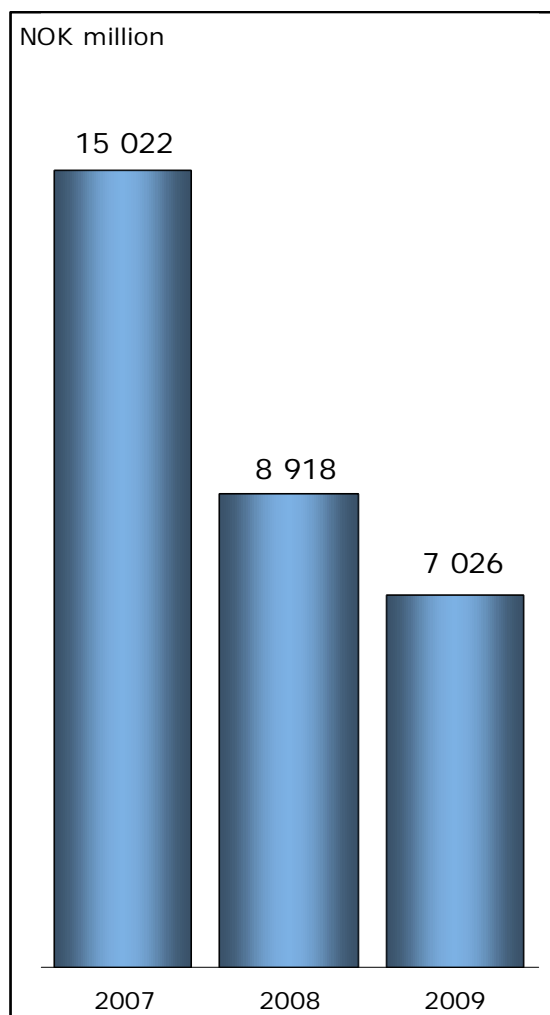
**Proposed dividend:
NOK 1.75**

Profit for the last three years

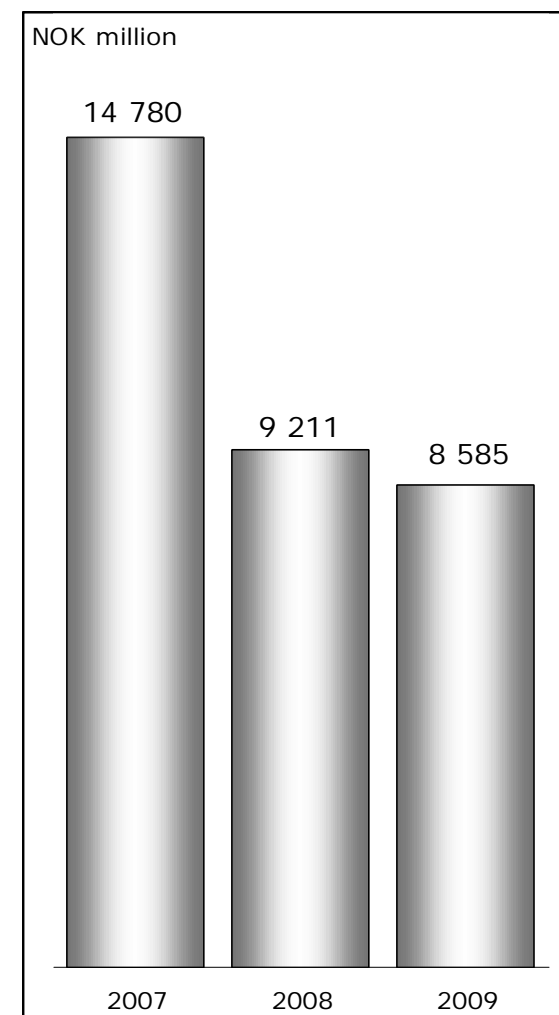
**Pre-tax operating profit
before write-downs**



Profit for the year

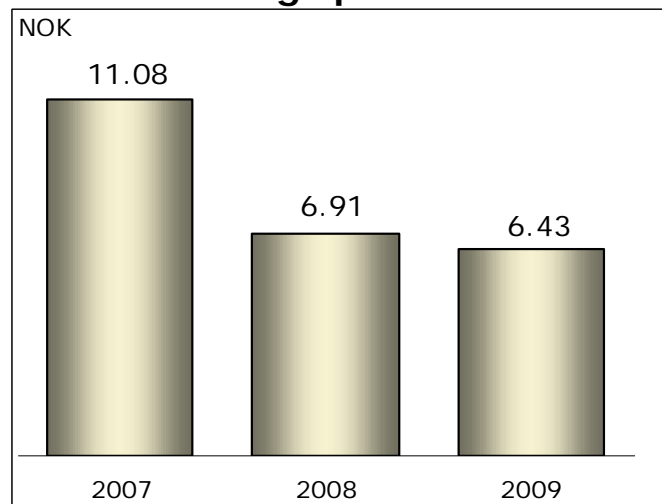


**Profit for the year,
after minority interests**

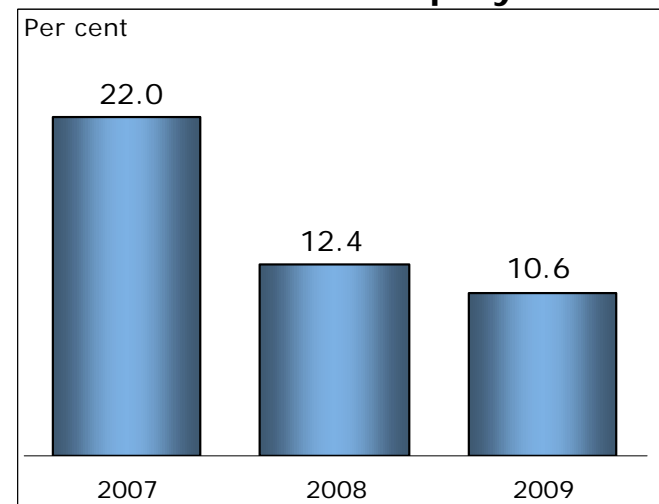


Key figures for the last three years

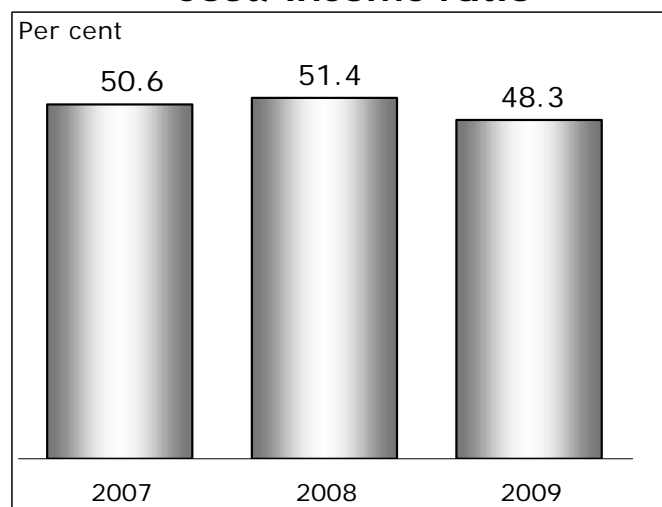
Earnings per share



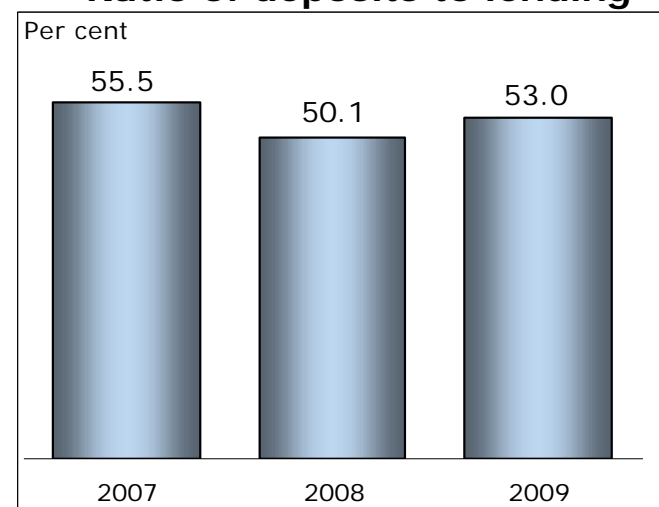
Return on equity



Cost/income ratio

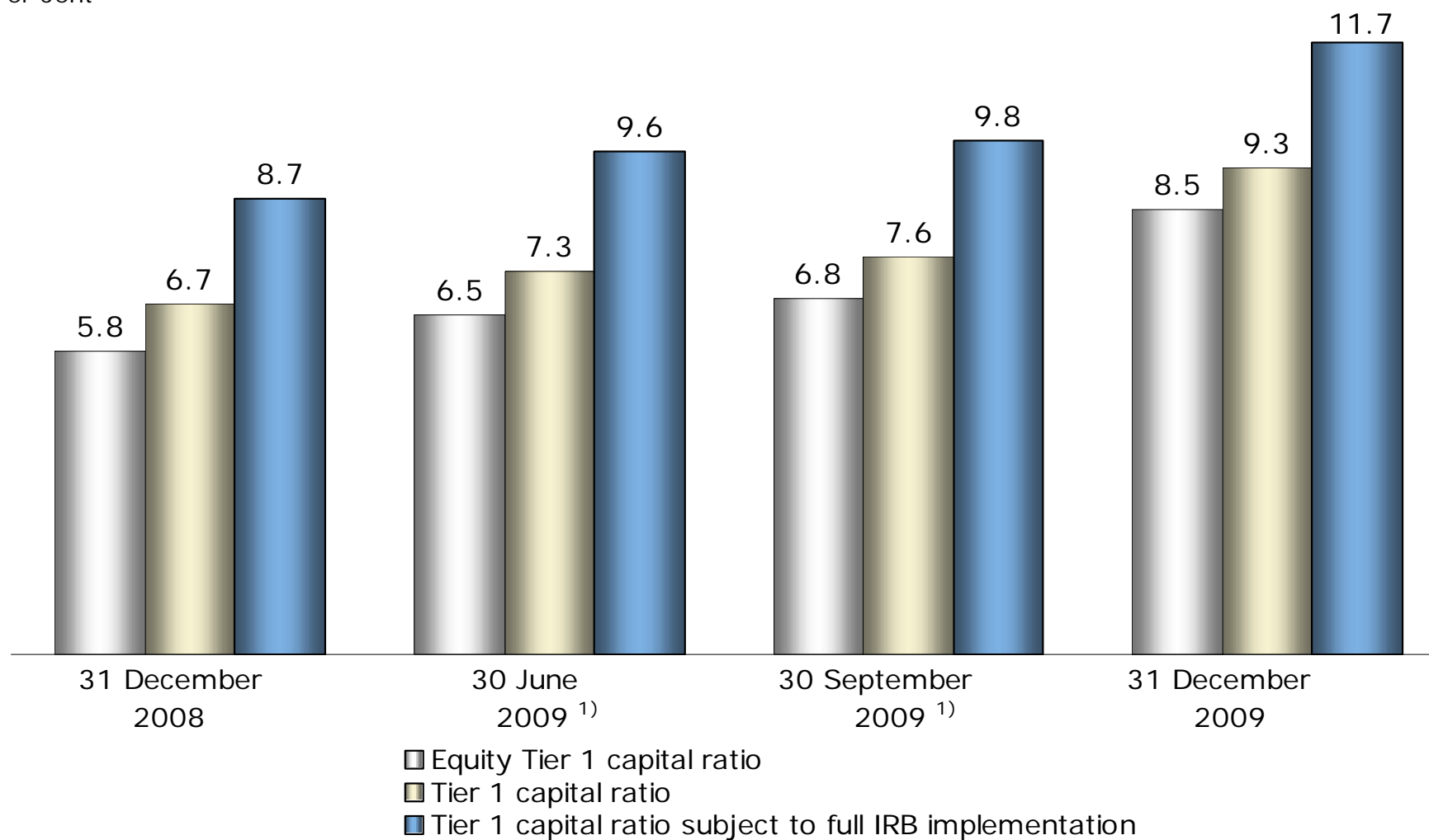


Ratio of deposits to lending



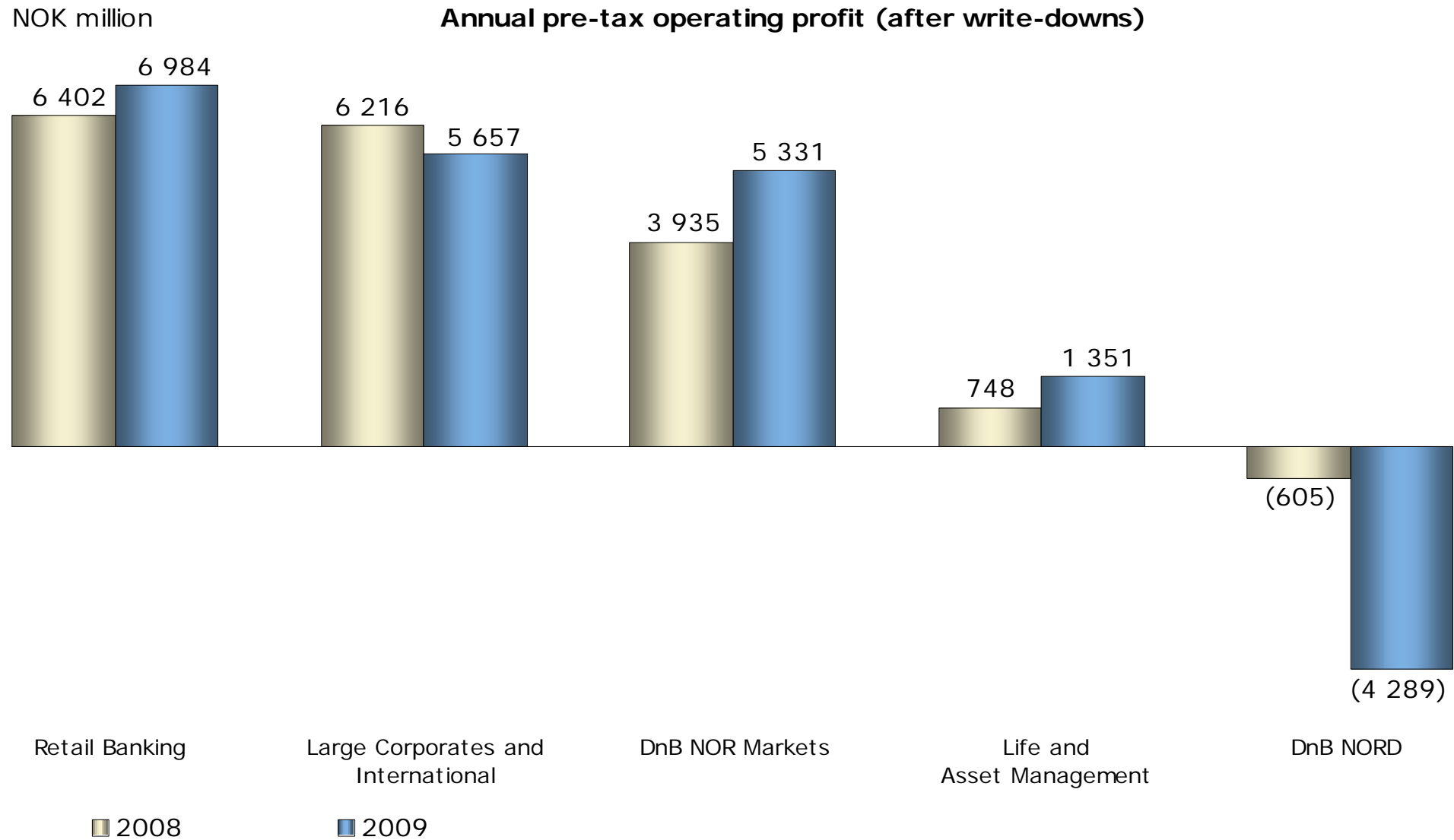
Tier 1 capital ratio

Per cent

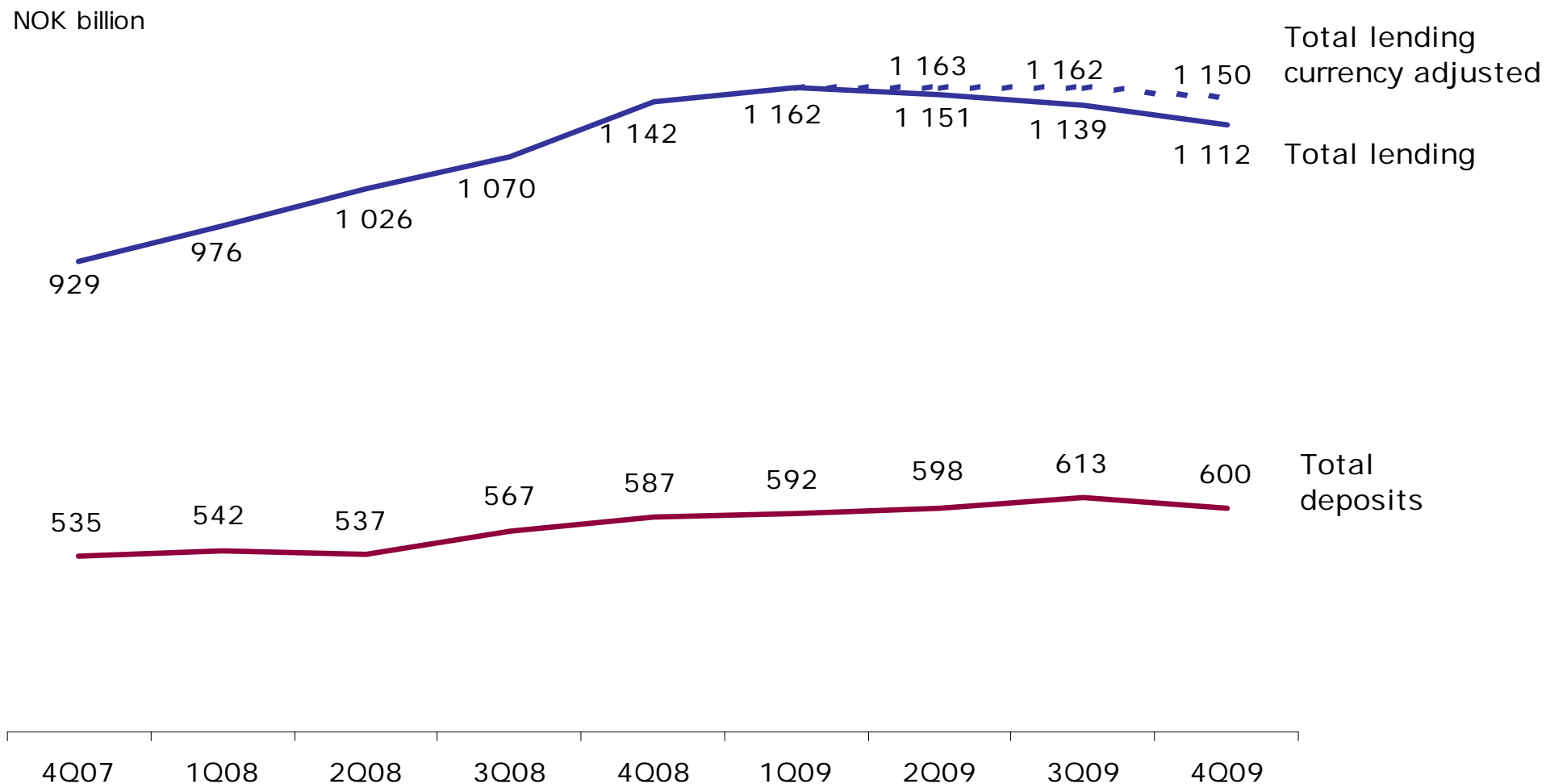


1) Including 50 per cent of profit for the period

Business areas – full-year financial performance



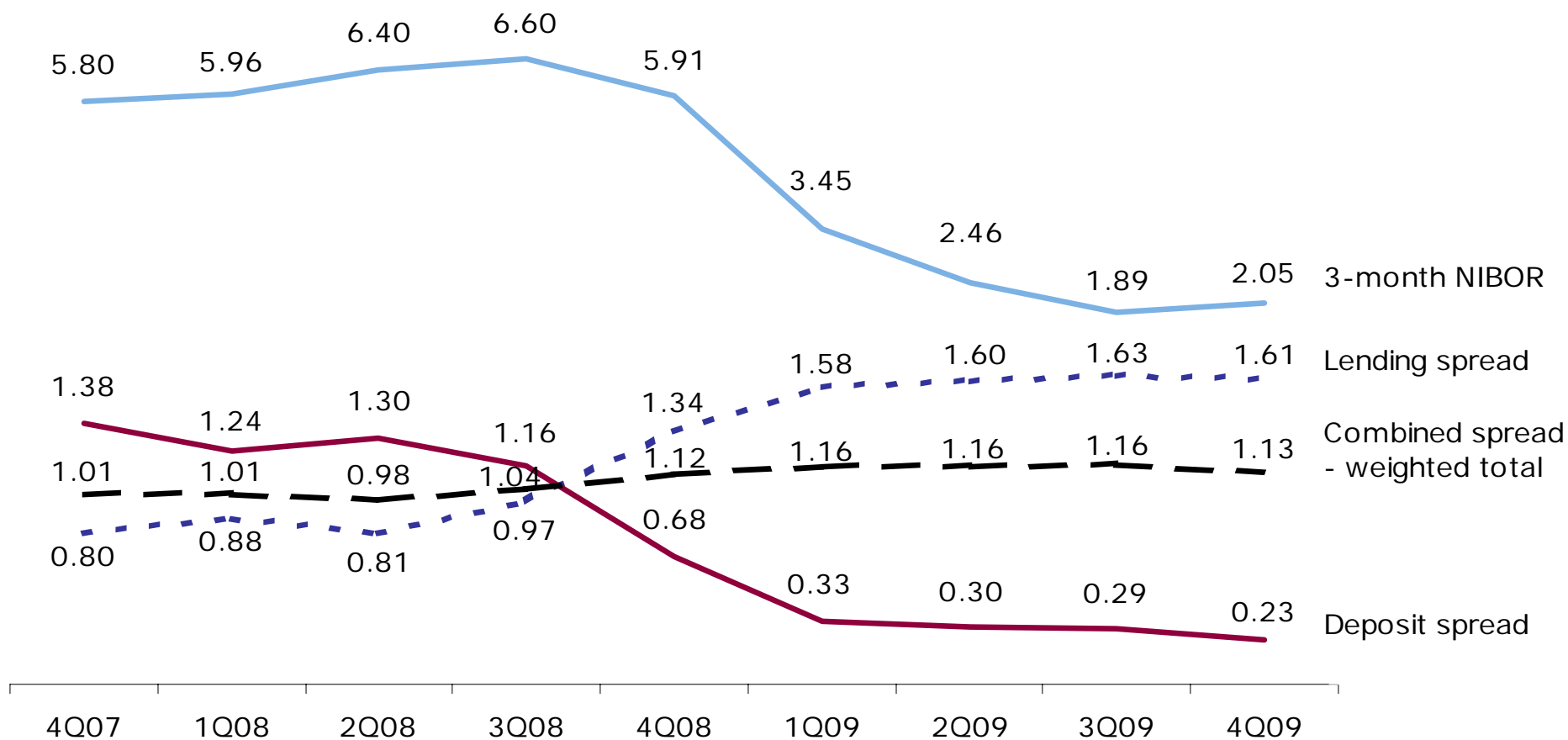
Lending and deposits ¹⁾



1) Average volumes in the period excluding lending to and deposits from credit institutions and impaired loans

Trend in interest rate spreads ¹⁾

Per cent



1) Excluding lending to and deposits from credit institutions and impaired loans

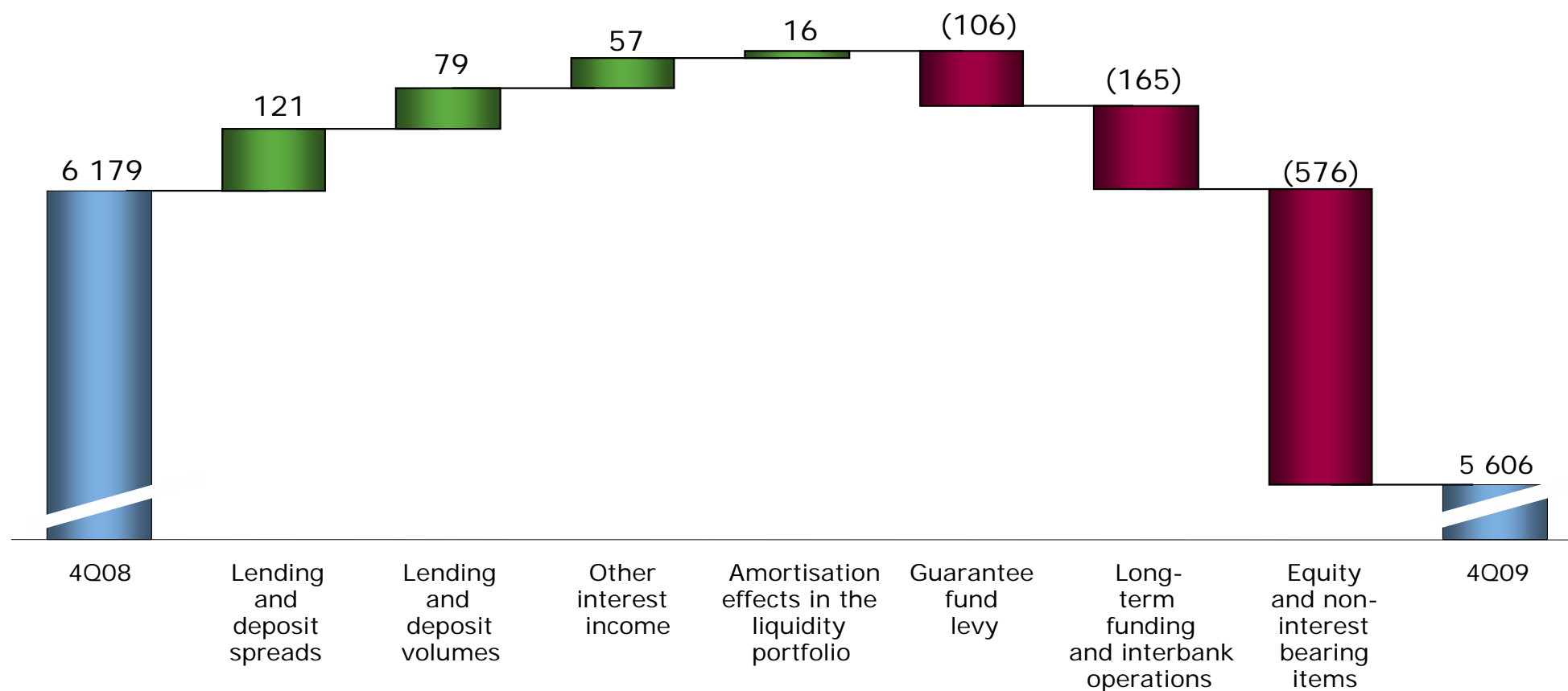
Income statement

Amounts in NOK million	4Q09	3Q09	2Q09	1Q09	4Q08	Full year 2009	Full year 2008
Net interest income	5 606	5 740	5 654	5 633	6 179	22 633	21 910
Net other operating income	3 160	3 951	2 694	5 190	4 615	14 994	12 438
Total income	8 766	9 691	8 347	10 823	10 794	37 627	34 347
Total ordinary operating expenses	4 319	4 548	4 600	4 714	4 559	18 180	17 662
Impairment losses for goodwill	338	100	291	0	1 058	730	1 058
Pre-tax operating profit before write-downs	4 109	5 043	3 457	6 109	5 176	18 717	15 627
Net gains on fixed and intangible assets	19	(4)	7	4	5	26	52
Write-downs on loans and guarantees	1 517	2 277	2 318	1 598	2 314	7 710	3 509
Pre-tax operating profit	2 610	2 762	1 146	4 514	2 868	11 032	12 170
Taxes	1 001	1 002	503	1 580	1 240	4 086	3 252
Profit from operations held for sale	80	0	0	0	0	80	0
Profit for the period	1 689	1 760	643	2 934	1 629	7 026	8 918
Profit after minority interests	2 122	2 167	1 200	3 095	2 030	8 585	9 211

Changes in net interest income

NOK million

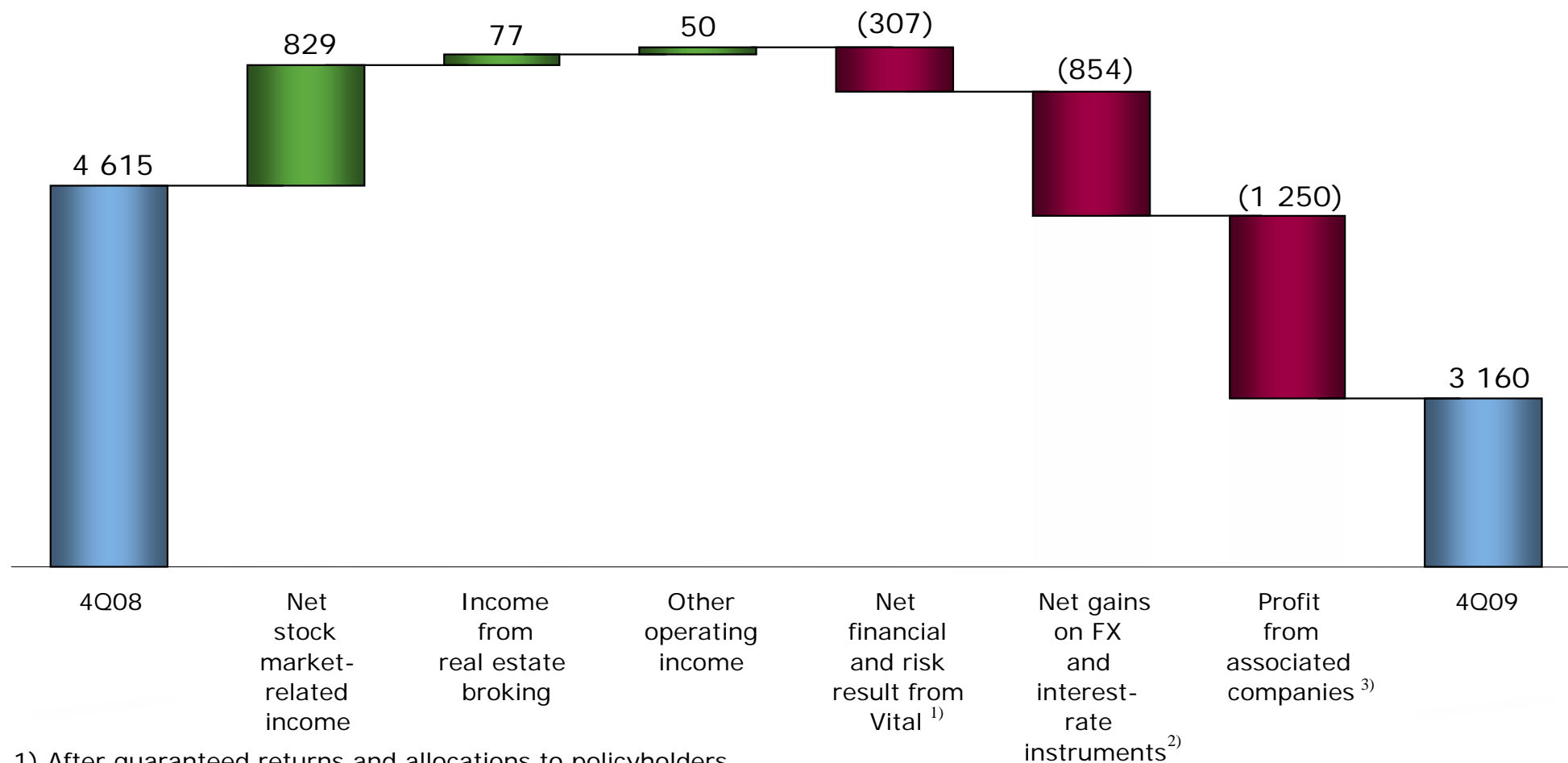
From 4th quarter 2008 to 4th quarter 2009



Changes in net other operating income

NOK million

From 4th quarter 2008 to 4th quarter 2009



1) After guaranteed returns and allocations to policyholders

2) Excluding guarantees

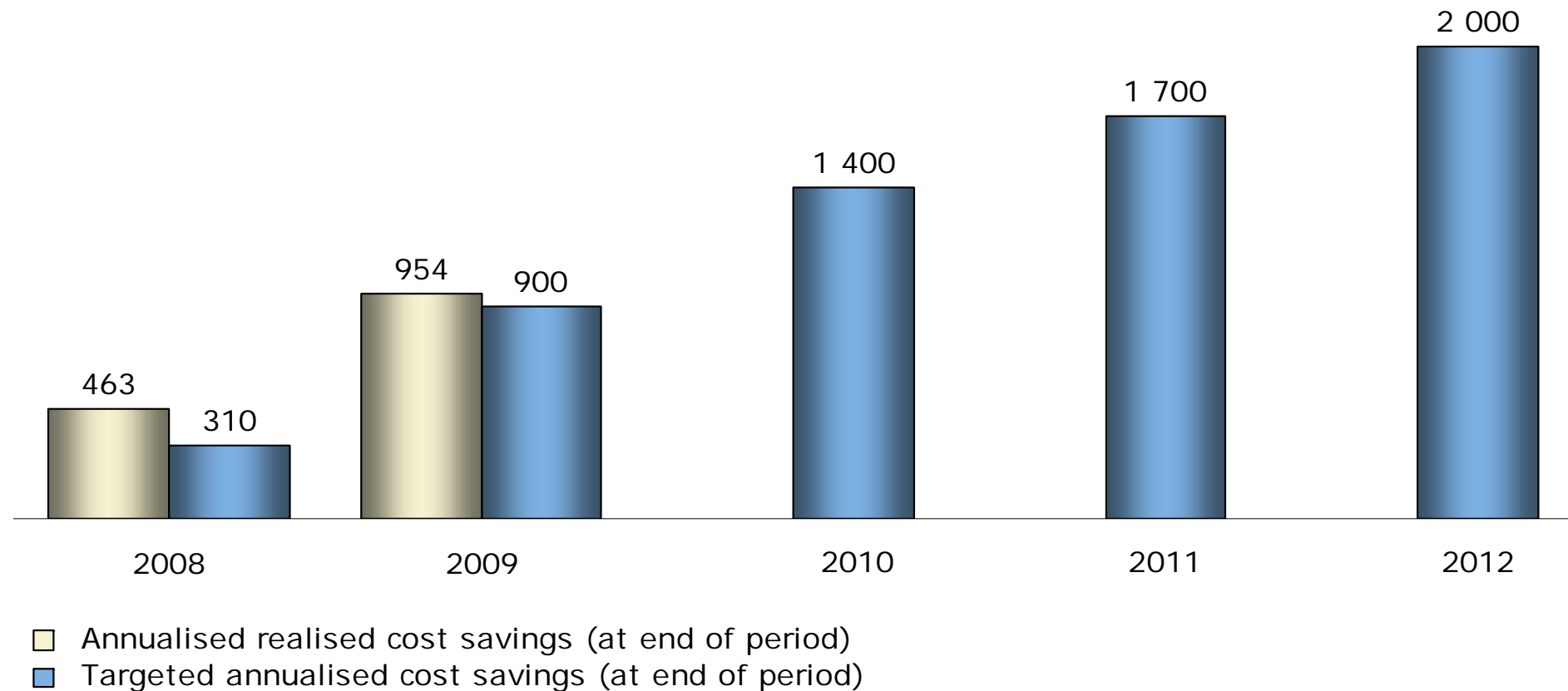
3) Wider credit margins caused sizeable unrealised gains on funding in Eksportfinans in the fourth quarter of 2008

Changes in operating expenses

Amounts in NOK million	4Q09	Changes	4Q08
Total operating expenses	4 657	(961)	5 618
Impairment losses for goodwill	338	(720)	1 058
Total ordinary operating expenses	4 319	(241)	4 559
Cost programme		(126)	
Restructuring expenses, cost programme		20	
IT expenses		(190)	
Marketing expenses etc.		(52)	
Fees etc.		(35)	
Wage and price inflation		109	
Operational leasing		49	
Other operating expenses		(14)	

Target: Reduce annual costs by NOK 2 billion by the end of 2012

NOK million

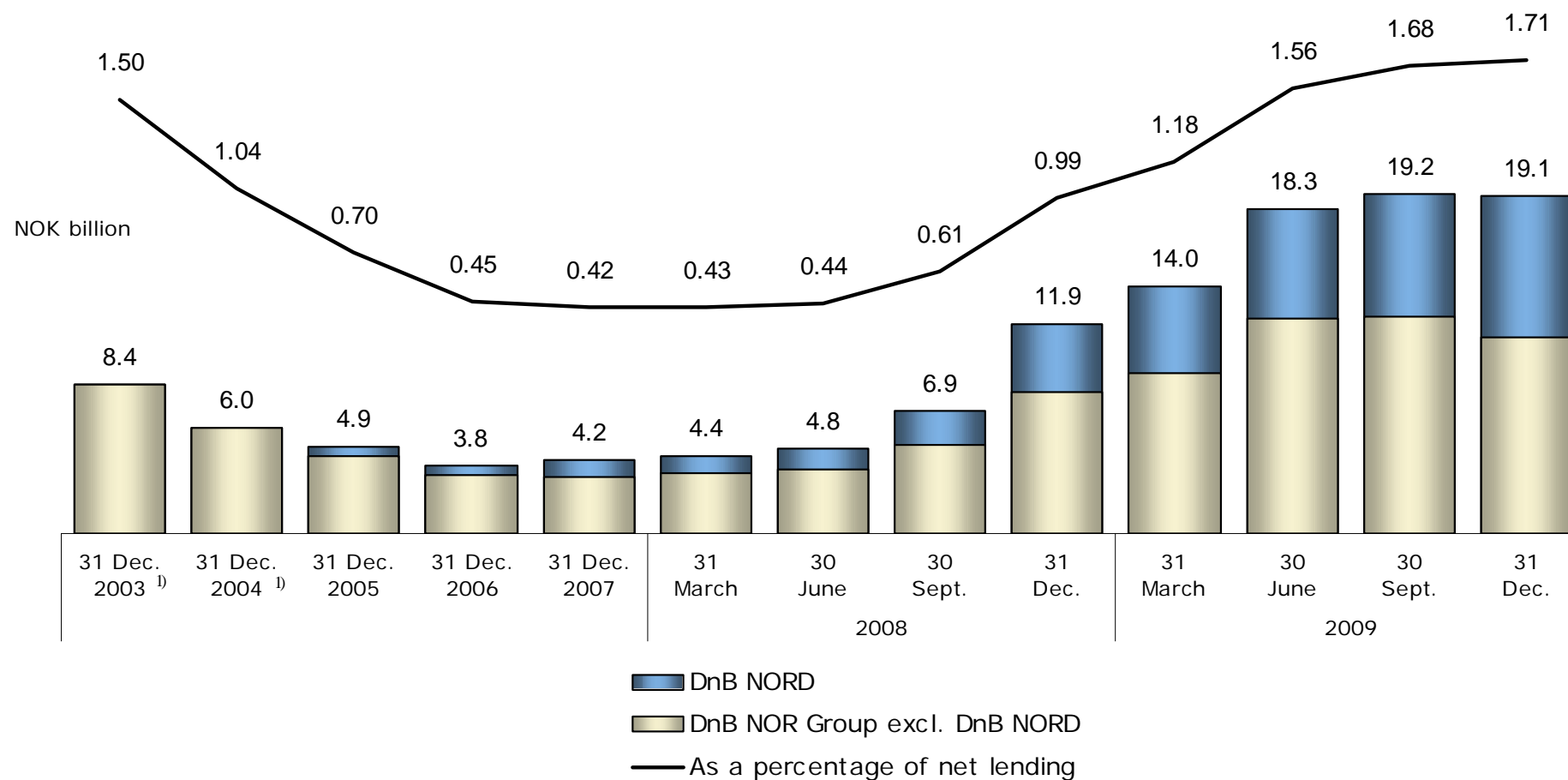


Breakdown of scheduled cost savings

Cost programme 2008-2010 - process efficiency and general streamlining	▶ NOK 850-950 million
Procurement	▶ NOK 300-400 million
Retail Banking - restructuring of Norwegian banking operations	▶ NOK 100-150 million
Staff/support functions - centralisation/streamlining	▶ NOK 150-200 million
One IT - coordination and consolidation	▶ NOK 400-600 million

Net non-performing and impaired commitments

Per cent



1) Pro forma figures prior to 2005

Write-downs on loans and guarantees

Amounts in NOK million	4Q09	3Q09	2Q09	1Q09	4Q08	Full year 2009	Full year 2008
<i>Individual write-downs:</i>							
Retail Banking							
- Private individuals	109	44	99	152	95	405	414
- Small and medium-sized enterprises	61	313	57	202	325	633	489
- DnB NOR Finans	158	91	105	102	208	456	330
- Nordlandsbanken	16	28	31	20	15	94	34
Large Corporates and International							
- Nordic and International Corporates	133	28	196	244	77	601	160
- Shipping, Offshore and Logistics	55	243	201	(23)	3	476	(1)
- Special and Structured Finance	2	0	0	0	0	2	0
- Northern Europe	0	9	15	24	51	48	57
Other units	0	0	5	0	21	5	18
DnB NOR excl. DnB NORD	534	756	709	721	792	2 719	1 501
DnB NORD	768	948	1 143	487	907	3 346	1 178
Total individual write-downs	1 301	1 704	1 852	1 208	1 699	6 065	2 679
<i>Collective write-downs:</i>							
DnB NOR excl. DnB NORD	139	480	156	286	469	1 062	620
DnB NORD	77	92	310	104	146	583	210
Total collective write-downs on loans	216	572	466	390	615	1 645	830
Write-downs on loans and guarantees ¹⁾	1 517	2 277	2 318	1 598	2 314	7 710	3 509
1) Of which Norwegian units	413	1 080	602	931	1 014	3 038	1 760

Write-downs in per cent of lending

Per cent	4Q09	3Q09	2Q09	1Q09	4Q08	Full year 2009	Full year 2008
Individual write-downs in relation to							
average volumes (annual basis)	0.46	0.59	0.64	0.41	0.59	0.53	0.25
- Norwegian units	0.13	0.29	0.22	0.29	0.25	0.24	0.13
- International units excl. DnB NORD	0.45	0.25	0.41	0.07	0.54	0.29	0.13
- DnB NORD	4.04	4.62	5.31	2.15	4.14	4.00	1.57
Total write-downs in relation to							
average volumes (annual basis)	0.54	0.79	0.80	0.55	0.80	0.67	0.33

Lending and write-downs in DnB NORD

Amounts in NOK million	Net lending as at 31 Dec. 2009	4th quarter 2009		Full year 2009	
		Write-downs on loans and guarantees	Write-downs in per cent of net lending ¹⁾	Write-downs on loans and guarantees	Write-downs in per cent of net lending ¹⁾
Latvia	18 948	248	5.13	1 603	7.39
Lithuania	25 408	421	6.37	1 728	5.99
Estonia	3 296	18	2.14	58	1.71
The Baltic States - total	47 652	687	5.59	3 389	6.29
Poland	11 899	87	3.05	249	2.25
Other	8 500	71	1.83	291	1.51
DnB NORD total	68 051	845	4.44	3 929	4.66

1) Annualised figures, including collective write-downs, relative to average volumes

Balance sheets

	DnB NOR Group			DnB NOR Bank ASA		
	31 Dec. 2009	31 Dec. 2008	31 Dec. 2007	31 Dec. 2009	31 Dec. 2008	31 Dec. 2007
Amounts in NOK billion						
Net lending to customers ¹⁾	1 115	1 192	971	627	824	763
Other assets	709	640	503	845	652	401
Total assets	1 823	1 832	1 474	1 472	1 476	1 164
Deposits from customers ²⁾	591	597	538	581	570	511
Short-term debt securities issued	168	195	97	168	195	97
Long-term debt securities issued	326	411	274	230	313	238
Other liabilities and provisions	638	547	488	420	329	257
Equity	101	81	76	72	69	61
Total liabilities and equity	1 823	1 832	1 474	1 472	1 476	1 164
Ratio of deposits to net lending (%) ³⁾	53.0	50.1	55.5	92.7	69.2	66.9
Total combined assets	2 076	2 141	1 834	1 472	1 476	1 164

1) Currency-adjusted lending 1 179

675

2) Currency-adjusted deposits 613

600

3) The ratio of deposits to lending in DnB NOR Bank ASA must be seen in association with the transfer of loans to DnB NOR Boligkreditt

Macroeconomic developments

Signs of recovery in the global economy, but future economic outlook remains uncertain

The Norwegian economy is more robust than other European economies

Continuing low unemployment, but a slightly rising trend

Continuing low interest rate levels, but a slightly rising trend

Outlook 2010

Limited growth during the first six months of the year, followed by gradual upward trend

Tight cost control

Lower tax in 2010

Write-downs on loans in 2010 on a level with 2009

NOK 20 billion pre-tax operating profit target before write-downs remains firm



DnBNOR