



Results DnB NOR Group Third quarter **2011**

Rune Bjerke (CEO)
Bjørn Erik Næss (CFO)



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Third quarter 2011

Healthy trend in the bank's core operations

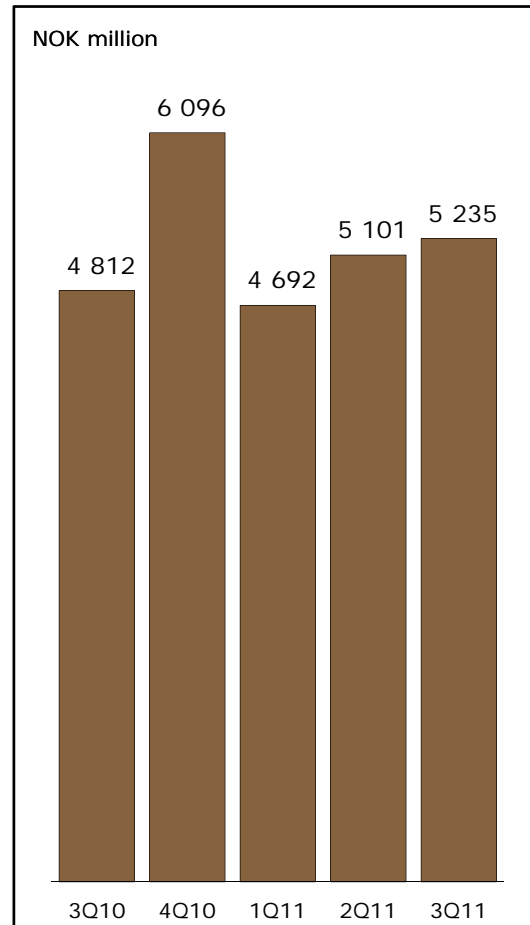
Growth in volumes and increase in net interest income

High market volatility gives losses within life insurance, though mark-to-market adjustments have a positive effect

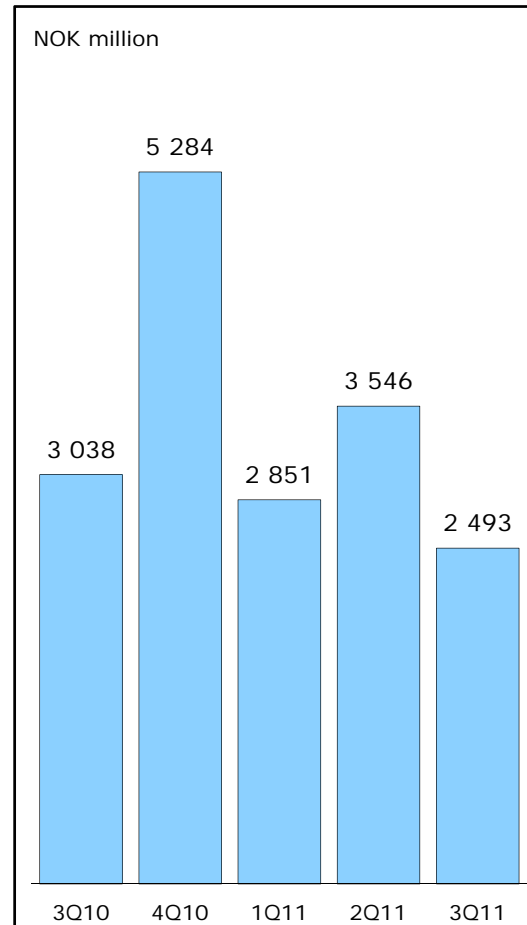
Significant write-downs in the Latvian mortgage portfolio

Profit per quarter

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



Profit for the period



Third quarter 2011

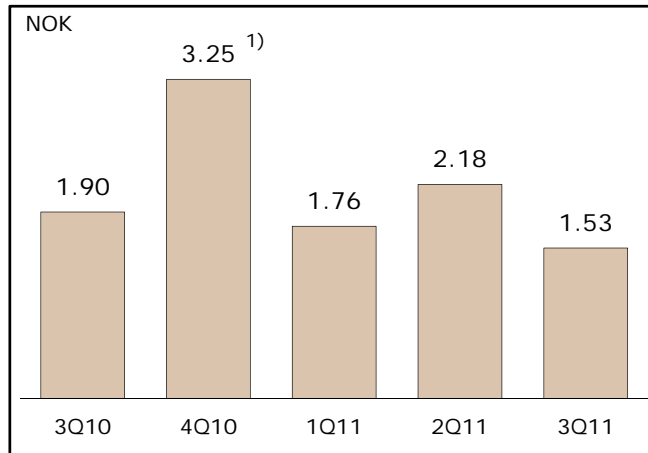
- Life insurance: NOK -756 million
- Mark-to-market adjustments: NOK 1 398 million
- Tax charge: 39.4 per cent. Annual estimate: 29 per cent

Third quarter 2010

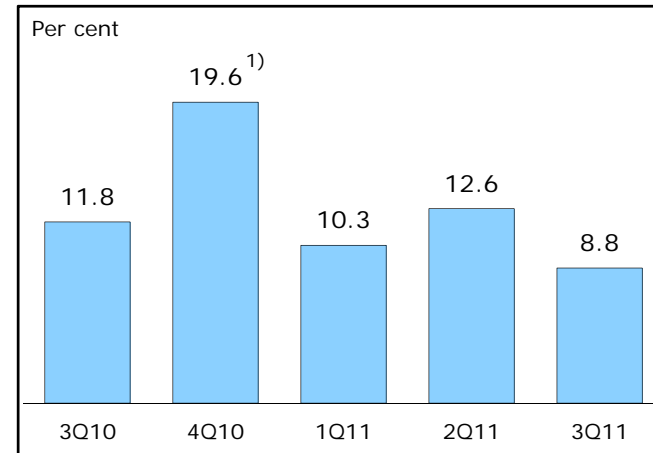
- Life insurance: NOK 918 million
- Mark-to-market adjustments: NOK -717 million
- Tax charge: 27.6 per cent, 29.4 per cent for the full year

Key figures per quarter

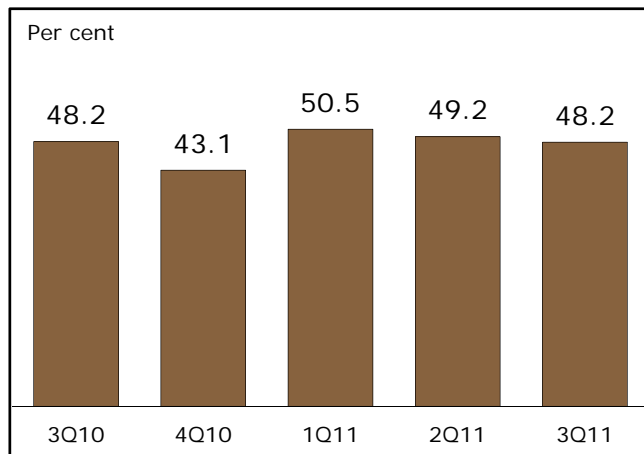
Earnings per share



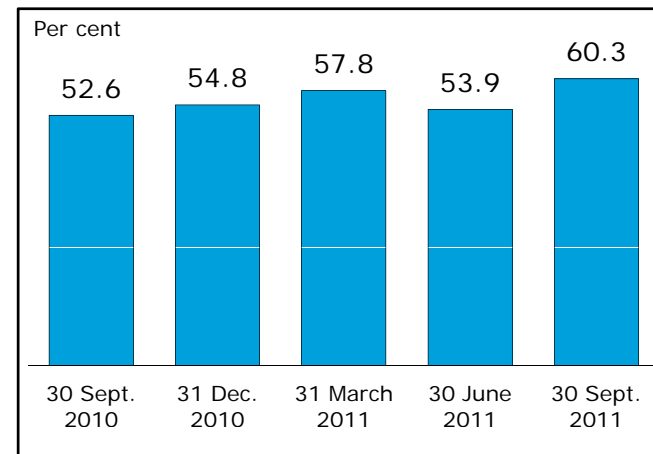
Return on equity



Cost/income ratio

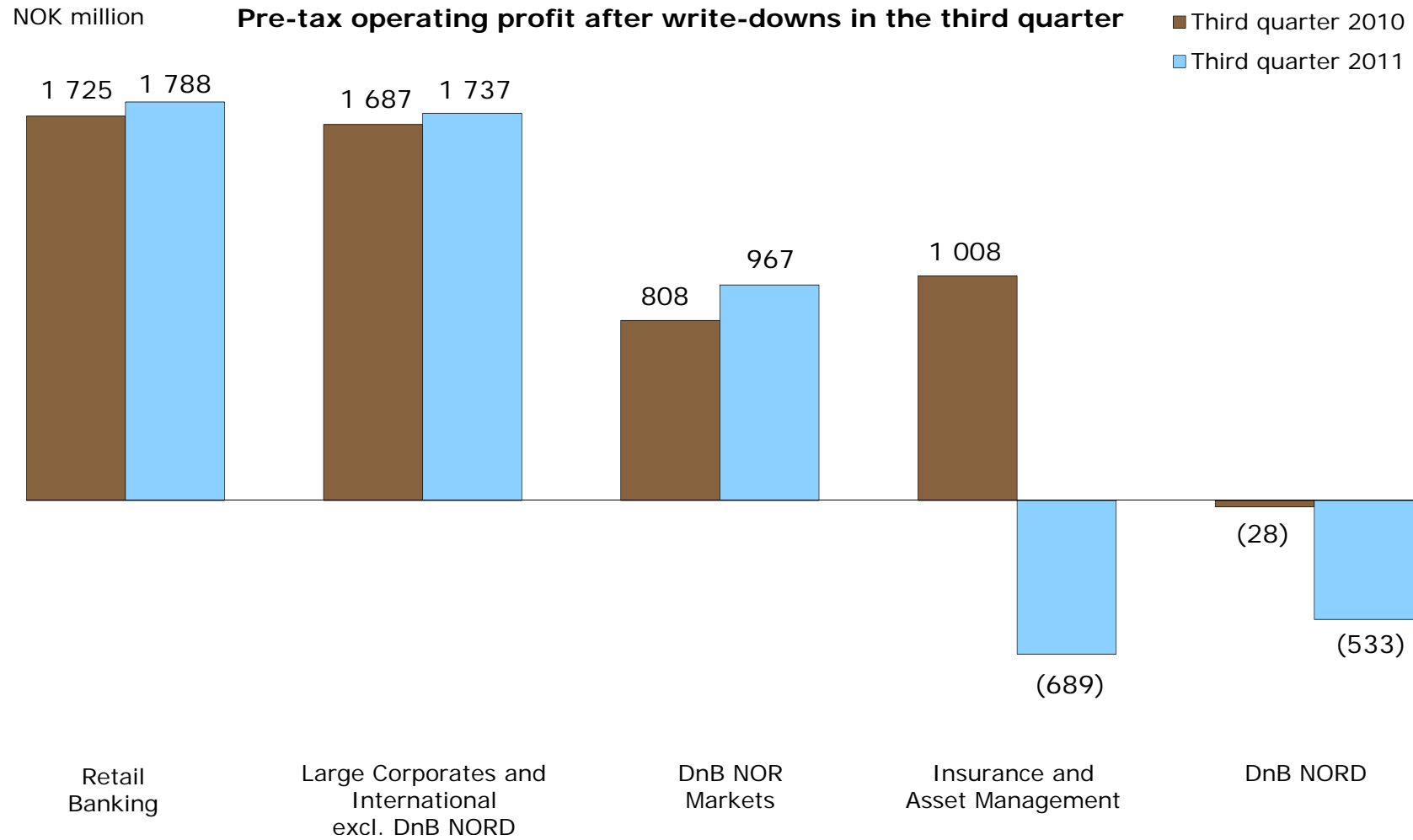


Ratio of deposits to lending



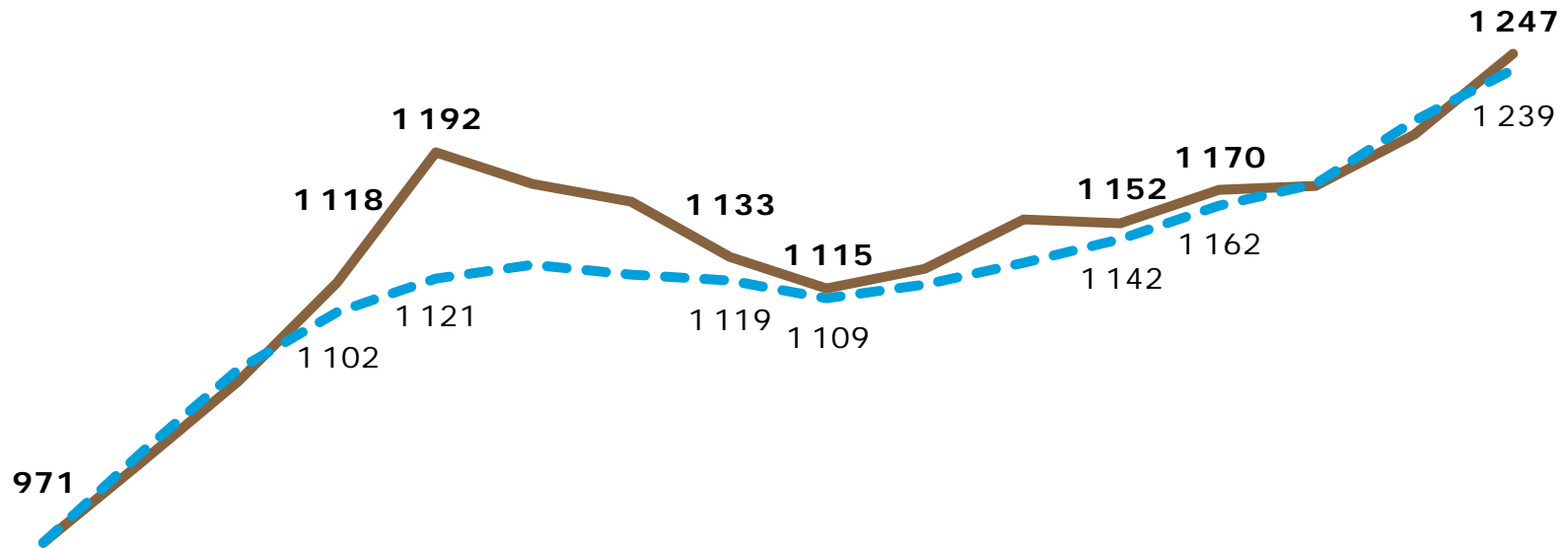
1) Based on profit for the period without adjustment for minority interests due to the purchase of the remaining shares in DnB NORD

Business areas



Development in lending

NOK billion

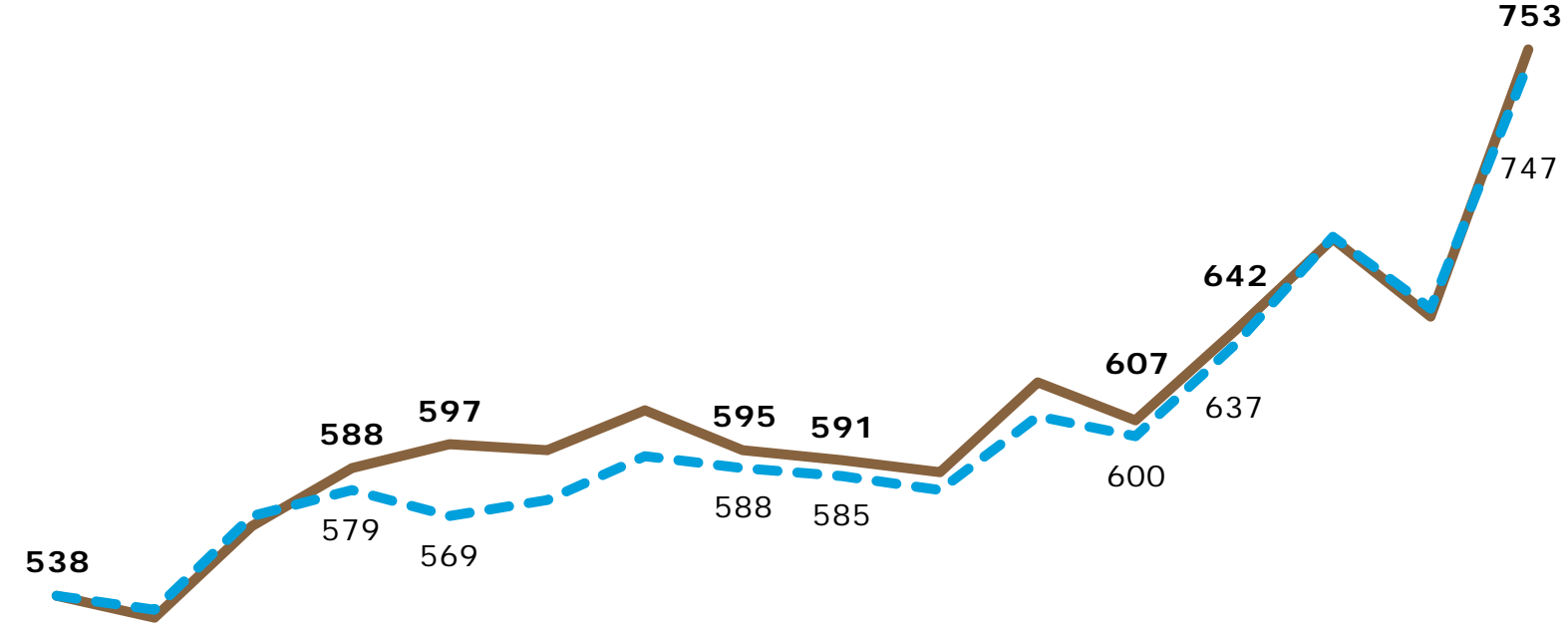


31	31	30	30	31	31	30	30	31	31	30	30	31	31	30	30	
Dec.	March	June	Sept.	Dec.	March	June	Sept.	Dec.	March	June	Sept.	Dec.	March	June	Sept.	
2007				2008				2009				2010				2011

- Lending at end of period
- - - Lending, adjusted for exchange rate movements

Development in deposits

NOK billion

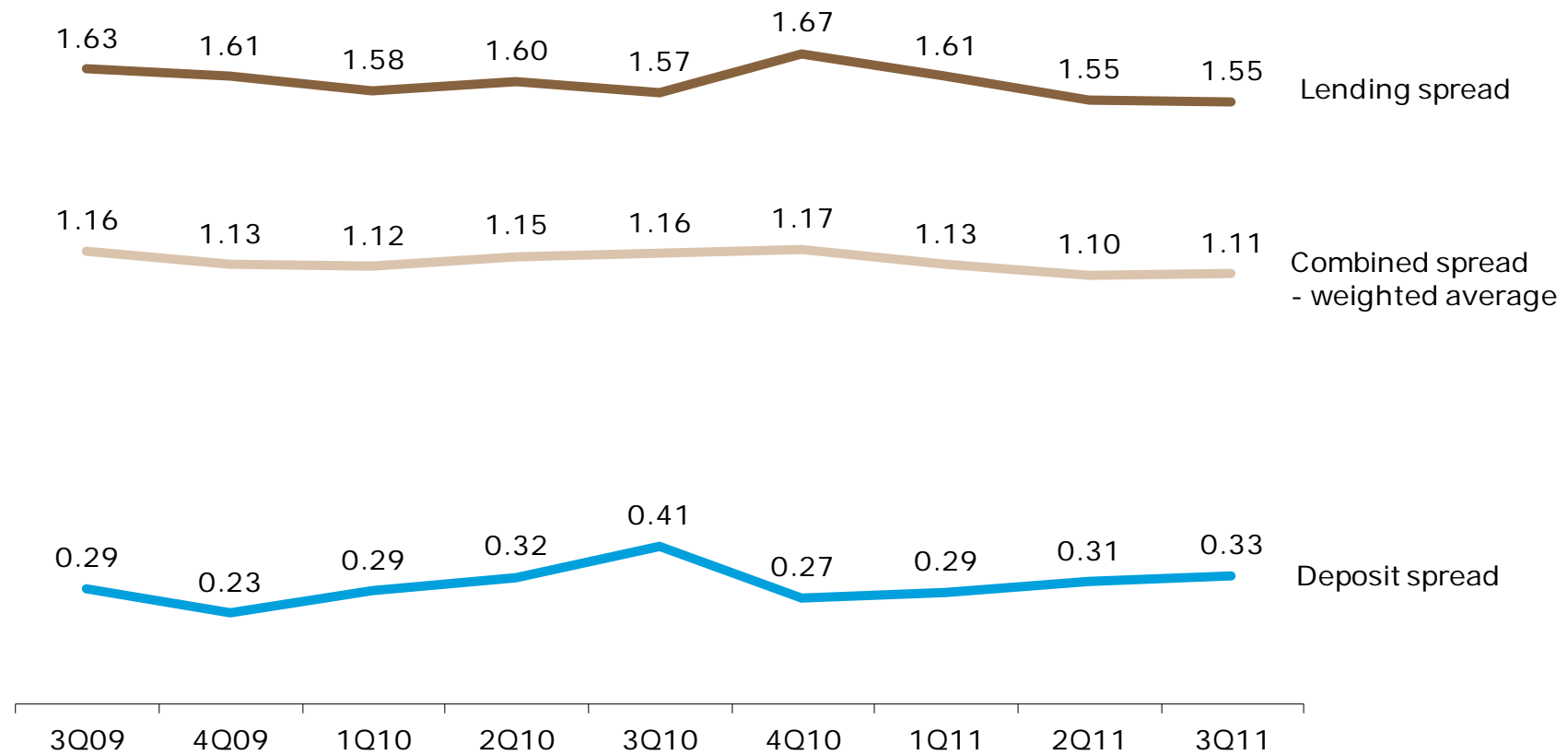


31	31	30	30	31	31	30	30	31	31	30	30	31	31	30	30	
Dec.	March	June	Sept.	Dec.	March	June	Sept.	Dec.	March	June	Sept.	Dec.	March	June	Sept.	
2007	2008				2009				2010				2011			

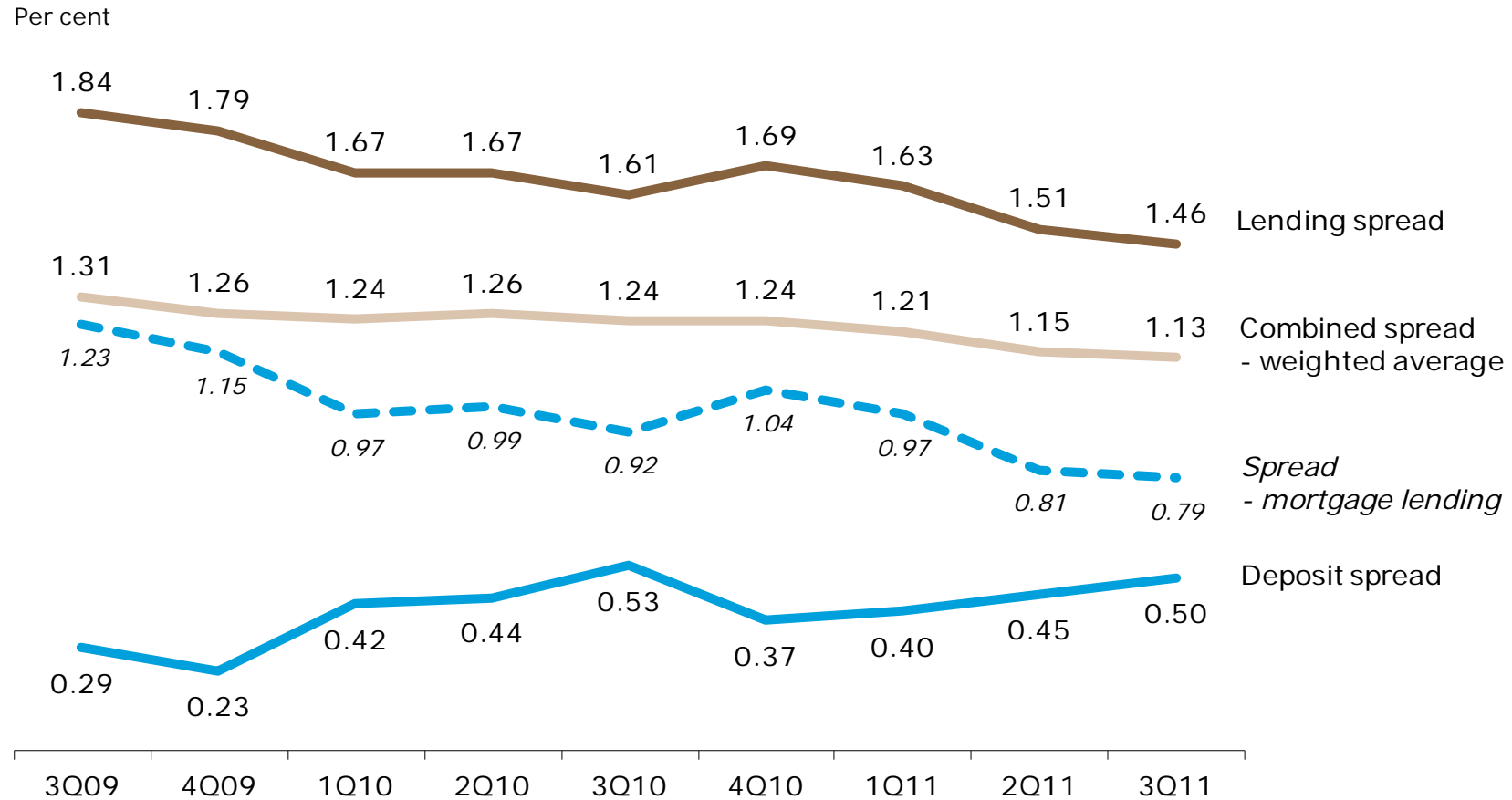
- Deposits at end of period
- - - Deposits, adjusted for exchange rate movements

Development in average interest rate spreads – DnB NOR Group

Per cent

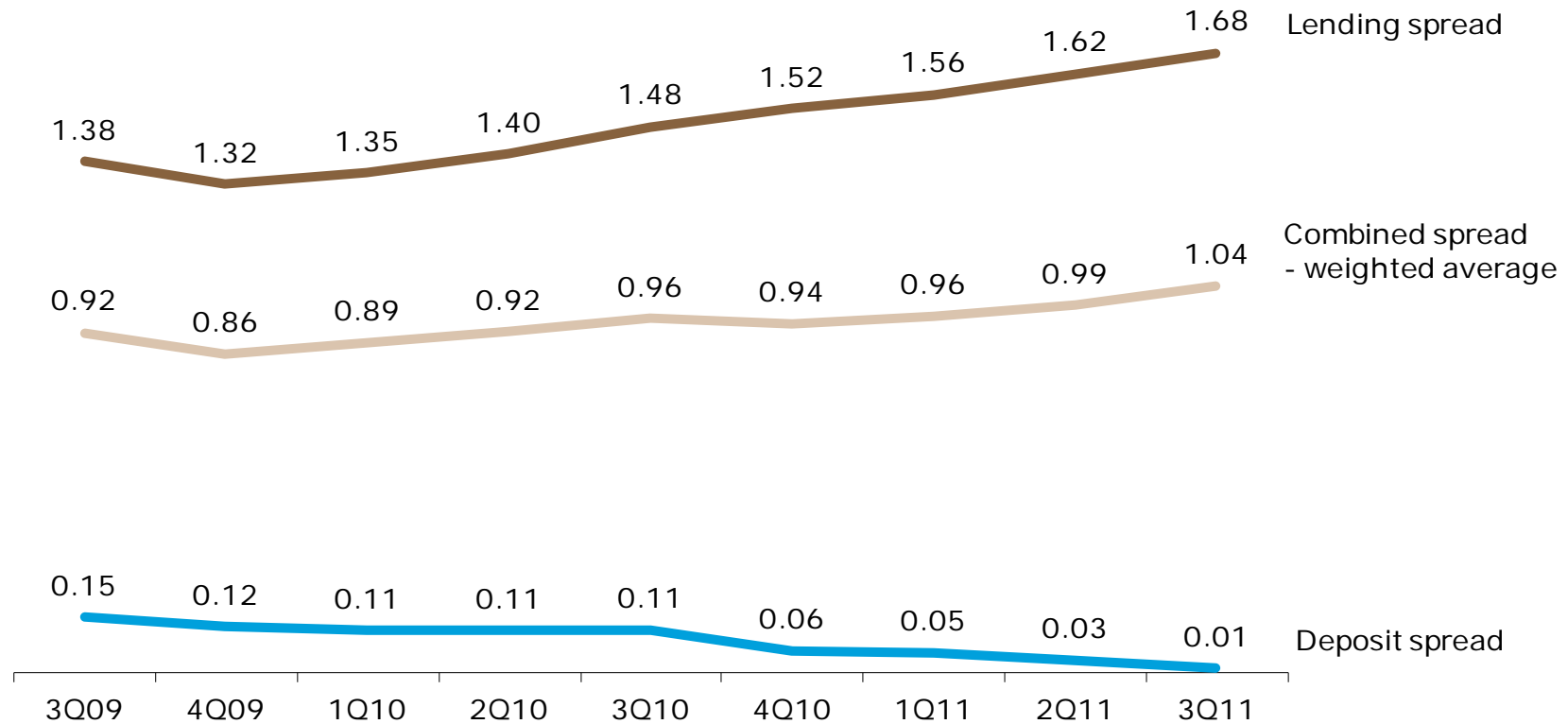


Development in average interest rate spreads – Retail Banking



Development in average interest rate spreads – Large Corporates and International

Per cent



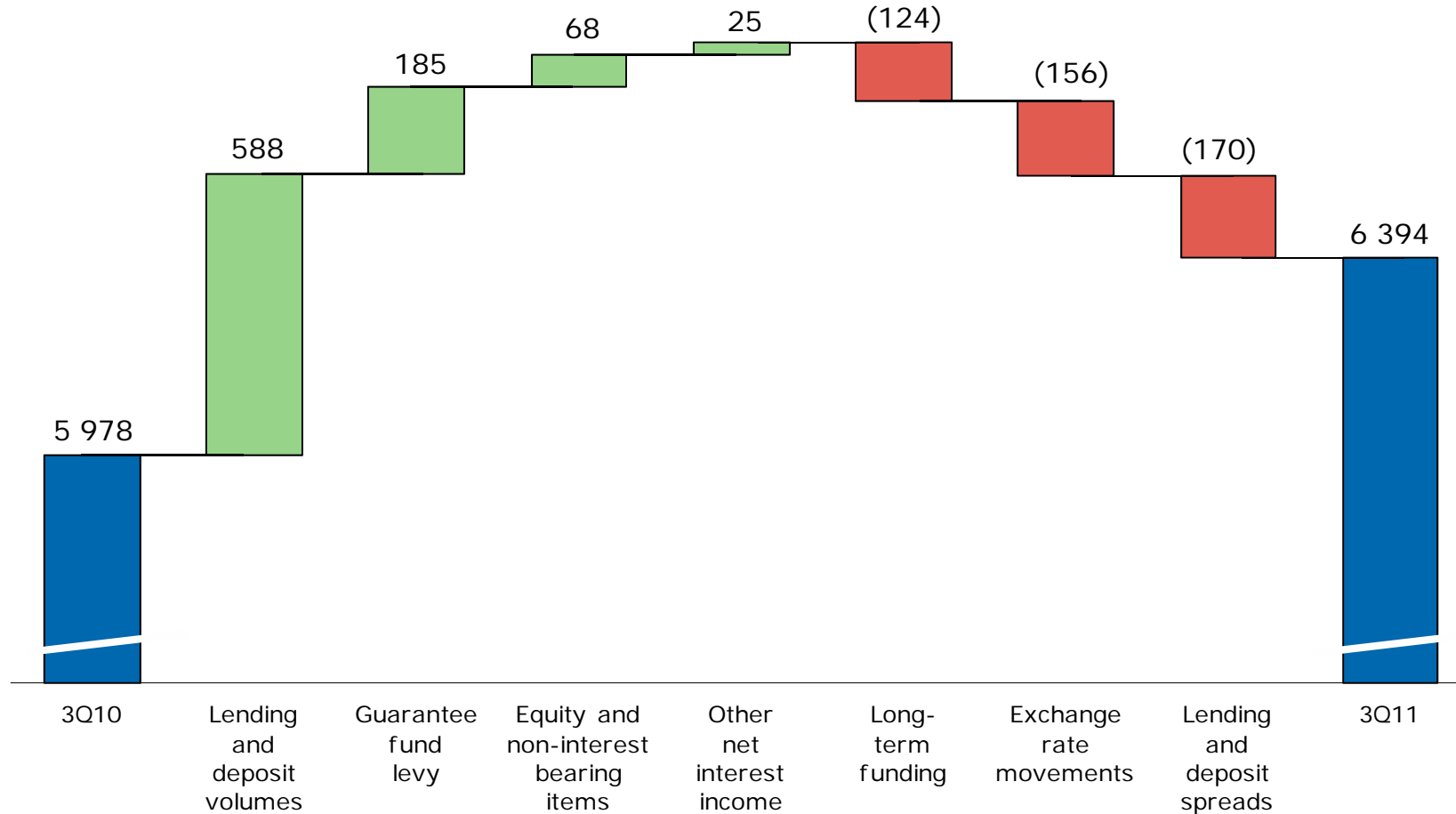
Income statement

Amounts in NOK million	3Q11	2Q11	1Q11	4Q10	3Q10	January - September	
						2011	2010
Net interest income	6 394	6 048	6 018	6 153	5 978	18 460	17 283
<i>Net commissions and fees, core business</i>	1 933	2 007	1 864	1 926	1 843	5 804	5 367
<i>Net financial items</i>	1 770	1 977	1 604	2 627	1 472	5 351	6 236
Net other operating income, total	3 703	3 984	3 467	4 553	3 315	11 154	11 603
Total income	10 097	10 032	9 485	10 706	9 294	29 614	28 886
Total operating expenses before impairment losses for goodwill and intangible assets	4 862	4 931	4 793	4 610	4 482	14 587	13 310
Impairment losses for goodwill and intangible assets	0	0	0	0	0	0	591
Pre-tax operating profit before write-downs	5 235	5 101	4 692	6 096	4 812	15 028	14 985
Net gains on fixed and intangible assets	6	9	5	26	(11)	20	(2)
Write-downs on loans and guarantees	1 170	457	892	529	643	2 519	2 468
Pre-tax operating profit	4 072	4 652	3 805	5 593	4 157	12 529	12 515
Taxes	1 604	1 116	913	367	1 149	3 633	3 754
Profit from operations held for sale	25	11	(41)	57	30	(5)	17
Profit for the period	2 493	3 546	2 851	5 284	3 038	8 890	8 778
Profit after minority interests	2 493	3 546	2 851	5 349	3 084	8 890	9 465

Changes in net interest income

NOK million

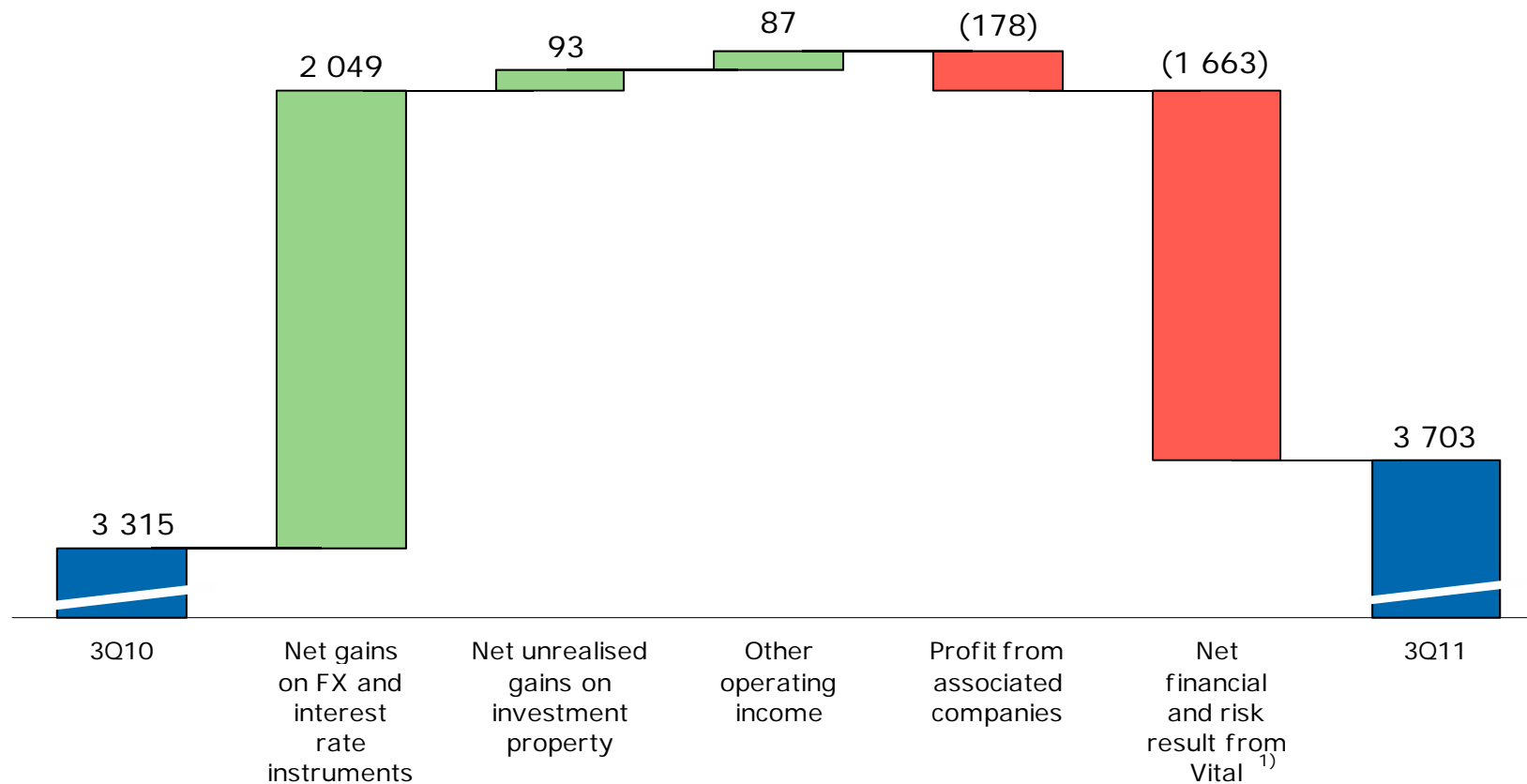
From 3rd quarter 2010 to 3rd quarter 2011



Changes in net other operating income

NOK million

From 3rd quarter 2010 to 3rd quarter 2011

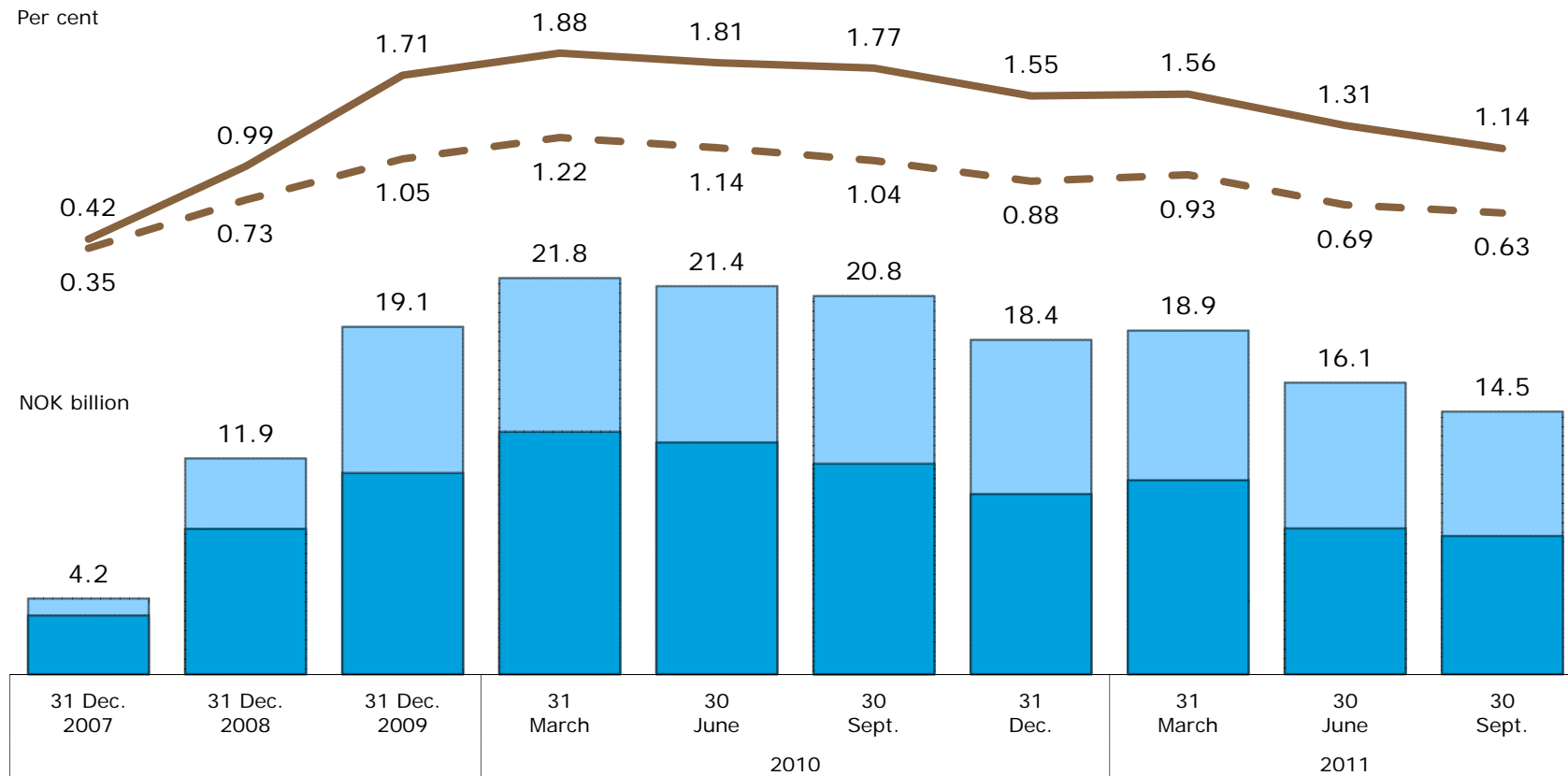


1) After guaranteed returns and allocations to policyholders

Changes in operating expenses

Amounts in NOK million	3Q11	Changes	3Q10
Total operating expenses	4 862	380	4 482
Income-related items			
Operational leasing		22	
København Ejendomme		11	
Performance-based pay		83	
Sales expenses etc.		52	
Expenses directly related to operations			
Cost programme		(89)	
Wage and price inflation		125	
IT expenses		93	
Rise in pension expenses		29	
Fees including rebranding project		41	
Sundry expenses		14	

Net non-performing and net doubtful commitments 1)



1) Includes non-performing commitments and commitments subject to individual write-downs. Accumulated individual write-downs are deducted.

- DnB NOR
- DnB NOR Group excl. DnB NOR
- As a percentage of net lending
- - - As a percentage of net lending excl. DnB NOR

Write-downs on loans and guarantees

Amounts in NOK million	3Q11	2Q11	1Q11	4Q10	3Q10	January - September	
						2011	2010
<i>Individual write-downs:</i>							
Retail Banking							
- Private Customer Divisions	38	58	13	132	146	109	154
- SME Divisions	128	(45)	96	182	73	179	174
- DnB NOR Finans ¹⁾	106	97	138	49	153	341	533
Large Corporates and International							
- Nordic Corporates Division	(3)	145	120	4	66	262	24
- International Corporates and Institutions Division	110	(10)	273	196	1	373	54
- Shipping, Offshore and Logistics Division	17	(13)	13	3	8	17	216
- Energy Division	2	(11)	0	(10)	0	(9)	98
- Other units	(1)	3	(4)	(1)	10	(2)	5
DnB NOR excl. DnB NORD	397	223	649	553	456	1 269	1 259
DnB NORD	522	184	221	407	321	928	1 855
Total individual write-downs	919	408	870	961	776	2 197	3 113
<i>Collective write-downs:</i>							
DnB NOR excl. DnB NORD	43	54	29	(329)	(66)	126	(299)
DnB NORD	208	(4)	(8)	(103)	(67)	196	(346)
Total collective write-downs on loans	251	50	21	(432)	(134)	322	(645)
Write-downs on loans and guarantees	1 170	457	892	529	643	2 519	2 468

1) Includes leasing, factoring and credit card and consumer financing

Write-downs in per cent of lending

Per cent	3Q11	2Q11	1Q11	4Q10	3Q10	January - September	
						2011	2010
Total write-downs in relation to average volumes (annual basis)	0.38	0.15	0.31	0.18	0.22	0.28	0.29
- DnB NOR excluding DnB NORD	0.15	0.10	0.25	0.08	0.14	0.16	0.12
- DnB NORD	4.88	1.21	1.45	1.95	1.62	2.52	3.17

Lending and write-downs in DnB NORD

Amounts in NOK million	Net lending as at 30 Sept. 2011	3rd quarter 2011		Full year 2010	
		Write-downs on loans and guarantees	in per cent of net lending ¹⁾	Write-downs on loans and guarantees	in per cent of net lending ¹⁾
Latvia	14 936	654	17.80	635	3.65
Lithuania	20 380	8	0.16	579	2.57
Estonia	3 256	0	0.00	69	2.28
Poland	16 319	38	1.01	102	0.79
The Baltic States and Poland	54 891	700	5.30	1 385	2.48
Other	4 398	31	1.92	428	5.11
DnB NORD	59 289	731	4.88	1 813	2.87

1) Individual and collective write-downs, relative to average volumes (annual basis)

Write-downs in DnB NORD – Latvia

Reassessed collateral values

High costs related to repossession of residential properties

Improved economic conditions not yet reflected in the housing market

Balance sheets

	DnB NOR Group		DnB NOR Bank ASA	
	30 Sept. 2011	31 Dec. 2010	30 Sept. 2011	31 Dec. 2010
Amounts in NOK billion				
Deposits with central banks	277	16	273	13
Lending to and deposits with credit institutions	56	48	227	216
Net lending to customers	1 247	1 170	701	669
Other assets	603	627	493	536
Total assets	2 183	1 862	1 694	1 435
Loans and deposits from credit institutions	356	258	367	257
Deposits from customers	753	642	733	625
Short-term debt securities issued	206	154	206	154
Long-term debt securities issued	391	348	163	189
Other liabilities and provisions	364	349	139	132
Equity	114	111	87	79
Total liabilities and equity	2 183	1 862	1 694	1 435
Ratio of deposits to net lending (%)	60.3	54.8	104.6	93.3
Adjusted ratio of deposits to net lending (%) ¹⁾	58.3	54.7	100.9	93.1
Total combined assets	2 439	2 141	1 694	1 435
Currency-adjusted customer lending	1 247		700	
Currency-adjusted customer deposits	753		732	

1) Excluding short-term money market deposits in DnB NOR New York

Stable access to long-term funding

2011

	NOK billion	Maturity	Spread 3-month Euribor
Covered bonds	94.2	6.4	53
Senior bonds	27.8	8.9	107
Total	121.9	7.0	65 bp

2010

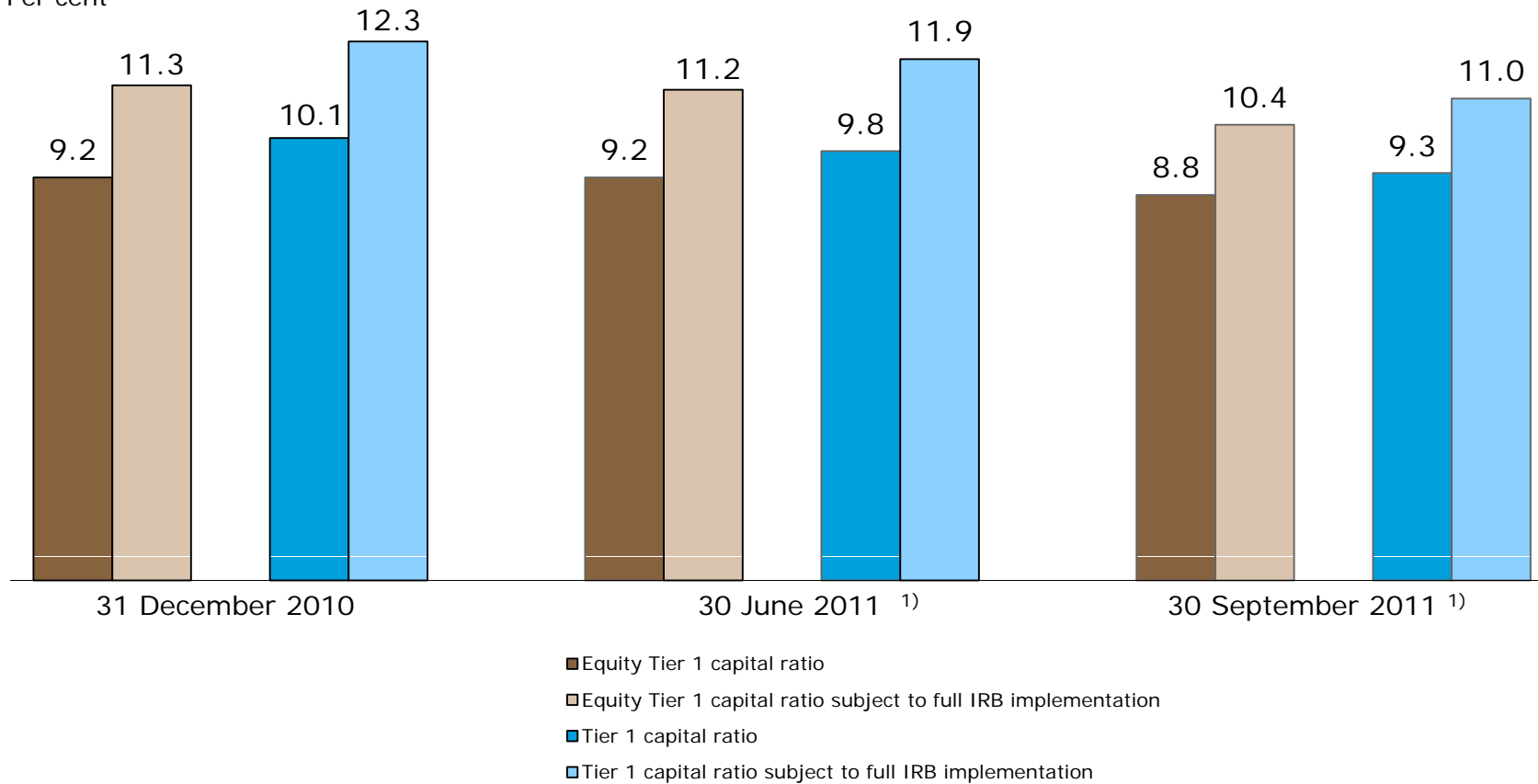
	NOK billion	Maturity	Spread 3-month Euribor
Covered bonds	84.4	7.5	49
Senior bonds	32.1	7.3	84
Total	116.5	7.4	59 bp

2009

	NOK billion	Maturity	Spread 3-month Euribor
Covered bonds	101.1	5.1	
Senior bonds	38.0	4.6	
Total	139.1	4.9	50 bp

Tier 1 capital ratio

Per cent



1) Including 50 per cent of profit for the period

Macroeconomic outlook

Uncertainty in the international economy

Global growth – large regional variations

Robust Norwegian economy – not unaffected by the turmoil in Europe

DnB NOR's outlook for the rest of 2011

Retail Banking

Healthy trend, but higher funding costs

Large Corporates and International

Selective growth and wider spreads

DnB NOR Markets

Broad scope of activities and a continued high level of earnings

Insurance and Asset Management

Gradual return to higher profit levels when markets normalise

DnB NOR (Baltics and Poland)

Operations expected to improve

DnB NOR's outlook

Strategy and long-term targets remain unchanged

But:

- **lower interest rate levels**
 - **high volatility**
 - **weaker growth**
 - **new regulatory requirements**
- make it more demanding to reach the Group's financial targets in the short term**



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