

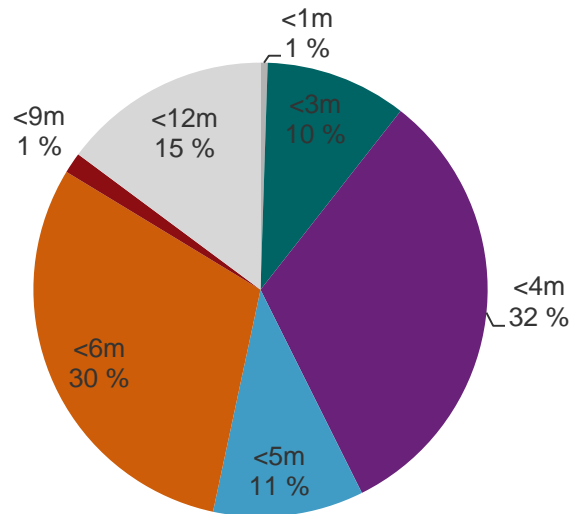
DNB Bank  
Short term funding &  
International Bond Portfolio

DNB

# DNB Short Term Funding

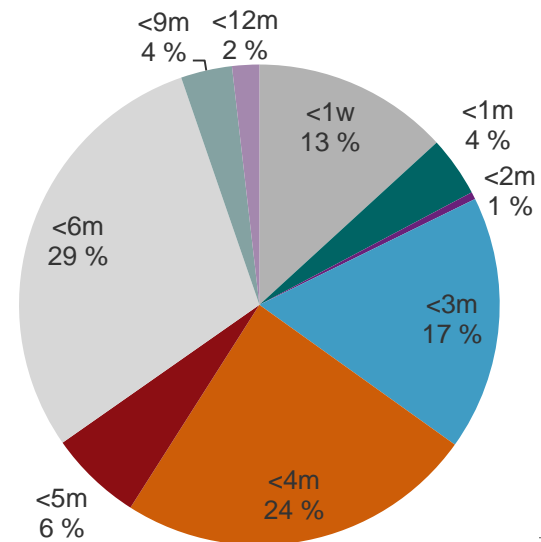
- DNB has good access to short term funding
  - **USCP** USD 18 bn program, USD15,8 bn outstanding pr June 12
  - **YCD** USD 12 bn program, USD10,2 bn outstanding pr June 12

Initial maturities DNB USCP



Init. weighted avg days: 178

Initial maturities DNB YCD



Init. weighted avg days: 126

# DNB Short Term Funding – an Overview

- **ECP/ECD** EUR 15 bn program, USD 4,6 bn outstanding pr June 12
- **LCD** CDs issued in name of London branch, USD 2,5 bn outstanding pr June 12
- **Fixed Time Deposits**, DNB attracts good size deposits from Corporate Clients, Money Market Funds, Central Banks and International Banks with maturities ranging from o/n and upto 1 year.

**DNB will have lower appetite for short term funding over Quarter ends due to balance sheet restrictions going forward, we cannot guarantee that very short deposits can be rolled over close to reporting days.**

# International Bond Portfolio

- The portfolio may be deposited with Central Banks or used as collateral elsewhere
  - May be used to raise multi currency liquidity through Central Banks' Liquidity Operations and as such represents a liquidity reserve
  - Supports DNB's NOK clearing function
- Fulfills rating agency requirements
- Portfolio size and reinvestments reflect evolving regulatory requirements
  - Since 2011 and going forward, reinvestments have been made in Basel 3 LCR compliant bonds booked in a trading portfolio

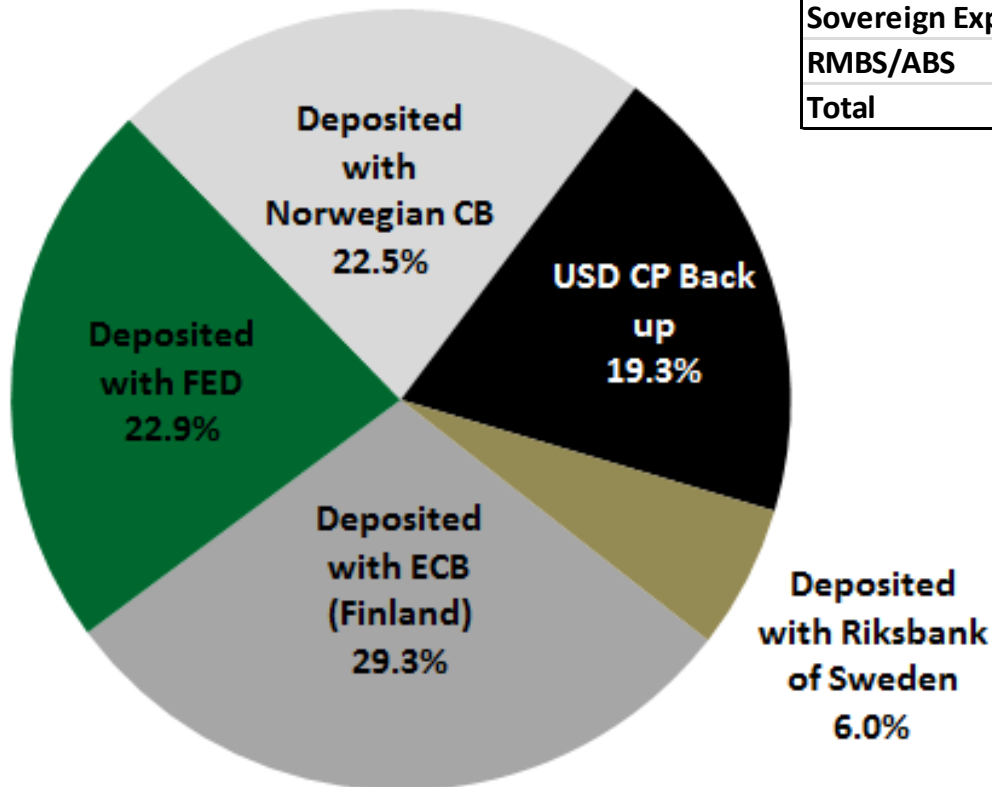
# Portfolio Overview

- Total Portfolio size: € 17,462 million
  - Covered Bonds € 7,054 million
  - Sovereign Exposure € 6,452 million
  - European/Australian RMBS/ABS € 3,956 million
- Rating distribution<sup>1</sup>:

- AAA	76.8%	} 98.3 % investment grade
- AA	18.1%	
- A	1.3%	
- BBB	2.0%	
- Lower	1.7%	

<sup>1</sup> Throughout this presentation, using Moody's, S&P and Fitch, rating is defined as best of two or median of three, depending on how many ratings a security has.

# Collateral Use and Liquidity



Asset Type	EUR mn	%
Covered Bonds	7,054	40.4%
Sovereign Exposure	6,452	36.9%
RMBS/ABS	3,956	22.7%
Total	17,462	100.0%

# Portfolio Details on Exposures & Ratings

	VOLUME (EUR mn)	% OF PORTFOLIO	% OF ASSET CLASS	AAA	AA	A	BBB	BB	B	<B
<b>TOTAL PORTFOLIO</b>	<b>17,462</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>76.8 %</b>	<b>18.1 %</b>	<b>1.3 %</b>	<b>2.0 %</b>	<b>1.3 %</b>	<b>0.3 %</b>	<b>0.1 %</b>
<b>COVERED BONDS TOTAL<sup>1</sup></b>	<b>7,054</b>	<b>40.4 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>SOVEREIGN TOTAL<sup>2</sup></b>	<b>6,452</b>	<b>36.9 %</b>	<b>100.0 %</b>	<b>64.9 %</b>	<b>35.1 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>RMBS TOTAL</b>	<b>3,952</b>	<b>22.6 %</b>	<b>100.0 %</b>	<b>55.1 %</b>	<b>22.6 %</b>	<b>5.8 %</b>	<b>8.8 %</b>	<b>5.9 %</b>	<b>1.3 %</b>	<b>0.4 %</b>
RMBS - UK	1,113	6.4 %	28.2 %	87.4 %	12.6 %	-	-	-	-	-
RMBS - SPAIN	906	5.2 %	22.9 %	-	62.4 %	10.8 %	13.8 %	5.2 %	5.9 %	1.8% <sup>3</sup>
RMBS - NETHERLANDS	663	3.8 %	16.8 %	100.0 %	-	-	-	-	-	-
RMBS - AUSTRALIA	564	3.2 %	14.3 %	96.1 %	0.8 %	3.1 %	-	-	-	-
RMBS - IRELAND	285	1.6 %	7.2 %	-	-	-	35.0 %	65.0 %	-	-
RMBS - PORTUGAL	235	1.3 %	6.0 %	-	-	47.4 %	52.6 %	-	-	-
RMBS - ITALY	186	1.1 %	4.7 %	-	98.8 %	1.2 %	-	-	-	-
<b>CORPORATE LOANS - TOTAL</b>	<b>2.7</b>	<b>0.02 %</b>	<b>100.0 %</b>	<b>-</b>	<b>38.8 %</b>	<b>61.2 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
CORPORATE LOANS - SPAIN	2.7	0.02 %	99.7 %	-	39.0 %	61.0 %	-	-	-	-
CORPORATE LOANS - UK	0.01	0.00 %	0.3 %	-	-	100.0 %	-	-	-	-
<b>CONSUMER CREDIT - TOTAL</b>	<b>1.9</b>	<b>0.01 %</b>	<b>100.0 %</b>	<b>-</b>	<b>100.0 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
CONSUMER CREDIT - SPAIN	1.9	0.01 %	100.0 %	-	100.0 %	-	-	-	-	-

<sup>1</sup> Australia, Belgium, Denmark, Finland, France, Netherlands, New Zealand, Norway, Sweden, Switzerland and the UK.

<sup>2</sup> Australia, Austria, Denmark, Finland, France, Germany, Luxembourg, Netherlands, South Korea, Sweden, USA and Supranationals. Of the 35.1% rated AA, France represents 20.1%, Supranationals 7.7%, UK 0.8%, Belgium 2.9%, Netherlands 2.3%, South Korea 1.1% and Luxembourg 0.2%.

<sup>3</sup> The underlying portfolio consists of Spanish residential mortgages.

# Portfolio RMBS Exposures: Further Details

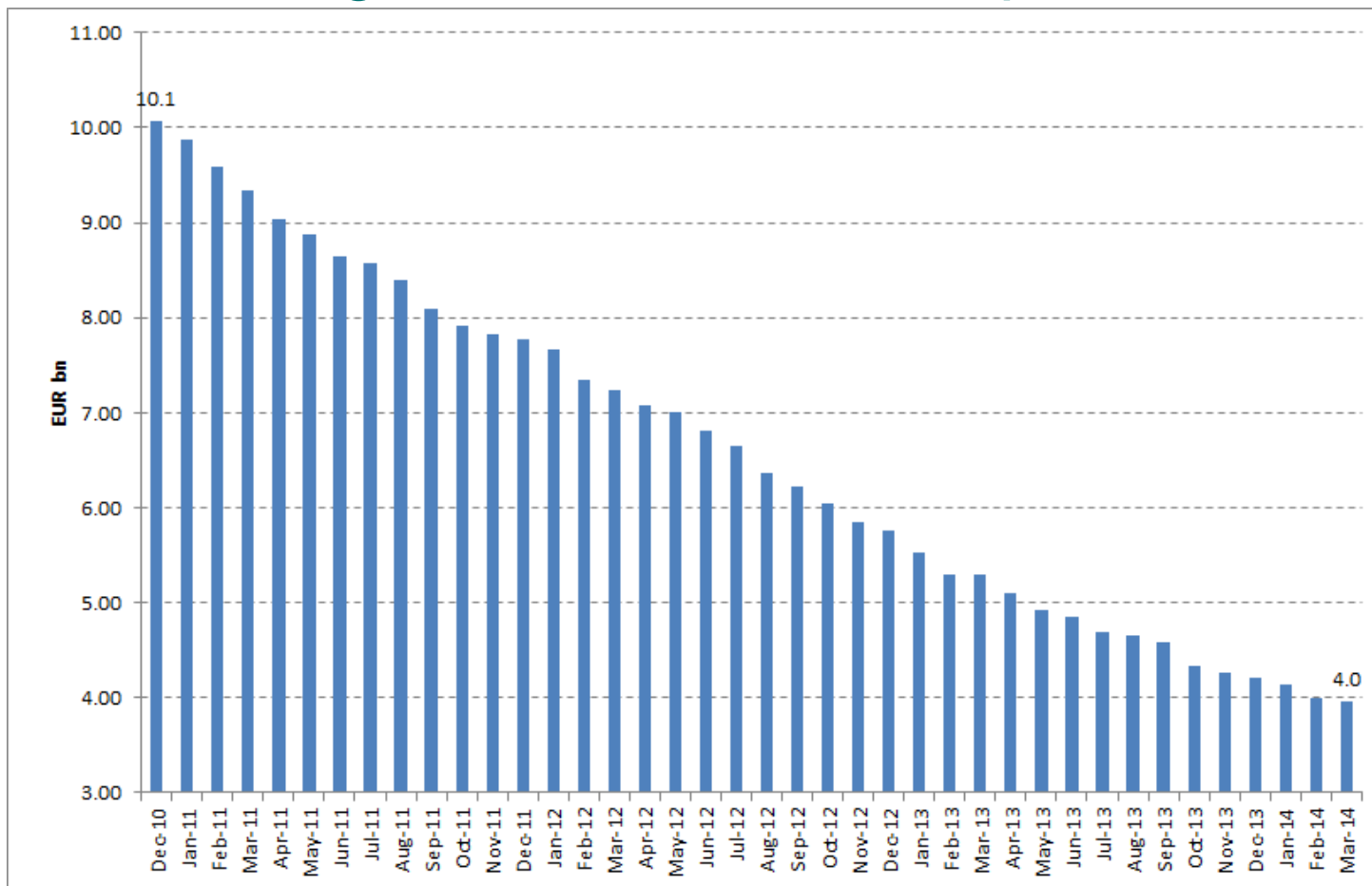
Jurisdiction	Volume (EUR mn)	Average delinquencies > 90 days	Cumulative losses on underlying loans (covered by excess spread/reserve fund)	Average Loan to Original Value (LTV) ratio	Average seasoning (months)	Average current credit enhancement (CE) %	CE / Delinquencies > 90 days	Lowest rating (Moody's/S&P/Fitch)	House price inflation last 6 3/4 years <sup>1</sup>	Unemployment <sup>2</sup>	Interest rate level <sup>3</sup>
UK	1,113	1.90%	0.08%	66.7%	88.1	24.5%	12.9	Aa3/A-/AAA	8.3%	7.2%	0.50%
Spain	906	5.36%	0.53%	50.4%	51.7	10.6%	2.0	B2/B/B <sup>4</sup>	-27.6%	25.6%	0.25%
Netherlands	663	1.01%	0.26%	85.6%	89.4	10.1%	10.0	Aaa/A+/AAA	-15.5%	8.8%	0.25%
Australia	564	0.77%	0.00%	50.5%	98.3	20.1%	26.2	Baa1/A+/AAA	38.4%	6.0%	2.50%
Ireland	285	13.50%	0.12%	64.8%	110.1	16.4%	1.2	Ba3/B/BB	-46.4%	11.8%	0.25%
Portugal	235	1.77%	0.21%	60.6%	68.4	11.5%	6.5	Ba2/BBB-/BBB-	-16.6%	15.5%	0.25%
Italy	186	1.70%	0.07%	40.8%	78.6	26.1%	15.3	A2/A+/AA+	-5.8%	13.0%	0.25%
<b>Tot / Weighted Avg<sup>5</sup></b>	<b>3,952</b>	<b>3.20%</b>	<b>0.21%</b>	<b>62.1%</b>	<b>81.4</b>	<b>17.0%</b>	<b>10.7</b>		<b>-5.71%</b>	<b>12.62%</b>	<b>0.64%</b>

Sources: <sup>1</sup> Datastream (latest available quarterly figures applied for 6 3/4 years – to replicate the WA seasoning in the portfolio), <sup>2</sup> Bloomberg.

<sup>3</sup> Central Bank rates as of Q1 2014. <sup>4</sup> One transaction (EUR 16.5mn) is rated CC and is a special case and under special monitoring. <sup>5</sup> Of the volume of RMBS in the portfolio, 58.7% holds at least one AAA rating.



# Remaining RMBS and ABS exposure



No RMBS/ABS reinvestments have been made since December 2010.

# Portfolio Exposures to Peripherals\*

- No Greek exposures
- Of peripheral exposures, 81.3% is investment grade
- No reinvestments in Portuguese, Irish nor Spanish assets since the outset of the financial crisis
- Exposures are gradually amortizing

	1Q2014 EUR mn	4Q2013 EUR mn	1Q2013 EUR mn	2Q2007 EUR mn	Current % of Portfolio	Types of Exposures	AAA	AA	A	BBB	BB	<BB
<b>Spain</b>	910	949	1,059	2,574	5.2 %	RMBS, corporate loan & consumer loan ABS	-	62.5 %	10.9 %	13.7 %	5.2 %	7.7 %
<b>Ireland</b>	285	288	296	386	1.6 %	RMBS only	-	-	-	35.0 %	65.0 %	-
<b>Portugal</b>	235	241	263	604	1.3 %	RMBS only	-	-	47.4 %	52.6 %	-	-
<b>Italy</b>	186	206	257	404	1.1 %	RMBS only	-	98.8 %	1.2 %	-	-	-
<b>Greece</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,617</b>	<b>1,684</b>	<b>1,875</b>	<b>3,968</b>	<b>9.3 %</b>		-	<b>46.5 %</b>	<b>13.2 %</b>	<b>21.6 %</b>	<b>14.4 %</b>	<b>4.3 %</b>

\* Greece, Ireland, Italy, Portugal, Spain

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