

DNB Bank
International Bond Portfolio

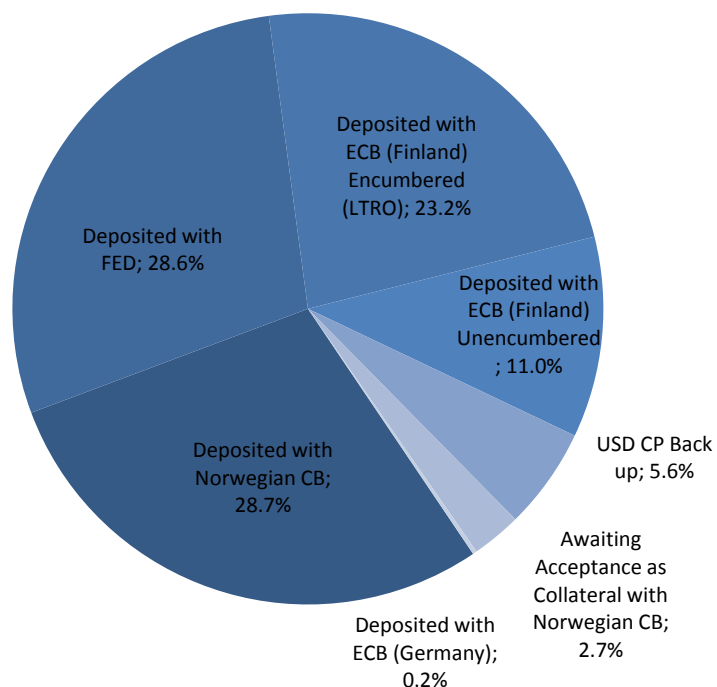
Updated Q2, 2012

The logo for DNB Bank, featuring the letters 'DNB' in a teal color. A vertical teal line is positioned to the left of the letters, extending from the top of the 'D' down to the bottom of the 'B'.

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 are made in Basel 3 LCR compliant bonds booked in a trading portfolio

Collateral Use and Liquidity



Asset type		EUR mn	%
Sovereign Exposure		4,582	29.1 %
Covered Bonds		4,338	27.6 %
ABS/RMBS encumbered through LTRO		3,652	23.2 %
Other liquid ABS/RMBS (of which see below)		2,630	16.7 %
AAA Australian RMBS	Very well functioning primary & 2ndary mkts	1,339	8.5 %
AAA UK RMBS	Very well functioning primary & 2ndary mkts	754	4.8 %
AAA Dutch RMBS	Very well functioning primary & 2ndary mkts	477	3.0 %
Other	Well functioning secondary market	59	0.4 %
Less liquid ABS/RMBS	Functioning secondary markets	537	3.4 %
Total		15,739	100.0 %

Portfolio Overview

- Total Portfolio size: € 15,739 million
 - Sovereign Exposure € 4,582 million
 - Covered Bonds € 4,338 million
 - European/Australian RMBS/ABS € 6,819 million
- Rating distribution¹:

- AAA	85.8 %	} 99.9 % investment grade
- AA	9.2 %	
- A	3.1 %	
- BBB	1.7 %	
- Lower	0.1 %	

¹ 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.

Portfolio Details on Exposures & Ratings

	VOLUME (EUR mn)	% OF ASSET CLASS	% OF PORTFOLIO	AAA	AA	A	BBB	BB	B	<B
TOTAL PORTFOLIO	15,739	100.0 %	100.0 %	85.8 %	9.2 %	3.1 %	1.7 %	-	0.0 %	0.1 %
RMBS TOTAL	6,644	100.0 %	42.2 %	68.9 %	19.9 %	6.9 %	4.0 %	-	-	0.3 %
RMBS - UK	1,701	25.6 %	10.8 %	95.6 %	4.4 %	-	-	-	-	-
RMBS - NETHERLANDS	1,546	23.3 %	9.8 %	100.0 %	-	-	-	-	-	-
RMBS - AUSTRALIA	1,339	20.2 %	8.5 %	100.0 %	-	-	-	-	-	-
RMBS - SPAIN	1,152	17.3 %	7.3 %	-	86.3 %	12.1 %	-	-	-	1.6 %
RMBS - IRELAND	309	4.7 %	2.0 %	-	-	37.7 %	62.3 %	-	-	-
RMBS - ITALY	309	4.6 %	2.0 %	17.2 %	82.8 %	-	-	-	-	-
RMBS - PORTUGAL	273	4.1 %	1.7 %	-	-	74.0 %	26.0 %	-	-	-
RMBS - KOREA	14	0.2 %	0.1 %	100.0 %	-	-	-	-	-	-
SOVREIGN TOTAL¹	4,582	100.0 %	29.1 %	100.0 %	-	-	-	-	-	-
COVERED BONDS TOTAL²	4,338	100.0 %	27.6 %	100.0 %	-	-	-	-	-	-
CORPORATE LOANS - TOTAL	143	100.0 %	0.9 %	4.3 %	68.1 %	25.5 %	-	-	2.1 %	-
CORPORATE LOANS - GERMANY	118	82.8 %	0.8 %	-	69.4 %	30.6 %	-	-	-	-
CORPORATE LOANS - SPAIN	15	10.7 %	0.1 %	-	100.0 %	-	-	-	-	-
CORPORATE LOANS - UK	6	4.4 %	0.0 %	97.5 %	-	2.5 %	-	-	-	-
CORPORATE LOANS - DENMARK ⁴	3	2.1 %	0.0 %	-	-	-	-	-	100.0 %	-
CONSUMER CREDIT - TOTAL	32	100.0 %	0.2 %	-	83.8 %	-	15.2 %	-	-	-
CONSUMER CREDIT - SPAIN	27	83.8 %	0.2 %	-	100.0 %	-	-	-	-	-
CONSUMER CREDIT - USA	5	16.2 %	0.0 %	-	-	-	100.0 %	-	-	-

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

²Switzerland, Sweden, UK, Netherlands, France, Australia and New Zealand.

³The underlying portfolio consists of Spanish residential mortgages.

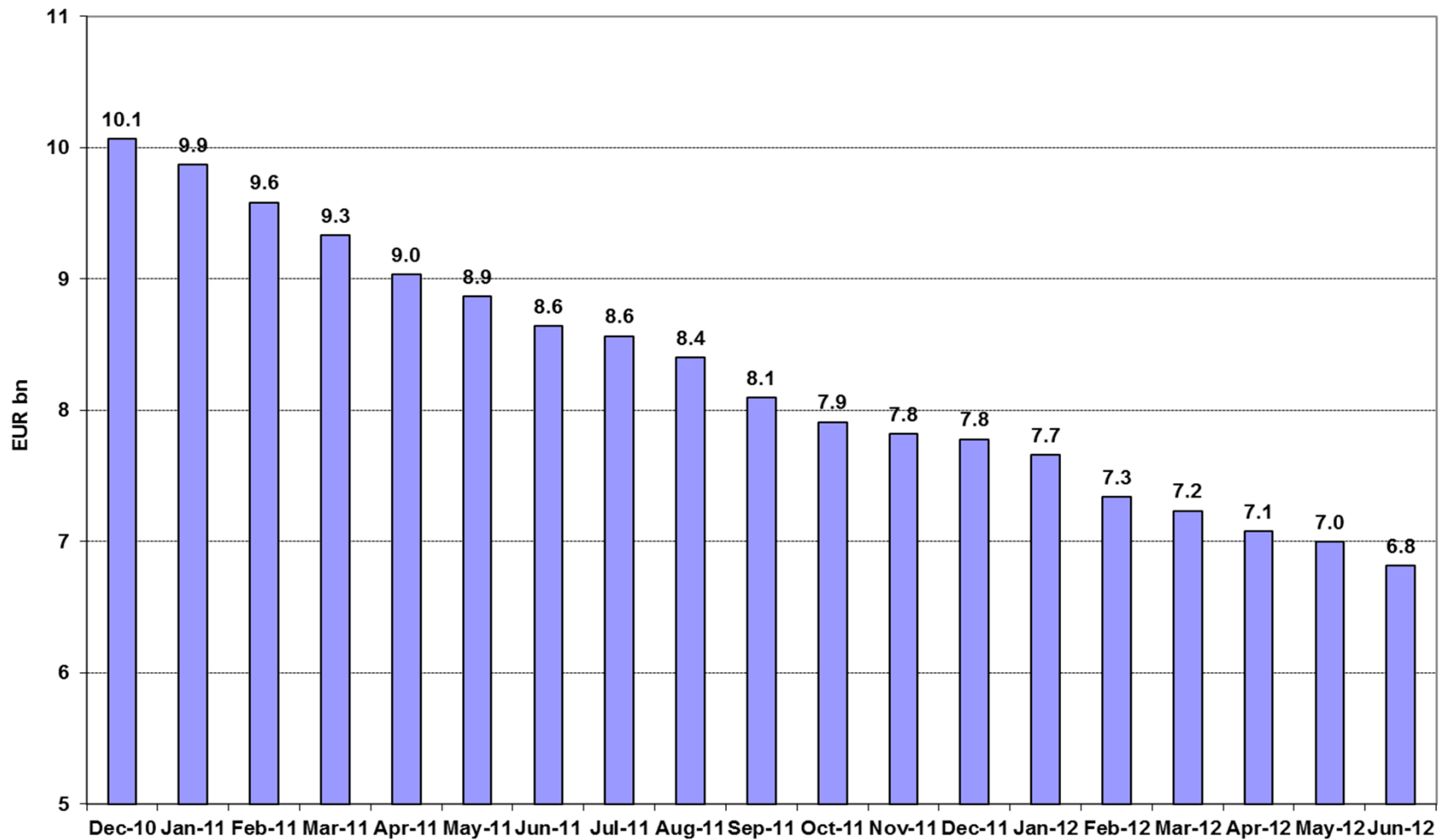
⁴The underlying portfolio consists of Danish subordinated bank debt.

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 1/4 years ¹	Unemployment ²	Interest rate level ³
UK	1,701	1.87 %	0.35 %	65.42 %	69.4	17.36 %	9.3	Aa2/A/AAA	22.2 %	8.3%	0.50 %
Netherlands	1,546	0.78 %	0.16 %	86.46 %	63.4	9.37 %	12.0	Aaa/AA-/AAA	-2.8 %	6.2%	1.00 %
Australia	1,339	0.72 %	0.01 %	56.80 %	79.4	9.08 %	12.7	A1/AA-/AAA	35.2 %	4.9%	3.50 %
Spain	1,152	3.74 %	0.31 %	53.90 %	83.3	12.28 %	3.3	A1/A-/BBB-*	-15.0 %	24.3%	1.00 %
Italy	309	5.53 %	0.01 %	39.87 %	94.7	21.47 %	3.9	Aa2/AA-/AAA	9.0 %	10.2%	1.00 %
Ireland	309	9.64 %	0.04 %	62.40 %	88.4	10.76 %	1.1	Ba3/BBB+/BBB	-41.9 %	14.3%	1.00 %
Portugal	273	3.82 %	0.70 %	57.25 %	88.6	11.19 %	2.9	Baa3/BBB-/BBB-	-8.5 %	15.5%	1.00 %
Korea	14	0.35 %	0.61 %	51.10 %	86.2	28.13 %	80.4	Aa1/AAA/AAA	30.9 %	3.4%	3.25 %
Tot / Weighted Avg ⁴	6,644	2.32 %	0.22 %	64.88 %	75.3	12.60 %	8.8		7.7%	10.6%	1.4%

Sources: ¹ Datastream (quarterly figures including 1Q-2Q 2012 for all countries (monthly including May 2012 for Korea) applied for 6 ¼ years – to replicate the WA seasoning in the portfolio), ² Bloomberg. ³ Central Bank rates as of Q2 2012. ⁴ Of the volume of RMBS in the portfolio, 72.6% holds at least one AAA rating.*One transaction (EUR 18.2mn) is rated CCC and is a special case and under special monitoring.

Remaining RMBS and ABS exposure



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

MARKETS

Portfolio Exposures to Peripherals

- No greek exposures
- Investment grade exposures represent 99.1%
- Exposures are gradually amortizing
- No reinvestments in Portuguese, Irish nor Spanish assets since the outset of the financial crisis*

	Q2, 2012 EUR mn	1Q 2012 EUR mn	2Q 2007 EUR mn	% of Portfolio	Types of Exposures	AAA	AA	A	BBB	<BBB
Spain	1,194	1,241	2,574	7.6 %	RMBS, corporate loan & consumer loan ABS	0.0 %	86.8 %	11.7 %	0.0 %	1.5 %
Italy	309	329	404	2.0 %	RMBS only	17.2 %	82.8 %	0.0 %	0.0 %	0.0 %
Ireland	309	308	386	2.0 %	RMBS only	-	-	37.7 %	62.3 %	0.0 %
Portugal	273	279	604	1.7 %	RMBS only	-	-	74.0 %	26.0 %	0.0 %
Greece	-	-	-	-	-	-	-	-	-	-
Total	2,085	2,157	3,968	13.2%		2.6 %	61.9 %	22.0 %	12.6 %	0.9 %

*The reason the Irish exposure has increased in the last period (in Euro terms) is due to currency fluctuations.

Disclaimer

IMPORTANT/DISCLAIMER

This note (the "Note") must be seen as marketing material and not as an investment recommendation within the meaning of the Norwegian Securities Trading Act of 2007 paragraph 3-10 and the Norwegian Securities Trading Regulation 2007/06/29 no. 876. The Note has been prepared by DNB Markets, a division of DNB Bank ASA, a Norwegian bank organized under the laws of the Kingdom of Norway (the "Bank"), for information purposes only. The Note shall not be used for any unlawful or unauthorized purposes. The Bank, its affiliates, and any third-party providers, as well as their directors, officers, shareholders, employees or agents (individually, each a "DNB Party"; collectively, "DNB Parties") do not guarantee the accuracy, completeness, timeliness or availability of the Note. DNB Parties are not responsible for any errors or omissions, regardless of the cause, nor for the results obtained from the use of the Note, nor for the security or maintenance of any data input by the user. The Note is provided on an "as is" basis. DNB PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE NOTE'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE NOTE WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall DNB Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of the Note, even if advised of the possibility of such damages. Any opinions expressed herein reflect the Bank's judgment at the time the Note was prepared and DNB Parties assume no obligation to update the Note in any form or format. The Note should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. No DNB Party is acting as fiduciary or investment advisor in connection with the dissemination of the Note. While the Note is based on information obtained from public sources that the Bank believes to be reliable, no DNB Party has performed an audit of, nor accepts any duty of due diligence or independent verification of, any information it receives. Confidentiality rules and internal rules restrict the exchange of information between different parts of the Bank and this may prevent employees of DNB Markets who are preparing the Note from utilizing or being aware of information available in DNB Markets/the Bank which may be relevant to the recipients of the Note.

The Note is not an offer to buy or sell any security or other financial instrument or to participate in any investment strategy. Distribution of material like the Note is in certain jurisdictions restricted by law. Persons in possession of the Note should seek further guidance regarding such restrictions before distributing the Note.

The Note is for clients only, and not for publication, and has been prepared for information purposes only by DNB Markets - a division of DNB Bank ASA registered in Norway with registration number NO 984 851 006 (the Register of Business Enterprises) under supervision of the Financial Supervisory Authority of Norway (Finanstilsynet), Monetary Authority of Singapore, the Chilean Superintendent of Banks, and on a limited basis by the Financial Services Authority of UK. Information about DNB Markets can be found at dnb.no.

Additional information for clients in Singapore

The Note has been distributed by the Singapore branch of DNB Bank ASA. It is intended for general circulation and does not take into account the specific investment objectives, financial situation or particular needs of any particular person. You should seek advice from a financial adviser regarding the suitability of any product referred to in the Note, taking into account your specific financial objectives, financial situation or particular needs before making a commitment to purchase any such product.

Recipients of the Note should note that, by virtue of their status as "accredited investors" or "expert investors", the Singapore branch of DNB Bank ASA will be exempt from complying with certain compliance requirements under the Financial Advisers Act, Chapter 110 of Singapore (the "FAA"), the Financial Advisers Regulations and associated regulations there under. In particular, it will be exempt from: - Section 27 of the FAA (which requires that there must be a reasonable basis for recommendations when making recommendations on investments).

Please contact the Singapore branch of DNB Bank ASA at +65 6212 0753 in respect of any matters arising from, or in connection with, the Note.

We, the DNB group, our associates, officers and/or employees may have interests in any products referred to in the Note by acting in various roles including as distributor, holder of principal positions, adviser or lender. We, the DNB group, our associates, officers and/or employees may receive fees, brokerage or commissions for acting in those capacities. In addition, we, the DNB group, our associates, officers and/or employees may buy or sell products as principal or agent and may effect transactions which are not consistent with the information set out in the Note.

Additional Information, including for Recipients in the In the United States:

This note (the Note) is a "market letter", as the term is defined in NASD Rule 2211, and, thus, does not constitute a "research report" within the meaning of U.S. securities laws and regulations, including, without limitation, SEC Rule 15a-6, NASD Rule 2711 and Regulation AC.