



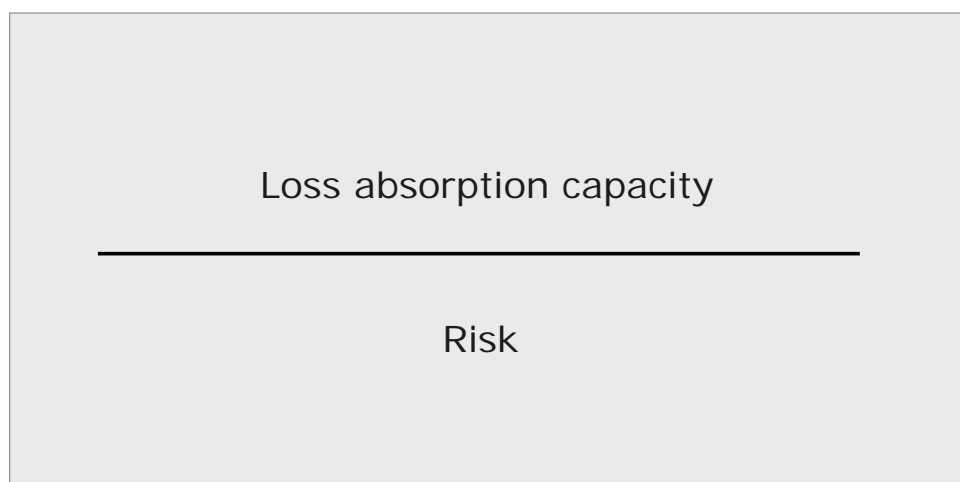
*Capital Markets Day 2009
26 March 2009*

A guide to capitalisation

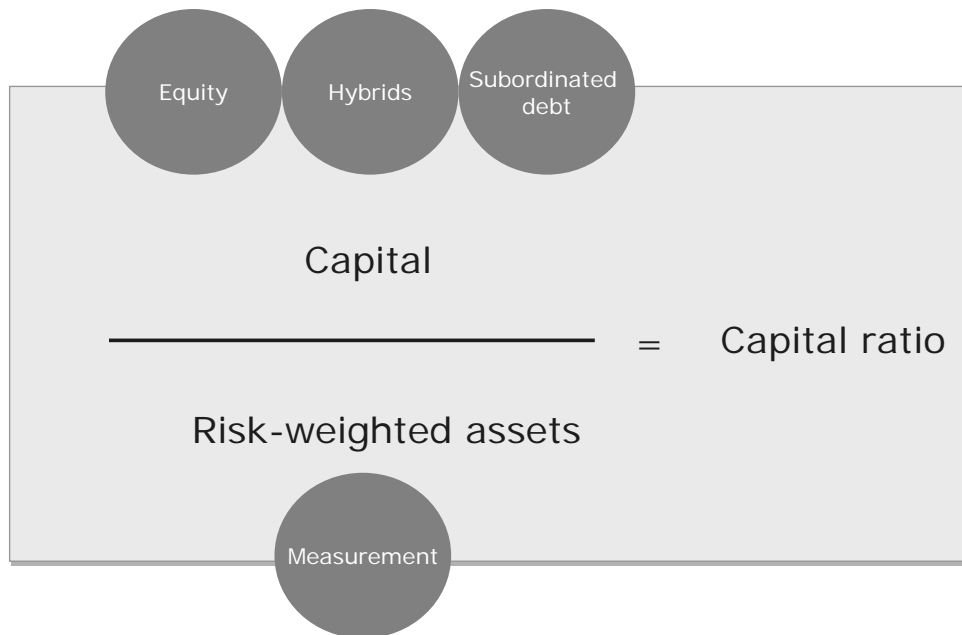
Roar Hoff, chief risk officer

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Capitalisation is a risk-mitigating factor



Capitalisation has to be interpreted



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Capital strength – for whom?



Shareholders' perspective

- Going concern
- Avoid regulatory interference



Bondholders' / rating agencies' perspective

- Protection in a winding-up situation
- Going concern is the best safeguard



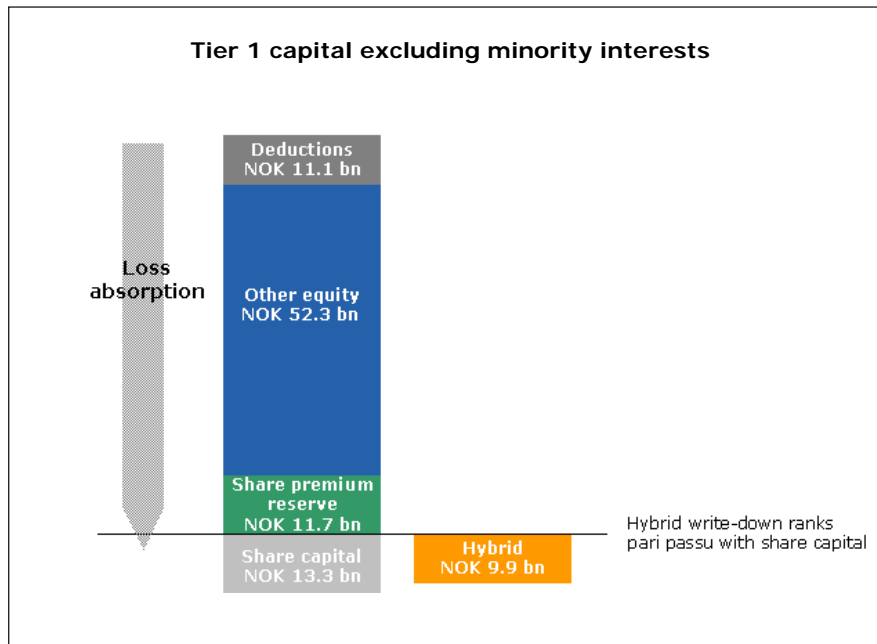
Regulators' perspective

- Minimum cost to society for reorganising banks
- Financial stability
- Going concern is the best safeguard

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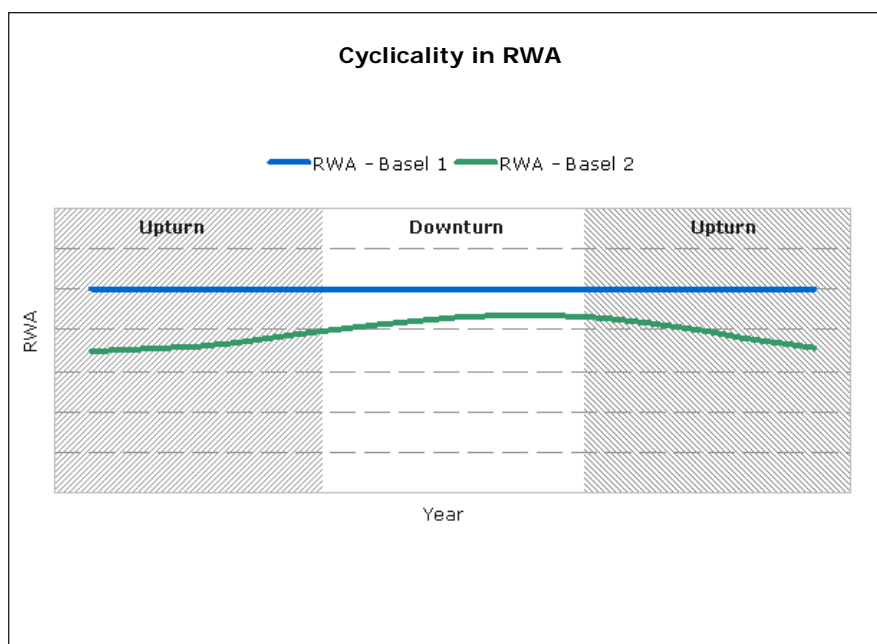
Traditional hybrid does not share risk with common equity



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The pro-cyclicality in risk-weighted assets (RWA) has to be planned for

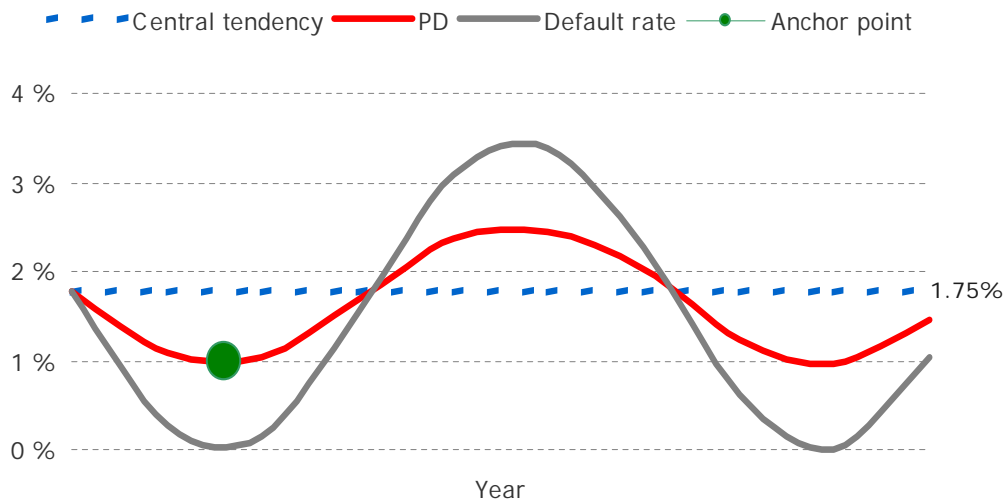


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Even through-the-cycle models will lead to cyclicality in RWA

Calibration and cyclicality of large corporate PD models



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Lower potential reduction in downturn scenario

Development in RWA¹⁾

Portfolio	EaD	31.12.2008		Full IRB excl. DnB NORD upturn		Full IRB excl. DnB NORD downturn	
		RWA%	RWA	RWA%	RWA	RWA%	RWA
IRB							
- Corporate	114	75 %	85	48 %	55	63 %	72
- Private real estate	443	11 %	48	11 %	48	15 %	66
Standard							
- Governments	80	7 %	5	7 %	5	7 %	5
- Institutions	158	21 %	33	21 %	33	21 %	33
- Corporate	665	100 %	666	56 %	373	79 %	526
- Other	196	43 %	84	38 %	74	38 %	74
- DnB NORD	131	77 %	101	77 %	101	77 %	101
Total credit risk	1 787	57 %	1 024	39 %	689	49 %	878
Other risk (Vital, market, operational)			176		176		176
Group total			1 200		865		1 053
Core capital			80		80		80
Capital ratio			6.7%		9.3%		7.6%

1) Scenario is based on static considerations of 2008 balance sheet

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Timeline for IRB implementation

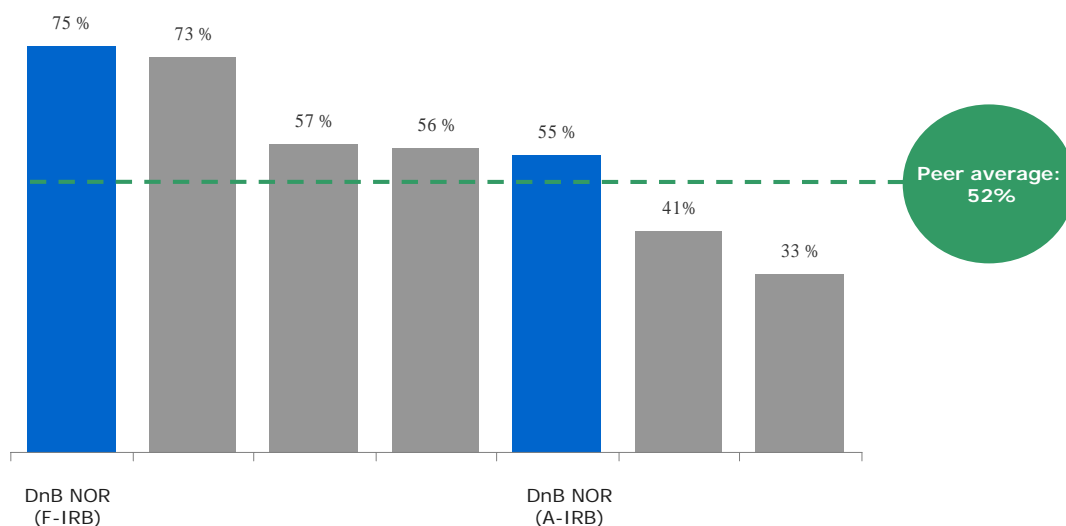
	Current 31.12.2008	SME on A- IRB + Credit cards + SME increased 30.06.2009	No change 31.12.2009	Large corporates on A-IRB (Norway) 30.06.2010	Large corporates on A-IRB (int. operations) 31.12.2010	Downturn 31.12.2010
		57		190	88	188
RWA	1200	1143	1143	953	865	1053
Capital ratio	6.7%	7.0%	7.0%	8.4%	9.3%	7.6%

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IRB risk weights are not comparable across banks

Risk weights for corporates - Nordic peers¹⁾

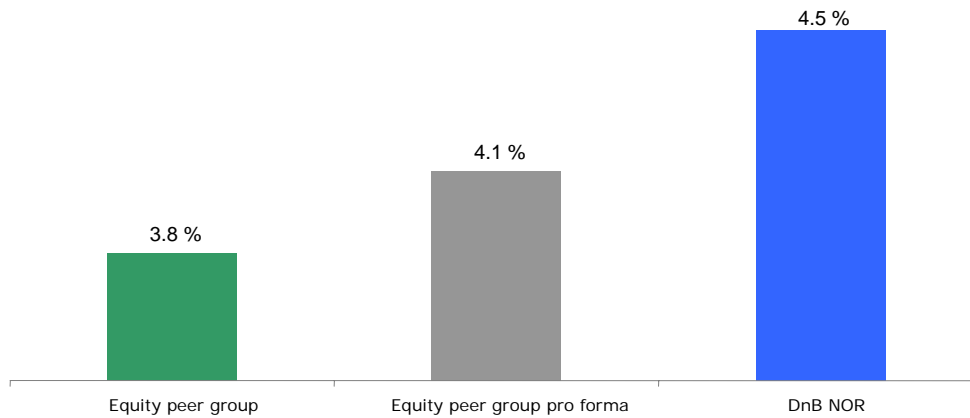


1) Nordic peers: Swedbank, Danske Bank, Nordea, SHB, SEB
Source: Company pillar 3 report and financial statement
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DnB NOR has modest leverage

Equity in per cent of total assets



Source: Company financial statements

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DnB NOR

No major impact expected from proposed changes in regulatory framework

The Turner Review

Increased minimum capital requirements

Increased risk weighting for trading activities

Increased risk weighting related to securitisation

Introduction of maximum leverage ratio

DnB NOR

New capitalisation policy meets the proposed new minimum standards

No significant effect for DnB NOR due to low trading exposures and current method for risk weighting

No exposure has been offloaded through securitisation

Low leverage ratio

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DnB NOR

Conclusions



For the time being, IRB-based risk weights are not comparable across banks, and capital ratios have to be carefully assessed

DnB NOR's IRB system is rather conservatively calibrated, and the leverage is moderate

Recent proposed changes in regulatory capital requirements will probably have little impact on the capital position of DnB NOR