DnB NOR Bank Liquidity Portfolio

Update Q1, 2011

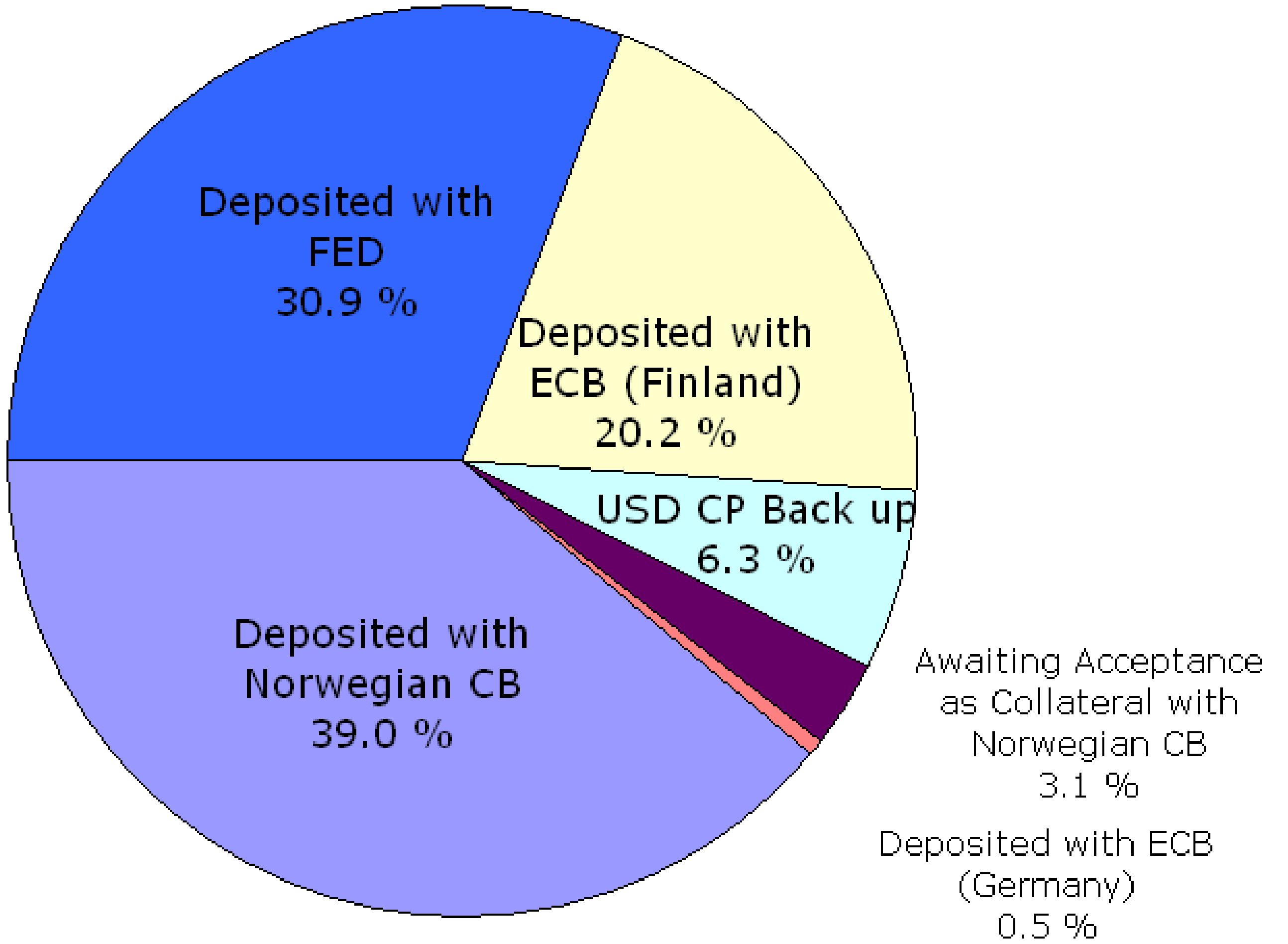
May 6, 2011

DnB NOR Markets

Liquidity Portfolio Rationale

- DnB NOR's portfolio is deposited with Central Banks or used as collateral elsewhere
  - Represents Liquidity Reserve – drawing rights from Central Banks
  - Used to raise multi currency liquidity through Central Banks' Liquidity Operations
  - Supports DnB NOR's NOK clearing function
- Fulfils rating agency requirements
- Portfolio size and reinvestments reflect evolving regulatory liquidity requirements
  - Starting 2011 and going forward, reinvestments are made in Basel 3 LCR compliant bonds booked in a trading portfolio

Liquidity Portfolio: 100% is Used as Collateral



As at March 31, 2011

Liquidity Portfolio: Overview

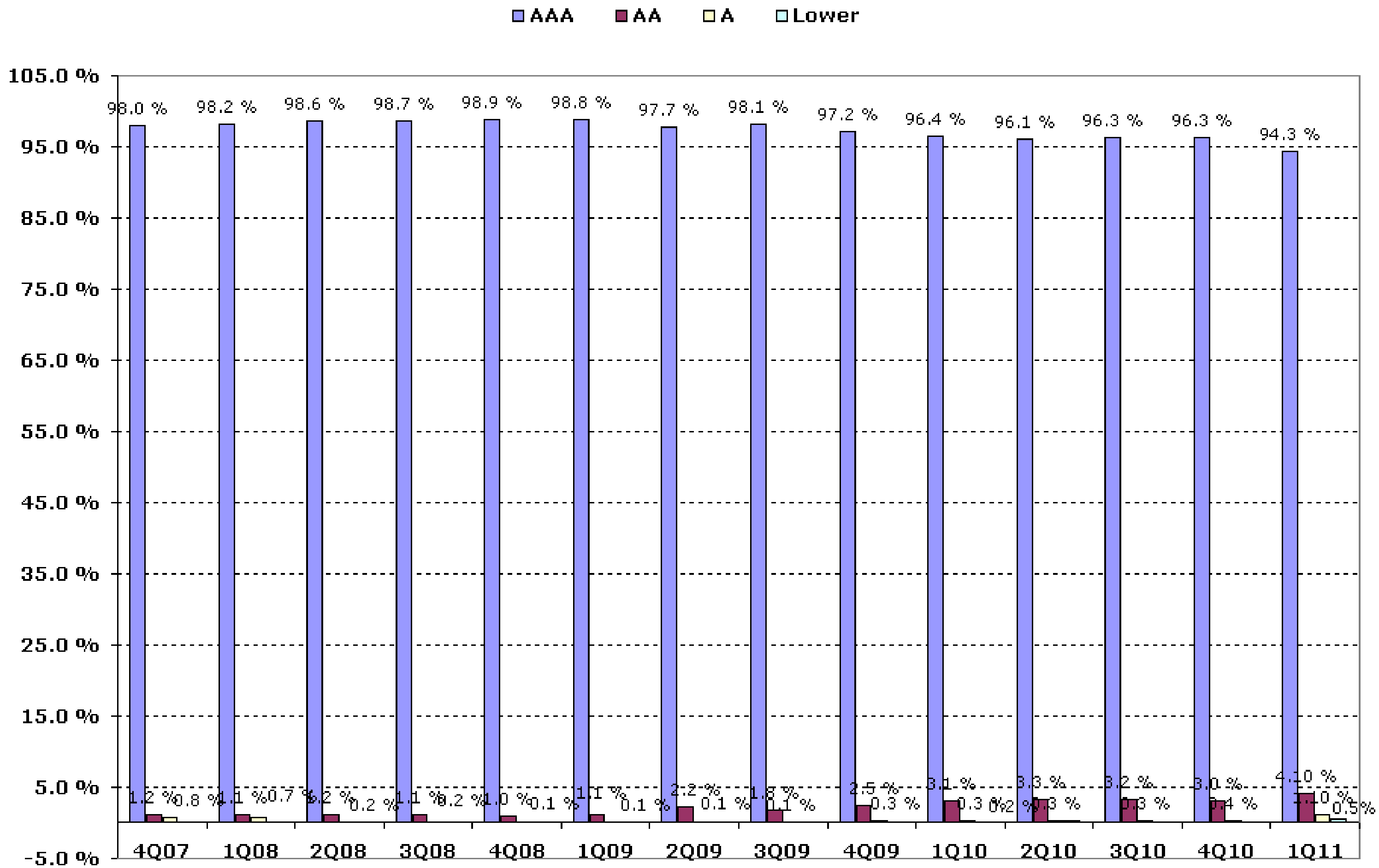
- Size € 13,671 million

- Rating distribution:
  - AAA 94.3 %
  - AA 4.1 %
  - A 1.1 %
  - Lower 0.5%

- 31.7% Sovereign exposure. The remainder is predominantly European and Australian RMBS

- 100% deposited with Cental Banks or otherwise used as collateral for liquidity purposes

Liquidity Portfolio: Rating Migration



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.

As at March 31, 2011

DnB NOR Markets

Liquidity Portfolio: Details on Exposures & Ratings

	VOLUME (EUR mn)	% OF PORTFOLIO	% OF ASSET CLASS	AAA	AA	A	BBB	BB	B	<B
TOTAL PORTFOLIO	**13,671**	**100.0 %**	**100.0 %**	**94.3 %**	**4.1 %**	**1.1 %**	**0.4 %**	**-**	**0.2 %**	**-**
RMBS TOTAL	**8,777**	**64.2 %**	**100.0 %**	**93.7 %**	**4.6 %**	**1.3 %**	**0.5 %**	**-**	**-**	**-**
RMBS - UK	2,485		28.3 %	100.0 %	-	-	-	-	-	-
RMBS - NETHERLANDS	2,055		23.4 %	100.0 %	-	-	-	-	-	-
RMBS - AUSTRALIA	1,819		20.7 %	100.0 %	-	-	-	-	-	-
RMBS - SPAIN	1,341		15.3 %	81.8 %	16.7 %	1.5 %	-	-	-	-
RMBS - ITALY	439		5.0 %	100.0 %	-	-	-	-	-	-
RMBS - IRELAND	312		3.6 %	-	56.4 %	30.9 %	12.8 %	-	-	-
RMBS - PORTUGAL	307		3.5 %	100.0 %	-	-	-	-	-	-
RMBS - KOREA	19		0.2 %	100.0 %	-	-	-	-	-	-
SOVEREIGN - TOTAL[1]	**4,340**	**31.7 %**	**100.0 %**	**100.0 %**	**-**	**-**	**-**	**-**	**-**	**-**
CORPORATE LOANS[2] - TOTAL	**299**	**2.2 %**	**100.0 %**	**36.5 %**	**43.4 %**	**13.2 %**	**-**	**-**	**7.0 %**	**-**
CORPORATE LOANS - GERMANY	152		50.8 %	17.5 %	57.4 %	25.1 %	-	-	-	-
CORPORTE LOANS - SPAIN	41		13.7 %	68.9 %	31.1 %	-	-	-		
CORPORATE LOANS - UK	34		11.4 %	96.5 %	-	3.5 %	-	-	-	-
CORPORATE LOANS - SCANDINAVIA	30		9.9 %	-	100.0 %	-	-	-	-	-
CORPORATE LOANS - AUSTRALIA	21		7.1 %	100.0 %	-	-	-	-	-	-
CORPORATE LOANS - DENMARK	21		7.0 %	-	-	-	-	-	100%[3]	-
CONSUMER CREDIT - TOTAL	**256**	**1.9 %**	**100.0 %**	**85.1 %**	**11.7 %**	**0.0 %**	**3.2 %**	**-**	**-**	**-**
CONSUMER CREDIT - USA	133		52.0 %	93.9 %	-	-	6.1%[4]	-	-	-
CONSUMER CREDIT - SPAIN	66		25.8 %	54.7 %	45.3 %	-	-	-	-	-
CONSUMER CREDIT - FRANCE	35		13.7 %	100.0 %	-	-	-	-	-	-
CONSUMER CREDIT - AUSTRALIA	19		7.4 %	100.0 %	-	-	-	-	-	-
CONSUMER CREDIT - JAPAN	2		0.8 %	100.0 %	-	-	-	-	-	-
CONSUMER CREDIT - GERMANY	1		0.3 %	100.0 %	-	-	-	-	-	-

[1] USA, Nordics, Germany, Netherlands, France, Australia and Supranationals.

[2] The Corporate loan exposure includes EUR 1.2 mn insurance exposure (0.01% of total portfolio).

[3] and [4] The underlying portfolios consist of Danish subordinated bank debt and US private student loans, respectively.

As at March 31, 2011

DnB NOR Markets

Liquidity 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 years [1]	Unemployment [2]	Interest rate level [3]
UK	2,485	1.86 %	0.03 %	66.63 %	61.74	16.98 %	9.1	Aaa/AAA/AAA	15.8 %	7.9%	0.50 %
Netherlands [4]	2,055	0.66 %	0.10 %	83.06 %	64.01	9.32 %	14.1	Aaa/AAA(neg)/AAA	9.1 %	5.1%	1.00 %
Australia [5]	1,819	0.66 %	0.01 %	59.03 %	72.39	8.37 %	12.8	Aaa(neg)/AAA(neg)/AAA	44.9 %	4.9%	4.75 %
Spain	1,341	2.52 %	0.65 %	54.26 %	83.08	9.47 %	3.8	Aa3/A/BBB	11.3 %	20.7%	1.00 %
Italy	439	0.66 %	0.05 %	41.88 %	93.08	15.87 %	24.0	Aaa/AAA(neg)/AAA	11.6 %	8.5%	1.00 %
Portugal	307	2.86 %	0.00 %	58.21 %	84.70	8.58 %	3.0	Aaa(neg)/AAA(neg)/AAA(neg)	-4.8 %	10.2%	1.00 %
Ireland	312	6.35 %	0.01 %	64.15 %	76.32	11.72 %	1.8	Baa2/BBB+/A(neg)	-32.1 %	14.7%	1.00 %
Korea	19	0.23 %	0.00 %	52.00 %	81.30	25.24 %	109.7	Aa1/AAA(neg)/AAA	29.9 %	4.0%	3.00 %
Tot / Weighted Avg [6]	8,777	1.56 %	0.1 %	65.4 %	70.7	11.7 %	10.7	Aaa/AAA/AAA	17.0 %	8.9 %	1.6 %

Sources: [1] Datastream (quarterly figures including 4Q10 for all countries (1Q11 for Australia and Korea) applied for six years – to replicate the WA seasoning in the portfolio), [2] Bloomberg. [3] Central Bank rates as at March 31, 2011. [4]Average LTV ratios for Dutch mortgages are higher than the average of the other jurisdictions. This is due to a) the Dutch tax model and b) the fact that in Holland, this figure actually represents the Loan-To-Foreclosure-Value (LTFV) where a theoretical foreclosure price is used in the denominator (considerably lower than market value, which is the parameter used in other jurisdictions). In General, the market perception is that Dutch RMBS are of extremely high quality. [5] Average Credit Enhancement for Australian RMBS are lower than the average of other jurisdictions. This is due to the fact that losses on the underlying mortgages are insured in Australian RMBS, making the bond rating less dependent on credit enhancement. The AAA ratings on Australian RMBS are thus partially dependent on the rating of the lenders mortgage insurance (LMI) companies. This dependence is only partial at origination (a downgrade buffer of several notches is usually provided for) and the dependence is reduced gradually over time following the amortization of the tranches, until the rating is completely independent of the rating of the LMIs. [6] Of the volume of RMBS in the portfolio, 95.6% holds at least one AAA rating.

RMBS Buffers
What it Takes to Lose the First Cent on a AAA RMBS

1. Borrower default

Linked to rising unemployment and rising interest rates.
Current 90+ days portfolio delinquencies is 1.6%. Very limited losses.

2. Realisation of collateral below loan balance

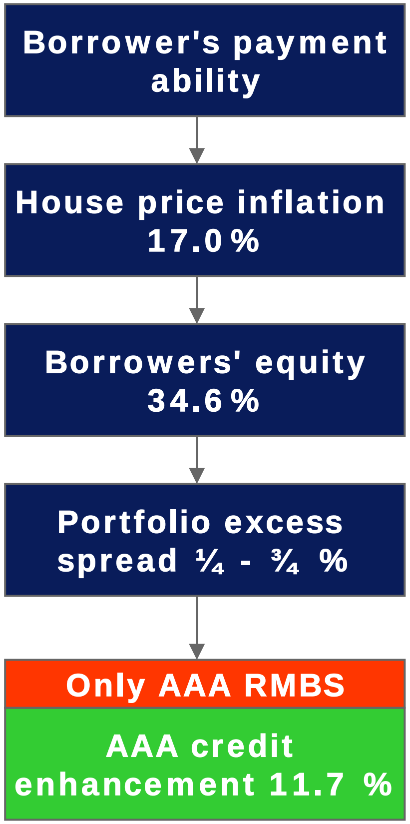
Requires both reversal of house price increase since mortgage was granted (portfolio average 71 months seasoning = **17.0%** house price inflation) and house price decline exceeding borrowers equity (portfolio average **34.6 %**).

3. Loss exceeding acc. excess spread in portfolio

The first losses in a portfolio will be covered by the accumulated net excess spread (**0.25 % - 0.75 %**) the portfolio generates annually.

4. AAA subordination

Any further losses will be covered by lower rated tranches and reserve fund. This Credit Enhancement equals **11.7 %** on average in the portfolio.



As at March 31, 2011

DnB NOR Markets

Liquidity Portfolio "PIGS" Exposures

	2Q2007	1Q2011	% of liquidity portfolio	Types of exposures	Current ratings			
					AAA	AA	A	BBB
Portugal	604	307	2.2 %	RMBS only	100.0 %	-	-	-
Ireland	386	312	2.3 %	RMBS only	-	56.4 %	30.9 %	12.8 %
Greece	-	-	0.0 %	None	-	-	-	-
Spain	2,574	1,448	10.6 %	RMBS, corporate loans, consumer credit	80.2 %	18.4 %	1.4 %	-

There have been no Liquidity Portfolio reinvestments in Portuguese, Irish nor Spanish assets since the outset of the financial crisis.

DnB NOR Markets