Third quarter report 2007

DnB NOR

Financial highlights

Third quarter 2007

- Pre-tax operating profits before write-downs were up 9.5 per cent to NOK 3.7 billion (3.4)
- Profit for the period increased by 35.3 per cent to NOK 3.7 billion (2.7)
- Return on equity was 21.8 per cent (18.0)
- Expenses represented 51.3 per cent of income (50.9)
- The core capital ratio, including 50 per cent of interim profits, was 7.2 per cent (6.7)

January–September 2007

- Pre-tax operating profits before write-downs were up 10.0 per cent to NOK 11.5 billion (10.5)
- Profit for the period increased by 18.2 per cent to NOK 9.9 billion (8.4)
- Return on equity was 19.8 per cent (18.8)
- Expenses represented 50.1 per cent of income (49.9)
- The core capital ratio, including 50 per cent of interim profits, was 7.2 per cent (6.7)

Comparable figures for 2006 in parentheses.

Third quarter report 2007

Introduction

Third quarter

The DnB NOR Group[1)] achieved strong profits in the third quarter of 2007, up 35.3 per cent from the year-earlier period. Third quarter performance reflected both positive and negative extraordinary items, including property gains and unrealised losses resulting from the financial market turmoil. The strong Norwegian economy and sound portfolio quality resulted in low write-downs on loans and guarantees in the third quarter of 2007.

Pre-tax operating profits before write-downs came to NOK 3 694 million, up NOK 322 million from the third quarter of 2006. After taxes, profits totalled NOK 3 673 million, a rise of NOK 959 million from a year earlier. Third-quarter profits in 2007 included gains of NOK 865 million from the sale of the Group's premises at Aker Brygge in Oslo.

The financial market turmoil had a limited impact on DnB NOR. The Group recorded a net unrealised loss of NOK 600 million stemming from an increase in credit spreads on investments in bonds and other interest rate instruments. The loss will be reversed over the residual maturity of the bonds, which averages less than three years.

Return on equity was 21.8 per cent, compared with 18.0 per cent in the third quarter of 2006. The cost/income ratio was 51.3 per cent in the July through September period, as against 50.9 per cent in the corresponding period in 2006. Third-quarter earnings per share were NOK 2.72 and NOK 2.00 respectively.

Preparing for the introduction of new regulations for life insurance companies as from 1 January 2008, Vital Forsikring undertook a full review of the company's assets during the third quarter of 2007. Vital's property portfolio was appraised by three independent appraisal companies. The review resulted in revaluations of NOK 5.6 billion. The owner's share of the revaluations represented NOK 320 million.

In consequence of new requirements from the authorities for the life insurance industry and new statistics for life expectancy, Vital made provisions of NOK 2.6 billion in the third-quarter accounts to cover increases in estimated commitments.

At the Group's capital markets day in London on 9 October, DnB NOR presented new financial target figures. The new targets are pre-tax operating profits before write-downs of NOK 20 billion in 2010 based on 10 per cent average annual growth, and minimum 16 per cent return on equity from 2008. A new cost programme will reduce group costs by NOK 1 billion annually by 2010 and bring DnB NOR's cost/income ratio below 46 per cent. DnB NOR's current dividend policy and capital adequacy requirements will remain unchanged.

As from 1 January 2007, capital adequacy calculations for some portfolios are based on the Basel II framework. Including 50 per cent of interim profits, the core capital ratio for the DnB NOR Group was 7.2 per cent as at 30 September 2007, compared with 6.7 per cent at end-December 2006. The Board of Directors considers the Group to be well capitalised relative to the risk level in the loan portfolios and other operations.

January–September period

DnB NOR's pre-tax operating profits before write-downs came to NOK 11 512 million in the first nine months of 2007, up from NOK 10 464 million in the year-earlier period. After taxes, profits were up 18.2 per cent to NOK 9 946 million, from NOK 8 414 million in the January through September period in 2006. Return on equity was 19.8 per cent, compared with 18.8 per cent in the first nine months of 2006. The cost/income ratio was 50.1 per cent, as against 49.9 per cent in the year-earlier period. Earnings per share stood at NOK 7.32 and NOK 6.21 respectively.

Income

Income totalled NOK 7 589 million for the July through September period, an increase of NOK 726 million or 10.6 per cent from the third quarter of 2006.

Net interest income

Net interest income was NOK 4 663 million in the third quarter of 2007, up NOK 751 million or 19.2 per cent compared with the year-earlier period.

Average lending increased by NOK 113 billion or 14.5 per cent from the third quarter of 2006. The rise mainly represented well-secured housing loans and corporate customer loans with relatively low risk. There was a rise of NOK 76 billion or 16.7 per cent in average deposits. Lending spreads contracted by 0.16 percentage points compared with the year-earlier period, representing 1.10 per cent in the third quarter of 2007. During the same period, deposit spreads expanded by 0.25 percentage points to 1.08 per cent in the July through September period in 2007.

The table below specifies changes from the third quarter of 2006 according to main items:

Changes in net interest income

Amounts in NOK million	3rd quarter 2007	Change	3rd quarter 2006
Net interest income	4 663	751	3 911
Lending and deposit volumes		489	
Lending and deposit spreads		17	
Other net interest income		245	

Net other operating income

Net other operating income amounted to NOK 2 926 million in the third quarter of 2007, down NOK 25 million compared with the corresponding period of 2006. Unrealised losses on the bond portfolio due to wider credit spreads, resulting in higher yields and thus a lower discounted net present value of the bonds, were largely offset by a rise in financial income in Vital and a boost in income from foreign exchange and interest rate instruments.

Net other operating income represented 38.6 per cent of total income in the third quarter of 2007, as against 43.0 per cent in the year-earlier period.

The table below specifies changes from the third quarter of 2006 according to main items:

1) *The third quarter report encompasses the entire DnB NOR Group. Separate quarterly reports are prepared for DnB NOR Bank ASA and Vital Forsikring ASA including underlying subsidiaries.*

Changes in net other operating income

Amounts in NOK million	3rd quarter 2007	Change	3rd quarter 2006
Net other operating income	2 926	(25)	2 951
Net gains on foreign exchange and interest rate instruments [1]		349	
Net income from Vital [2]		260	
Unrealised losses due to wider credit spreads		(600)	
Other operating income		(34)	

1) *Excluding guarantees and income reductions resulting from wider credit spreads.*
2) *Excluding guaranteed returns and allocations to policyholders. After eliminations.*

Operating expenses

Operating expenses totalled NOK 3 895 million in the third quarter of 2007, up NOK 404 million from the year-earlier period. Excluding operations in DnB NORD, there was a NOK 249 million rise in expenses.

The cost trend in the third quarter of 2007 reflected a rise in staff numbers due to new international initiatives and IT development activity, including large IT investments in Norway and international units.

The table below shows changes in operating expenses from the third quarter of 2006 according to main items:

Changes in operating expenses

Amounts in NOK million	3rd quarter 2007	Change	3rd quarter 2006
Operating expenses	3 895	404	3 491
IT development		100	
Rise in staff numbers		94	
Depreciation and write-downs		49	
Wage settlements		39	
Pension expenses		36	
Marketing expenses etc.		33	
Other operating expenses		54	

Net gains on fixed and intangible assets

Net gains on fixed and intangible assets came to NOK 874 million in the third quarter of 2007, compared with NOK 135 million in the year-earlier period. The gains in the third quarter of 2007 mainly referred to the sale of the Group's premises at Aker Brygge in Oslo.

Write-downs on commitments

Write-downs on loans and guarantees came to NOK 70 million in the third quarter of 2007, with individual write-downs of NOK 76 million and reversals on group write-downs of NOK 6 million. The reversals on group write-downs reflected the strong Norwegian economy and sound portfolio quality.

After deductions for individual write-downs, net non-performing and impaired commitments came to NOK 4 078 million at end-September 2007, up NOK 278 million from 31 December 2006. This figure includes net non-performing and impaired commitments of NOK 172 million in BISE Bank. Net non-performing and impaired commitments represented 0.44 per cent of net lending at end-September 2007, down from 0.52 per cent a year earlier. Excluding DnB NORD, these figures were 0.38 per cent and 0.50 per cent respectively.

Taxes

The DnB NOR Group's tax charge for the third quarter of 2007 was NOK 826 million or 18.4 per cent. The tax charge is generally based on an anticipated average tax rate of 23 per cent of pre-tax operating profits. Changes in the calculation of taxes in Vital in 2006 resulted in a NOK 209 million reduction in the Group's estimated taxes for the third quarter of 2007.

Balance sheet and assets under management

At end-September 2007, total combined assets in the DnB NOR Group were NOK 1 789 billion, an increase of NOK 163 billion or 10.0 per cent from a year earlier.

Total assets in the Group's balance sheet were NOK 1 431 billion as at 30 September 2007, as against NOK 1 268 billion a year earlier.

Net lending to customers rose by NOK 107 billion or 13.3 per cent during the twelve-month period.

Customer deposits rose by NOK 75 billion or 16.4 per cent from the third quarter of 2006.

In order to keep the Group's liquidity risk at a low level, the majority of customer loans are financed through customer deposits, long-term securities, subordinated loan capital and equity. With respect to short-term funding of the bank, restrictive borrowing limits have been established.

The ratio of customer deposits to net lending to customers was maintained at a satisfactory level, standing at 58.6 per cent at end-September 2007, compared with 57.1 per cent a year earlier.

Securities issued by the Group increased by NOK 0.6 billion from the third quarter of 2006, totalling NOK 317 billion at end-September 2007.

The rating agencies' assessments of DnB NOR are of significance to the Group's funding terms. DnB NOR Bank has the following long-term ratings: Aa1 from Moody's, AA from Dominion Bond Rating Service and A+ with a positive outlook from Standard & Poor's.

Total assets in Vital were NOK 232 billion as at 30 September 2007, compared with NOK 214 billion a year earlier.

Risk and capital adequacy

The third quarter of 2007 reflected liquidity problems in international financial markets. The financial turmoil affected in particular financial institutions with direct and indirect loans and investments in the American housing loan market, as well as institutions with weak and short-term funding structures. On account of a conservative liquidity policy, DnB NOR enjoyed a sound liquidity situation during the entire period.

DnB NOR quantifies risk by measuring risk-adjusted capital requirements. The net risk-adjusted capital requirement increased by NOK 1.6 billion in the July through September period of 2007, to NOK 44.6 billion. The table below shows developments in the risk-adjusted capital requirement:

Amounts in NOK billion	30 Sept. 2007	30 June 2007	31 Dec. 2006	30 Sept. 2006
Credit risk	38.1	37.7	36.0	35.7
Market risk	2.9	2.8	2.4	2.4
Ownership risk for Vital	9.6	8.2	7.5	9.4
Operational risk	5.2	5.0	4.8	4.8
Business risk	2.5	2.4	2.4	2.4
Gross risk-adjusted capital requirement	58.3	56.1	53.0	54.6
Diversification effect [1]	13.7	13.1	12.3	15.4
Net risk-adjusted capital requirement	44.6	43.0	40.7	39.2
Diversification effect in per cent of gross risk-adjusted capital requirement [1]	23.5	23.3	23.3	28.2

1) *The diversification effect refers to the effect achieved by the Group in reducing risk by operating within several risk categories where unexpected losses are unlikely to occur at the same time.*

There was a net increase in the risk-adjusted capital requirement for credit risk of NOK 0.4 billion in the third quarter of 2007. Strong growth in credit volumes in the business area Corporate Banking and

Payment Services was partly offset by a reduction in calculated credit risk in the Retail Banking business area. Credit quality was very strong and stable in the third quarter. Corporate Banking and Payment Services recorded particularly brisk growth within shipping and offshore. Due to the turmoil in financial markets, syndicated volumes were lower than normal during the quarter.

Market risk in DnB NOR Markets increased by NOK 0.1 billion due to higher volumes. Risk calculations in the business area are under review in light of the experience gained from the financial turmoil during the third quarter.

The risk-adjusted capital requirement for Vital rose by NOK 1.4 billion during the third quarter of 2007, reflecting, among other things, a NOK 2.6 billion reduction in the securities adjustment reserve and uncertainty related to higher life expectancy. An extensive programme to hedge against reductions in equity prices was continued in the third quarter. Kredittilsynet (the Financial Supervisory Authority of Norway) has presented requirements for a plan to increase provisions in pension products to reflect higher life expectancy. Vital made provisions of NOK 2.6 billion for this purpose in the third quarter. The provisions are preliminary and conditional on approval by Kredittilsynet. Kredittilsynet has permitted that an increase in provisions can be financed mainly through the interest result, also under the new regulations for insurance companies entering into force on 1 January 2008.

The increase in the risk-adjusted capital requirement for operational and business risk reflected higher levels of activity in the business areas.

Assessment of DnB NOR's capital adequacy

The table below shows developments in the Group's equity relative to the capitalisation target:

Amounts in NOK billion	30 Sept. 2007	30 June 2007	31 Dec. 2006	30 Sept. 2006
4.25 per cent of risk-weighted assets	40.0	38.6	37.4	36.4
Capital buffer	15.2	14.2	13.3	13.3
Core capital target excl. hybrid securities	55.2	52.8	50.7	49.7
Statutory deductions in core capital	7.0	6.9	4.4	3.7
Equity target	62.2	59.7	55.1	53.4
Actual equity [1)]	65.7	64.3	57.8	55.7
Equity reserve	3.5	4.6	2.7	2.3

1) *Includes 50 per cent of interim profits. Equity is calculated according to NGAAP up to and including 31 December 2006 and according to IFRS as from 31 March 2007.*

The equity reserve was NOK 3.5 billion at end-September 2007. Calculations indicate that the Group is well capitalised.

Risk-weighted volume included in the calculation of the formal capital adequacy requirement increased by NOK 33 billion during the third quarter, to NOK 941 billion. Including 50 per cent of interim profits, the core capital ratio was 7.2 per cent, while the capital adequacy ratio was 9.8 per cent.

Transitional rules for calculating risk-weighted volume according to internal models stipulate a floor representing a 5 per cent reduction in risk-weighted volume relative to the former calculation method. Without such a floor, the core capital ratio would have been 7.8 per cent and the capital adequacy ratio 10.6 per cent, including 50 per cent of interim profits.

Business areas

The activities of DnB NOR are organised in four business areas according to the customer segments served by the Group and the products offered. In addition, DnB NORD is regarded as a separate profit centre.

Corporate Banking and Payment Services

Amounts in NOK million	3rd quarter 2007	3rd quarter 2006
Total income	3 084	2 540
Operating expenses	1 008	906
Pre-tax operating profit before write-downs	2 076	1 633
Pre-tax operating profit	2 089	1 732
Net lending to customers (NOK billion) [1)]	417.3	362.1
Deposits from customers (NOK billion) [1)]	294.8	251.0
<u>Key figures</u>		
Return on capital BIS (%)	19.4	18.1
Cost/income ratio (%)	32.7	35.7
Customer lending spread (%)	1.07	1.18
Customer deposit spread (%)	0.76	0.60
Ratio of deposits to lending (%)	70.6	69.3

1) *Average volume, including credit institutions.*

Corporate Banking and Payment Services achieved pre-tax operating profits of NOK 2 089 million in the third quarter of 2007, an increase of NOK 357 million from the year-earlier period. The high level of activity in the first and second quarter of 2007 continued through the third quarter. Combined with sustained strong growth in volumes, this contributed to the rise in profits.

Reflecting continued high credit demand throughout the third quarter of 2007, average loans and guarantees rose by NOK 62.2 billion from the third quarter of 2006, to NOK 483.9 billion. The strongest growth took place among customers outside Norway, and adjusted for exchange rate movements, there was an increase of NOK 68.0 billion.

Sound earnings and a persistent increase in borrowing among corporate clients ensured a boost in liquidity in the business sector, and average deposits rose by NOK 43.8 billion from the year-earlier period, to NOK 294.8 billion.

Income totalled NOK 3 084 million in the third quarter of 2007, up NOK 544 million from the corresponding period in 2006. Ordinary net interest income rose by NOK 338 million. Competition remains fierce both in Norway and in international markets. However, the turmoil in international capital markets is expected to reduce pressure on spreads and open up for somewhat wider spreads on the international portfolio. Compared with the third quarter of 2006, lending spreads contracted by 0.11 percentage points, while there was an increase of 0.03 percentage points from the second quarter of 2007. Deposit spreads rose by 0.16 percentage points from the third quarter of 2006.

Other operating income increased by NOK 28 million, reflecting a large number of transactions within foreign exchange and interest rate products, and a higher level of activity within corporate finance and guarantees. The turmoil in international credit markets had a limited impact on operations. There was a drop in syndication activity in the market during the third quarter, though in spite of market unrest, income from such activity was higher than in the year-earlier period. The increase in other operating income was offset by weaker results from associated companies and reduced income from payment services. Within payment transfers, the shift to automated products reduced income in spite of rising volumes.

Operating expenses totalled NOK 1 008 million in the third quarter of the year, up NOK 101 million from the corresponding period of 2006. International expansion resulted in higher costs and rising staff numbers. At end-September 2007, 23.6 per cent of the business area's employees were located outside Norway, compared with 19.2 per cent a year earlier. Solid growth in operational leasing gave an increase in depreciation. The cost/income ratio was 32.7 per cent in the third quarter, down 3.0 percentage points from the corresponding period in 2006. At end-September 2007, staff in Corporate Banking and Payment Services represented 2 291 full-time positions, including 581 positions in subsidiaries and 541 in international units.

Due to sound quality in the credit portfolios combined with the healthy economic trend, there were net reversals of NOK 10 million on write-downs on loans in the third quarter of 2007.

Customer satisfaction showed a positive trend. There was a slight reduction in lending market shares from a year earlier, to 14.9 per cent at end-August 2007.

Corporate Banking and Payment Services anticipates a continued high level of activity, though credit growth is expected to slow down due to rising money market rates.

Retail Banking

Amounts in NOK million	3rd quarter 2007	3rd quarter 2006
Total income	2 736	2 746
Operating expenses	1 524	1 533
Pre-tax operating profit before write-downs	1 212	1 213
Pre-tax operating profit	1 158	1 189
Net lending to customers (NOK billion) [1]	430.3	392.0
Deposits from customers (NOK billion) [1]	224.9	209.3
Key figures		
Return on capital BIS (%)	25.3	24.7
Cost/income ratio (%)	55.7	55.8
Customer lending spread (%)	1.10	1.29
Customer deposit spread (%)	1.40	1.03
Ratio of deposits to lending (%)	52.3	53.4

1) *Average volume, including credit institutions.*

Retail Banking recorded pre-tax operating profits of NOK 1 158 million in the third quarter of 2007, down NOK 31 million from the corresponding period in 2006. The decline can mainly be ascribed to narrowing lending spreads.

Lending growth based on average volumes for the quarter was 9.8 per cent or NOK 38.3 billion from the third quarter of 2006. Average lending was NOK 430.3 billion in the July through September period in 2007. Demand for housing loans continued high in spite of rising interest rate levels. Average customer deposits rose by 7.4 per cent or NOK 15.6 billion to NOK 224.9 billion during the same period.

Net interest income from ordinary operations declined by NOK 34 million compared with the third quarter of 2006, to NOK 1 817 million. Due to strong competition in the housing loan market and notification periods in connection with increases in customer interest rates, lending spreads contracted from 1.29 per cent in the third quarter of 2006 to 1.10 per cent in the corresponding period in 2007. Compared with previous quarters in 2007, however, there was a slight improvement in lending spreads, with a 0.04 percentage point rise from the second to the third quarter of 2007. Deposit spreads widened by 0.37 percentage points from the third quarter of 2006.

Net other operating income totalled NOK 751 million, down NOK 32 million from the year-earlier period, of which NOK 17 million stemmed from reduced income from payment transactions.

Operating expenses were stable, totalling NOK 1 524 million in the third quarter of the year, compared with NOK 1 533 million in the year-earlier period. The cost/income ratio was 55.7 per cent, as against 55.8 per cent in the third quarter of 2006. Retail Banking staff numbered 3 696 full-time positions at end-September 2007.

Write-downs on loans and guarantees totalled NOK 54 million for the July through September period in 2007, an increase from NOK 24 million in the third quarter of 2006.

At end-August 2007, the market share of credit to retail customers was 29.1 per cent, down from 29.9 per cent at end-September 2006. The market share of savings was 33.6 per cent at end-August 2007, compared with 34.8 per cent at end-September 2006.

DnB NOR, Postbanken and NorgesGruppen were the first to launch in-store banking outlets as an alternative channel for everyday banking services, and the first outlet was opened in September. In-store banking outlets will be nationwide during 2008.

Retail Banking is further developing its electronic channels, the Internet bank and the mobile bank, to enhance its customer offering and increase the number of self-service options. As from 1 November, a number of new SMS services will be launched in the mobile bank and it will be possible, for example, to transfer amounts between accounts. New deposit products were launched as a result of interest rate increases, and in October customers were offered a favourable fixed-rate deposit account with a required savings period of one year for amounts of NOK 25 000 or more.

By acquiring Svensk Fastighetsförmedling, DnB NOR has commenced its drive towards Swedish retail customers. The acquisition of SalusAnsvar, which distributes financial products to members of Swedish professional organisations, is part of this initiative. The necessary approvals from the Swedish authorities were granted on 18 October 2007, and on the acceptance closing date, 26 October, shareholders representing 94.5 per cent of the company's shares had accepted DnB NOR's offer. The acceptance deadline has been extended to 9 November, subsequent to which DnB NOR will demand redemption of shares from any minority shareholders.

DnB NOR has decided to establish its own non-life insurance company, and has an ambition to capture a considerable share of the retail non-life insurance market. The new company will start operations by the end of 2008. So far, DnB NOR has delivered non-life insurance in cooperation with external risk bearers. The establishment of the new company means that DnB NOR will be able to offer services from a larger share of the value chain.

Rising interest rates are expected to result in lower lending growth during the remainder of the year. It is anticipated that new savings products and improved spreads will ensure a higher level of net interest income in the fourth quarter of 2007 than in the year-earlier period.

DnB NOR Markets

Amounts in NOK million	3rd quarter 2007	3rd quarter 2006
Total income	355	792
Operating expenses	304	327
Pre-tax operating profit before write-downs	51	465
Key figures		
Return on capital BIS (%)	3.8	42.5
Cost/income ratio (%)	85.7	41.2

DnB NOR Markets achieved pre-tax operating profits of NOK 51 million in the third quarter of 2007. Performance reflected the turmoil in global financial markets. Within market making and other proprietary trading, a general increase in credit spreads resulted in unrealised mark-to-market losses on bonds of NOK 675 million in the third quarter of 2007, as against a gain of NOK 1 million in the year-earlier period. The bond portfolio comprised almost exclusively bonds with the highest possible credit rating (AAA). The loss will be reversed over the residual maturity of the bonds, which averages 2.8 years.

Moreover, the third quarter was characterised by brisk activity and good results. Income from customer-related activity totalled NOK 727 million for the July through September period in 2007, up 35.7 per cent from the year-earlier period.

Customer-related income from currency, interest rate and commodity derivatives was up 75.3 per cent to NOK 373 million in the third quarter of 2007, from NOK 213 million in the year-earlier period. Great fluctuations in exchange rates and Norwegian money market rates helped ensure brisk demand for both currency and interest rate hedging products. During the quarter, DnB NOR Markets extended its customer offering within hedging of commodity prices, including metals. In September, a new trading desk was opened in Stockholm, serving Swedish clients.

Customer-related revenues from the sale of securities and other investment products came to NOK 107 million in the third quarter of 2007, down from NOK 151 million in the year-earlier period. Income from equities sales was on a level with the third quarter of 2006, while income from bonds and structured products declined. During the third quarter, DnB NOR Markets launched several new types of warrants, which were well received by clients.

Customer-related revenues from corporate finance services were up 50.5 per cent to NOK 150 million, from NOK 100 million in the third quarter of 2006. In view of the turmoil in capital markets, activity levels in DnB NOR Markets remained at a satisfactory level throughout the quarter. The Group's international entities showed a positive development.

Customer-related revenues from the sale of custodial and other securities services rose by 33.3 per cent to NOK 96 million, from NOK 72 million in the third quarter of 2006. Custody in Norway for international investors, a high level of securities finance and securities lending activity were key factors behind the rise in income.

Earnings from market making and other proprietary trading were negative at NOK 422 million, which represented a NOK 653 million reduction from the year-earlier period. The decline can be ascribed to widening credit spreads on bonds, resulting in unrealised losses of NOK 675 million, as against a gain of NOK 1 million in the year-earlier period. The loss will be reversed over the residual maturity of the bonds.

Credit market trends, stock market activity and fluctuations in the NOK exchange rate and Norwegian interest rate levels will be decisive factors for the business area's future performance.

Life Insurance and Asset Management

Amounts in NOK million	3rd quarter 2007	3rd quarter 2006
Total income	1 250	922
Operating expenses	544	447
Pre-tax operating profit before write-downs	706	445
Taxes	(187)	29
Profit for the period	893	416
Assets under management (NOK billion) 1)	591	571
Key figures		
Return on equity (%)	32.9	16.4
Cost/income ratio (%)	43.5	51.7

1) Balance sheet at end of period.

Life Insurance and Asset Management recorded pre-tax operating profits of NOK 706 million in the third quarter of 2007, an increase of NOK 261 million compared with the year-earlier period. NOK 627 million of profits stemmed from Vital and NOK 79 million from DnB NOR Asset Management.

The process of integrating the Life Insurance and Asset Management business area has been initiated. The business area will cut back costs by between NOK 100 million and NOK 150 million during the 2008 to 2010 period.

Descriptions of the financial performance of Vital and DnB NOR Asset Management are divided into two separate sections below.

Vital

Amounts in NOK million	3rd quarter 2007	3rd quarter 2006
Interest result	7 739	342
- of which property revaluations	*5 573*	*142*
Risk result	(2 609)	40
- of which provisions for higher life expectancy	*(2 644)*	*0*
Administration result	(1)	(25)
Transferred to security reserve	2	0
Profit for distribution in Vital	5 126	357
Funds transferred to policyholders	4 505	27
Reversal of goodwill amortisation	6	6
Pre-tax operating profit	627	336
Taxes	(209)	(1)
Profit after taxes	836	337
Total assets (NOK billion) 1)	232	214
Key figures		
Return on equity (%) 2)	37.3	15.9

1) Assets at end of period.
2) Calculated on the basis of recorded equity.

Vital recorded pre-tax operating profits of NOK 627 million in the third quarter of 2007, an increase of NOK 291 million from the year-earlier period. Estimated profits for distribution to policyholders were NOK 4 505 million for the July through September period in 2007.

After taxes, profits came to NOK 836 million in the third quarter of 2007. Vital recorded a tax charge of NOK 209 million in the third quarter accounts due to changes in the calculation of taxes for 2006.

Vital achieved healthy recorded and value-adjusted returns on capital in the third quarter of 2007. The recorded return was 4.6 per cent, up from 1.1 per cent in the third quarter of 2006. The value-adjusted return, excluding changes in unrealised gains in the portfolio of held-to-maturity securities, was 3.3 per cent, compared with 1.9 per cent in the year-earlier period. The main factor behind the increased value-adjusted return was a revaluation of properties. In connection with new regulations for insurance companies entering into force on 1 January 2008, Vital Forsikring implemented a full review of the company's assets during the third quarter. According to prevailing regulations, all properties are managed in a joint portfolio. As from 1 January 2008, properties must be divided between several separate portfolios, which entails a special need for documenting the company's property values. Accordingly, the property portfolio was appraised by three external, independent appraisal companies in the third quarter of 2007. The appraisements resulted in property revaluations of NOK 5.6 billion in the third quarter of 2007. The securities adjustment reserve was reduced by NOK 2.6 billion in the third quarter of 2007, to NOK 5.3 billion at end-September.

The risk result was negative at NOK 2 609 million after provisions of NOK 2.6 billion for higher life expectancy, so-called longevity. As from 1 January 2008, all Norwegian life insurance and pension companies are required to introduce new premium rates for mortality and changes in civil status patterns. The provisions of NOK 2.6 billion are based on premium rates from the Norwegian Financial Services Association, plus a safety margin. The provisions will imply a 2.0 per cent increase in total reserves within group defined-benefit pensions. The provisions are preliminary and conditional on approval by Kredittilsynet. All life insurance and pension companies are in dialogue with Kredittilsynet regarding provision levels. Based on the outcome of talks with Kredittilsynet, Vital will decide on new premium rates in the fourth quarter of 2007. Kredittilsynet has permitted that an increase in provisions can be financed mainly through the interest result, also under the new regulations for insurance companies entering into force on 1 January 2008. The ordinary risk result was NOK 35 million. The administration result was negative at NOK 1 million, an increase of NOK 24 million from the year-earlier period.

Total assets were NOK 232 billion at end-September 2007, up 1.3 per cent from 30 June 2007. Growth due to healthy financial returns during the period was offset by a continued high surrender rate for pension agreements among policyholders. Due to rising interest rate levels and new tax rules for individual pension savings, surrenders of individual market products totalled NOK 3.1 billion during the third quarter of 2007.

Recorded policyholders' funds within defined-contribution pension schemes totalled NOK 3 356 million at end-September 2007, up from NOK 1 785 million a year earlier. The number of companies entering into such agreements numbered 17 000 and 9 300 respectively. The strong increase can be ascribed to the introduction of mandatory occupational pension schemes in 2006.

Vital recorded a net outflow of transfers of NOK 410 million in the third quarter of 2007, compared with a net outflow of NOK 1 947 million in the year-earlier period.

At end-September 2007, Vital provided insurance coverage for more than one million individual customers and had group pension agreements with 23 000 companies. Vital's market share of policyholders' funds was 34.3 per cent at end-June 2007, down 0.4 percentage points from end-December 2006. The company had market shares of 28.3 per cent within group pensions and 51.4 per cent in the individual market. The market share for defined-contribution pensions was 29.5 per cent at end-June 2007.

As at 30 September 2007, solvency capital totalled NOK 30.9 billion, up from NOK 28.1 billion at end-June 2007. The increase reflected interim profits, a reduction in the securities adjustment reserve and unrealised losses in the portfolio of held-to-maturity securities.

On 1 January 2008, new regulations for life insurance companies will enter into force. Vital is well prepared to meet the challenges and capitalise on the opportunities afforded by the new regulations. New prices for group and individual pensions have been stipulated, and adaptations of IT systems and working processes are on schedule. Extensive training to adapt to the new regulations will be implemented in autumn 2007, including an e-learning program for all employees.

Vital is working continuously to improve customer service and simplifying work processes, while improving the quality of customer systems.

Vital aims to further expand its operations while providing the owner and policyholders with healthy returns. The company has a strong ambition to further develop its position as the pension specialist in the Norwegian market in future.

DnB NOR Asset Management

Amounts in NOK million	3rd quarter 2007	3rd quarter 2006
Total income	303	288
Operating expenses	224	179
Pre-tax operating profit before write-downs	79	109
Assets under management (NOK billion) [1]	539.8	534.3
Key figures		
Return on equity (%) [2]	12.0	19.0
Cost/income ratio (%)	74.1	62.2

1) *Assets under management at end of period.*
2) *Calculated on the basis of recorded equity.*

DnB NOR Asset Management recorded pre-tax operating profits of NOK 79 million in the third quarter of 2007, down NOK 30 million from the year-earlier period. The decline mainly reflected losses related to the fund DnB NOR Utbytte Europa.

Revenues totalled NOK 303 million, an increase of NOK 15 million from the third quarter of 2006. Commission income came to NOK 274 million, up NOK 5 million from the corresponding period in 2006. Commission income from the retail market stood at NOK 131 million, while income from institutional clients was NOK 143 million. Corresponding figures for the third quarter of 2006 were NOK 119 million and NOK 150 million respectively.

The distribution agreement with the business area Retail Banking was renegotiated during the first quarter of 2007. The new agreement gives Retail Banking greater incentives to sell mutual fund holdings from DnB NOR Asset Management. The management agreement with Vital Forsikring has been amended, whereby standard commissions have been reduced while the performance-based portion has been increased.

DnB NOR Asset Management's expansion in the Swedish retail market has generated positive results thus far in 2007.

Operating expenses for the July through September period of 2007 were NOK 224 million, up NOK 46 million compared with the corresponding period in 2006. Losses of NOK 29 million were recorded during the third quarter, stemming from the fund DnB NOR Utbytte Europa. The cost/income ratio was 74.1 per cent. Full-time positions numbered 305 at end-September 2007.

As at 30 September 2007, the business area had NOK 539.8 billion under management, an increase of NOK 5.5 billion from end-September 2006. NOK 38.5 billion of the increase in assets under management stemmed from developments in equity prices and interest rates during the twelve-month period, while the strengthening of the Norwegian krone gave a negative exchange effect of NOK 14.4 billion on international securities under management. The net outflow of funds was NOK 18.6 billion.

Assets under management from the Norwegian market rose by 4.0 per cent. For the portfolio outside Norway, there was a 2.5 per cent reduction in assets, measured in Norwegian kroner. Investment funds from the retail market amounted to NOK 63.6 billion at end-September after a net increase of NOK 6.7 billion from end-September 2006. The corresponding figures for institutional clients were NOK 476.2 billion and a reduction of NOK 1.2 billion respectively.

The market share for mutual funds in the Norwegian retail market was 38.5 per cent at end-September 2007.

As at 30 September 2007, the Spar Smart funds had a total of 80 000 customers. Assets under management in these funds totalled close to NOK 6.1 billion, and client returns have outperformed their respective reference indices. At end-September 2007, the total number of mutual fund savings schemes exceeded 360 000. Annual subscriptions under savings schemes rose by 1.1 per cent in the third quarter of 2007, to NOK 3.4 billion.

At end-September 2007, 39 DnB NOR funds had received four or five stars from the rating company Morningstar, bringing the percentage of DnB NOR funds awarded a minimum of four stars by Morningstar to 31.7 per cent.

In the Swedish market, three DnB NOR and Carlson funds are distributed through Swedbank's newly established fund marketplace.

DnB NOR Asset Management anticipates a rise in private financial savings in both Norway and Sweden. Competition for new savings will necessitate continued development and adaptation of products and services. Solutions for investment operations services will be upgraded.

The expectations of investors regarding developments in financial markets together with investor confidence in the stock market will have a strong impact on performance in the business area.

DnB NORD

Amounts in NOK million	3rd quarter 2007	3rd quarter 2006
Total income	457	281
Operating expenses	330	175
Pre-tax operating profit before write-downs	127	106
Pre-tax operating profit	96	92
Net lending to customers (NOK billion) 1)	51.5	33.4
Deposits from customers (NOK billion) 1)	19.6	11.2
Key figures		
Return on capital BIS (%)	8.4	12.5
Cost/income ratio (%)	72.2	62.4
Customer lending spread (%)	1.32	1.51
Customer deposit spread (%)	2.36	1.49
Ratio of deposits to lending (%)	38.1	33.5

1) *Average volume, including credit institutions.*

DnB NORD recorded pre-tax operating profits of NOK 96 million in the third quarter of 2007, up NOK 4 million compared with the year-earlier period. The acquisition of BISE Bank and a general rise in volume pushed up income, while factors causing a rise in operating expenses included the integration of BISE Bank, higher staff numbers and performance-based pay. Costs in BISE Bank totalled NOK 57 million.

Customer lending averaged NOK 51.5 billion in the third quarter of 2007, up 54.0 per cent from the corresponding period in 2006. Average customer deposits rose by 75.1 per cent from the year-earlier period, to NOK 19.6 billion.

Income totalled NOK 457 million in the third quarter of the year, an increase of NOK 176 million or 62.8 per cent from the third quarter of 2006. Operating expenses were NOK 330 million in the July through September period in 2007, up NOK 155 million or 88.4 per cent from the year-earlier period. At end-September 2007, DnB NORD staff represented 3 144 full-time positions, up from 1 917 a year earlier.

Net write-downs on loans and guarantees were NOK 37 million in the third quarter of 2007, as against NOK 16 million in the year-earlier period.

An important strategic target for DnB NORD is to take part in the extensive trading and investment activity in the Baltic Sea region. In order to succeed, DnB NORD is in the process of harmonising products and integrating IT solutions across national borders.

DnB NORD is well represented in the Baltic region and Poland, with more than 770 000 customers and 175 branches. In Denmark and Finland, DnB NORD is a full-service bank for corporate customers, while the entities in the Baltic region and Poland also serve retail customers.

Strong credit growth is expected to continue in the Baltic region throughout 2007, though there are signs of a certain slowdown, especially in Latvia, where the authorities have initiated measures to curb growth. DnB NORD expects to grow in pace with the market. In autumn 2006, DnB NORD initiated measures to limit losses in the event of exchange rate volatility in Latvia. A potential currency depreciation will thus have limited effect on DnB NORD's financial performance. In Poland, there is also brisk growth in the financial sector, and DnB NORD aims to increase market shares by focusing on small and medium-sized companies. The acquisition of BISE Bank is an important part of this initiative. In Denmark and Finland, DnB NORD will seek greater market shares among large corporates and medium-sized businesses.

Prospects for the rest of the year

The international economic situation changed during the third quarter due to the uncertainty surrounding housing prices in the United States. It is expected that the turmoil could continue for a few more months, but that it will be mainly limited to the financial markets with only an insignificant impact on the real economy.

The Norwegian economy is very sound, and the positive economic trend over the past few years has resulted in a robust financial situation for households and companies. High capacity utilisation and a shortage of labour, combined with rising interest rates, are expected to gradually curb economic growth. An increase in oil investments, however, contributes to maintaining manufacturing production. Growth in operating profits in the business sector is expected to slow somewhat, in consequence of rising wage inflation and subdued growth in the Norwegian economy. The high household credit demand is expected to decline slightly towards year-end, but will remain at a high level.

With a very sound customer base and an extensive distribution network, DnB NOR is well-positioned for further growth in Norway. Growth will be secured through new products and services, an increase in cross-sales to existing customers and a further strengthening of distribution power. DnB NOR, Postbanken and NorgesGruppen are the first to offer in-store banking outlets as an alternative channel for everyday banking services, and the first outlet was opened in the third quarter. In-store banking outlets will be nationwide during 2008. DnB NOR has launched new advanced mobile phone banking services, to be introduced from the fourth quarter.

DnB NOR will establish a new non-life insurance company building on the Group's operations in this field, and aims to build up a significant market share in the retail non-life insurance market. The company will be in operation by the end of 2008.

The Group's operations will be expanded through organic growth, small-scale acquisitions in the Nordic region and opportunities to be realised through DnB NORD. DnB NOR is also considering possibilities to increase cooperation with NORD/LB in relevant areas. The target is to increase the share of income from international operations in the future.

DnB NOR's offer to purchase all shares in SalusAnsvar was accepted by Swedish authorities in October 2007. The company distributes financial products to members of Swedish professional organisations and trade unions. The company is listed and has approximately 200 employees and 540 000 customers. The acquisition will give DnB NOR access to a well-established distribution network and a large customer base in Sweden. In order to further strengthen the Group's position in the Swedish market, DnB NOR has entered into an agreement to acquire SkandiaBanken Bilfinans and will thus become one of the key providers of car financing in Scandinavia.

As part of the Group's international growth strategy, DnB NOR will open a branch office in Santiago and representative offices in Piraeus and Mumbai. These initiatives will strengthen the ability to locally follow up existing clients within shipping, energy, fisheries and aquaculture, while creating new business opportunities.

DnB NOR's productivity and cost awareness will be further strengthened through the Group's new cost programme, which will reduce the Group's operating expenses by NOK 1 billion annually by 2010.

High priority is given to improving customer satisfaction and operational stability for customer systems.

Solid economic conditions for Norway and DnB NOR indicate that 2007 will be a profitable year for the Group.

Oslo, 31 October 2007
The Board of Directors of DnB NOR ASA

Olav Hytta (chairman)	Johan Nic. Vold (vice-chairman)

Per Hoffmann	Nina Britt Husebø	Jørn O. Kvilhaug
Bent Pedersen	Heidi M. Petersen	Trine Sæther Romuld
Ingjerd Skjeldrum	Bjørn Sund	Anne Carine Tanum
		Rune Bjerke (group chief executive)

Contents – quarterly accounts

DnB NOR Group

DnB NOR ASA

Income statement 1)

Amounts in NOK million	Note	3rd quarter 2007	3rd quarter 2006	January-September 2007	January-September 2006	Full year 2006
						DnB NOR Group
Total interest income	5	16 019	10 961	44 203	29 826	42 381
Total interest expenses	5	11 357	7 049	31 337	18 511	27 092
Net interest income	5	**4 663**	**3 911**	**12 867**	**11 315**	**15 289**
Commissions and fees receivable etc.	6	2 239	2 050	6 990	6 593	8 963
Commissions and fees payable etc.	6	628	530	1 777	1 670	2 253
Net gains on financial instruments at fair value	6, 7	439	705	2 486	2 459	3 610
Net gains on assets in Vital	6	9 337	2 723	20 026	10 109	16 131
Guaranteed returns and allocations to policyholders in Vital	6	6 097	2 392	15 888	8 853	14 584
Premium income etc. included in the risk result in Vital	6	1 215	1 001	3 546	3 122	4 314
Insurance claims etc. included in the risk result in Vital	6	3 823	960	6 129	3 178	4 324
Net realised gains on investment securities (AFS)	6	0	0	0	0	0
Profit from companies accounted for by the equity method	6	(40)	94	18	146	171
Other income	6	285	262	915	854	1 176
Net other operating income	6	**2 926**	**2 951**	**10 187**	**9 582**	**13 204**
Total income		**7 589**	**6 863**	**23 053**	**20 896**	**28 493**
Salaries and other personnel expenses	8	2 203	1 985	6 538	5 837	7 967
Other expenses	8	1 437	1 323	4 306	4 076	5 745
Depreciation and write-downs of fixed and intangible assets	8	255	183	697	519	715
Total operating expenses	8	**3 895**	**3 491**	**11 541**	**10 432**	**14 427**
Net gains on fixed and intangible assets	10	874	135	888	298	365
Write-downs on loans and guarantees	11	70	(51)	260	(243)	(258)
Pre-tax operating profit		**4 498**	**3 558**	**12 140**	**11 005**	**14 689**
Taxes		826	844	2 193	2 591	2 881
Profit from discontinuing operations after taxes		0	0	0	0	0
Profit for the period		**3 673**	**2 714**	**9 946**	**8 414**	**11 808**
Profit attributable to shareholders		3 622	2 668	9 763	8 300	11 665
Profit attributable to minority interests		50	46	183	115	143
Earnings per share (NOK) 2)		2.72	2.00	7.32	6.21	8.74
Earnings per share for discontinuing operations (NOK) 2)		0.00	0.00	0.00	0.00	0.00

1) *See note 4 for specification of income statement items in Vital.*
2) *DnB NOR has not issued options or other financial instruments that could cause dilution of earnings per share.*

Balance sheet 1)

Amounts in NOK million	Note	30 Sept. 2007	31 Dec. 2006	30 Sept. 2006
		DnB NOR Group		
Assets				
Cash and deposits with central banks		8 805	11 453	15 474
Lending to and deposits with credit institutions	13	92 759	71 091	69 116
Lending to customers	12, 13, 14	908 424	827 947	801 747
Commercial paper and bonds		156 581	172 040	161 954
Shareholdings		59 310	51 393	45 781
Financial assets, customers bearing the risk		19 325	18 840	16 005
Financial derivatives		69 585	57 999	51 539
Shareholdings, available for sale		0	0	0
Commercial paper and bonds, held to maturity		60 075	62 444	62 478
Investment property		32 530	25 816	25 173
Investments in associated companies		1 399	1 515	1 457
Intangible assets	15	7 224	6 471	6 446
Deferred tax assets		91	38	42
Fixed assets		3 313	5 478	5 244
Biological assets		0	0	0
Discontinuing operations	2	1 641	27	43
Other assets		9 489	7 691	5 460
Total assets		**1 430 551**	**1 320 242**	**1 267 961**
Liabilities and equity				
Loans and deposits from credit institutions		148 800	124 372	121 100
Deposits from customers		532 478	474 526	457 485
Financial derivatives		73 315	58 812	46 533
Securities issued	16	317 082	326 806	316 466
Insurance liabilities, customers bearing the risk		19 325	18 840	16 005
Liabilities to life insurance policyholders		194 841	188 096	182 181
Payable taxes		6 518	4 091	3 331
Deferred taxes		134	730	1 740
Other liabilities		30 041	18 812	20 031
Discontinuing operations	2	0	0	0
Provisions		4 571	4 768	4 399
Subordinated loan capital	16	32 759	33 977	36 199
Total liabilities		**1 359 864**	**1 253 829**	**1 205 469**
Minority interests		2 467	2 201	1 650
Revaluation reserve		0	0	0
Share capital		13 327	13 341	13 341
Other reserves and retained earnings		54 894	50 870	47 501
Total equity		**70 687**	**66 413**	**62 492**
Total liabilities and equity		**1 430 551**	**1 320 242**	**1 267 961**
Off-balance sheet transactions and contingencies	18			

1) *See note 4 for specification of balance sheet items in Vital.*

Statement of changes in equity

DnB NOR Group

Amounts in NOK million	Minority interests 1)	Revaluation reserve	Share capital	Share premium reserve	Other equity 1)	Total other reserves and retained earnings	Total equity 1)
Balance sheet as at 31 December 2005	**946**	**0**	**13 369**	**11 963**	**32 075**	**44 038**	**58 353**
Net change in currency translation reserve	47				28	28	75
Profit for the period	115				8 300	8 300	8 414
Net income for the period	162				8 327	8 327	8 489
Dividends 2005					(4 680)	(4 680)	(4 680)
Own shares			(28)		(184)	(184)	(212)
Minority interests DnB NORD	545						545
Other minority interests	(3)				(1)	(1)	(4)
Balance sheet as at 30 September 2006	**1 650**	**0**	**13 341**	**11 963**	**35 538**	**47 501**	**62 492**
Balance sheet as at 31 December 2006	**2 201**	**0**	**13 341**	**11 963**	**38 907**	**50 870**	**66 413**
Net change in currency translation reserve	(147)				(309)	(309)	(456)
Profit for the period	183				9 763	9 763	9 946
Net income for the period	36				9 454	9 454	9 490
Dividends 2006					(5 336)	(5 336)	(5 336)
Redemption of shares			(14)	(267)	173	(94)	(108)
Minority interests DnB NORD	229						229
Balance sheet as at 30 September 2007	**2 467**	**0**	**13 327**	**11 697**	**43 197**	**54 894**	**70 687**

1) Of which currency translation reserve:

	Minority interests	Other equity	Total equity
Balance sheet as at 31 December 2005	*0*	*(76)*	*(76)*
Net change in currency translation reserve	*47*	*28*	*75*
Balance sheet as at 30 September 2006	*47*	*(49)*	*(2)*
Balance sheet as at 31 December 2006	*44*	*(44)*	*0*
Net change in currency translation reserve	*(147)*	*(309)*	*(456)*
Balance sheet as at 30 September 2007	*(103)*	*(353)*	*(456)*

Cash flow statement

Amounts in NOK million	DnB NOR Group January-September 2007	2006	Full year 2006
Operations			
Net payments on loans to customers	(85 210)	(104 197)	(135 673)
Net receipts on deposits from customers	53 573	44 356	66 315
Interest received from customers	39 967	27 041	40 136
Interest paid to customers	(12 676)	(3 993)	(9 065)
Net receipts/payments on the sale/aquisition of financial assets for investment or trading	34 177	(28 455)	(33 948)
Net receipts on commissions and fees	7 022	6 629	9 243
Payments to operations	(12 717)	(11 728)	(15 726)
Taxes paid	(431)	(186)	(613)
Receipts on premiums	12 728	13 460	17 442
Net payments on premium reserve transfers	(1 302)	(1 992)	(2 209)
Payments of insurance settlements	(16 625)	(9 203)	(11 942)
Other receipts	790	1 021	1 107
Net cash flow relating to operations	**19 296**	**(67 247)**	**(74 932)**
Investment activity			
Net receipts/payments on the sale/acquisition of fixed assets	811	(528)	(932)
Net receipts on the sale of long-term investments in shares	0	27	212
Payments on the acquisition of long-term investments in shares	(3 463)	(153)	(167)
Dividends received on long-term investments in shares	174	43	115
Net cash flow relating to investment activity	**(2 479)**	**(611)**	**(771)**
Funding activity			
Net payments on loans from credit institutions	(178)	(10 281)	(8 215)
Net receipts/payments on other short-term liabilities	(2 304)	3 821	(2 786)
Net receipts on issue of bonds and commercial paper [1)]	6 322	78 376	95 281
Issue of subordinated loan capital	4 310	10 080	10 302
Redemptions of subordinated loan capital	(2 186)	(596)	(2 433)
Repurchase of own shares/share issue	(108)	315	(212)
Dividend payments	(5 336)	(4 680)	(4 680)
Net interest payments on funding activity	(21 214)	(10 826)	(17 674)
Net cash flow from funding activity	**(20 694)**	**66 209**	**69 583**
Net cash flow	**(3 877)**	**(1 648)**	**(6 120)**
Cash as at 1 January	18 594	24 714	24 714
Net payments of cash	(3 877)	(1 648)	(6 120)
Cash at end of period	14 716	23 065	18 594

The cash flow statement shows receipts and payments of cash and cash equivalents during the year. The statement has been prepared in accordance with the direct method and has been adjusted for items that do not generate cash flows, such as accruals, depreciation and write-downs on loans and guarantees. Cash flows are classified as operating activities, investment activities or funding activities. Balance sheet items are adjusted for the effects of exchange rate movements. Cash is defined as cash and deposits with central banks, and deposits with credit institutions with no agreed period of notice.

1) *A significant share of the Group's operations was during 2006 funded by issuing bonds and commercial paper.*

Key figures

	3rd quarter 2007	3rd quarter 2006	January-September 2007	January-September 2006	Full year 2006
DnB NOR Group					
Interest rate analysis					
1. Combined average spread for lending and deposits (%)	2.18	2.09	2.10	2.12	2.10
2. Spread for ordinary lending to customers (%)	1.10	1.26	1.01	1.33	1.28
3. Spread for deposits from customers (%)	1.08	0.83	1.09	0.79	0.82
Rate of return/profitability					
4. Net other operating income, per cent of total income	38.6	43.0	44.2	45.9	46.3
5. Cost/income ratio (%)	51.3	50.9	50.1	49.9	50.1
6. Return on equity, annualised (%)	21.8	18.0	19.8	18.8	19.5
7. RARORAC, annualised (%)	19.8	19.7	22.0	21.7	22.0
8. RORAC, annualised (%)	30.9	24.9	29.0	27.3	28.4
9. Average equity including allocated dividend (NOK million)	66 559	59 449	65 829	58 974	59 862
10. Return on average risk-weighted volume, annualised (%)	1.59	1.30	1.46	1.42	1.50
Financial strength					
11. Core (Tier 1) capital ratio at end of period (%)	6.7	6.3	6.7	6.3	6.7
12. Core (Tier 1) capital ratio incl. 50 per cent of profit (%)	7.2	6.7	7.2	6.7	-
13. Capital adequacy ratio at end of period (%)	9.3	9.8	9.3	9.8	10.0
14. Capital adequacy ratio incl. 50 per cent of profit (%)	9.8	10.3	9.8	10.3	-
15. Core capital at end of period (NOK million)	62 965	53 897	62 965	53 897	59 054
16. Risk-weighted volume at end of period (NOK million)	941 122	857 063	941 122	857 063	880 292
Loan portfolio and write-downs					
17. Write-downs relative to net lending to customers, annualised	0.03	(0.03)	0.04	(0.04)	(0.03)
18. Net non-performing and impaired commitments, per cent of net lending	0.44	0.52	0.44	0.52	0.45
19. Net non-performing and impaired commitments at end of period (NOK million)	4 078	4 271	4 078	4 271	3 800
Liquidity					
20. Ratio of customer deposits to net lending to customers at end of period (%)	58.6	57.1	58.6	57.1	57.3
Total assets owned or managed by DnB NOR					
21. Assets under management at end of period (NOK billion)	573	556	573	556	575
22. Total combined assets at end of period (NOK billion)	1 789	1 626	1 789	1 626	1 688
23. Average total assets (NOK billion)	1 418	1 226	1 396	1 171	1 209
24. Customer savings at end of period (NOK billion)	1 107	1 017	1 107	1 017	1 052
Staff					
25. Number of full-time positions at end of period	13 201	11 661	13 201	11 661	11 824
The DnB NOR share					
26. Number of shares at end of period (1 000)	1 332 654	1 334 089	1 332 654	1 334 089	1 334 089
27. Average number of shares (1 000)	1 332 777	1 334 101	1 333 652	1 335 801	1 335 449
28. Earnings per share (NOK)	2.72	2.00	7.32	6.21	8.74
29. Dividend per share (NOK)	-	-	-	-	4.00
30. Total shareholders' return (%)	8.5	3.4	(2.0)	15.4	27.8
31. Dividend yield (%)	-	-	-	-	4.52
32. Equity per share including allocated dividend at end of period (NOK)	51.19	45.61	51.19	45.61	48.13
33. Share price at end of period (NOK)	82.70	79.90	82.70	79.90	88.50
34. Price/earnings ratio	7.61	9.99	8.47	9.65	10.13
35. Price/book value	1.62	1.75	1.62	1.75	1.84
36. Market capitalisation (NOK billion)	110.2	106.6	110.2	106.6	118.1

Definitions

1, 2, 3 Based on nominal values excluding lending to and deposits with credit institutions and impaired loans.

5 Total expenses relative to total income. Expenses are exclusive of allocation to employees.

6 Profit for the period, excluding profit attributable to minority interests, adjusted for the period's change in fair value recognised in equity. Average equity is calculated on the basis of recorded equity excluding minority interests.

7 RARORAC (Risk-Adjusted Return On Risk-Adjusted Capital) is defined as risk-adjusted profits relative to risk-adjusted capital requirement. Risk-adjusted profits indicate the level of profits in a normalised situation. The risk-adjusted capital requirement is described in further detail in the chapter "Management in DnB NOR" in the DnB NOR Group's annual report for 2006.

8 RORAC (Return On Risk-Adjusted Capital) is defined as profits for the period relative to risk-adjusted capital requirement. Profits for the period are exclusive of profits attributable to minority interests and are adjusted for the period's change in fair value recognised directly in equity and for the difference between recorded interest on average equity and interest on risk-adjusted capital.

10 Profit for the period relative to average risk-weighted volume.

21 Total assets under management for customers in Life Insurance and Asset Management.

22 Total assets and assets under management.

24 Total deposits from customers, assets under management and equity-linked bonds.

26 Number of shares in 2006 are excluding the 2 786 thousand own shares repurchased in accordance with the authorisation issued by DnB NOR's General Meeting.

28 Excluding discontinuing operations and profits attributable to minority interests. Holdings of own shares are not included in calculations of the number of shares.

30 Closing price at end of period less closing price at beginning of period, included dividends reinvested in DnB NOR shares on the dividend payment date, relative to closing price at beginning of period.

32 Equity at end of period excluding minority interests relative to number of shares at end of period.

33 Closing price at end of period relative to annualised earnings per share.

35 Closing price at end of period relative to recorded equity at end of period.

36 Number of shares multiplied by closing price at end of period.

Note 1 – Accounting principles etc.

Accounting principles

The third quarter accounts have been prepared according to IFRS principles as approved by the EU, including IAS 34 - Interim Financial Reporting. A description of the accounting principles applied by the Group in preparing the accounts is found in the annual report for 2006.

Estimates

When preparing the consolidated accounts, management makes assessments and estimates and prepares assumptions that influence the effect of the accounting principles applied and thus the recorded values of assets and liabilities, income and expenses. Accounting principles and note 2 in the annual report for 2006 give a description of important estimates and assumptions.

With effect from 31 December 2006, the Group changed the assumption concerning life expectancy in connection with the calculation of pension commitments. This has affected pension expenses for 2007, see note 8 Operating expenses. Vital's property portfolio is recorded at fair value. Vital used to value property mainly based on an internal valuation model. Preparing for the introduction of new regulations for life insurance companies as from 1 January 2008, Vital Forsikring undertook a full review of the company's assets during the third quarter of 2007. Vital's property portfolio was appraised by three independent appraisal companies. The appraisements resulted in an increased value of NOK 5.6 billion which is recorded as income in the third quarter. This amount is included under 'Net gains on assets in Vital' in the income statement. The revaluations resulted in a rise in pre-tax operating profits for the DnB NOR Group of approximately NOK 320 million.

In all other respects, the same estimation techniques and assumptions that are described in the 2006 annual report have been applied when preparing the accounts for the third quarter of 2007.

Comparable figures

Comparable figures are based on IFRS. Comparable figures have not been restated following the acquisitions of Svensk Fastighetsförmedling and BISE Bank.

Note 2 – Changes in group structure

Svensk Fastighetsförmedling

DnB NOR acquired all of the shares in the Swedish real estate brokerage chain Svensk Fastighetsförmedling AB at a total cost of SEK 440.5 million in the second quarter of 2007, thus making the real estate brokerage operations of DnB NOR the most extensive in the Nordic region.

The purchase was made with accounting effect from 30 June 2007 and was reflected in the Group's consolidated accounts as of this date. Profit and loss items from the acquired company are included in DnB NOR's consolidated accounts as of 30 September 2007, representing a net loss of NOK 5 million.

The table below shows the calculation of the cost price and the excess of cost over book value, including the preliminary allocation of such excess values. A payment of SEK 301.6 million was made at the time of acquisition. The DnB NOR Group will pay an additional SEK 70 million 13 months and 25 months respectively after the acquisition. Transaction costs represent fees to advisers. Including transaction costs and discounted future payments, the total acquisition cost was SEK 440.5 million.

In connection with the acquisition, values of SEK 11.5 million representing franchise contracts and customer relations with franchisees were identified and recorded as intangible assets. These assets are expected to have a useful life of 10 years and are depreciated over this period. Any other excess of cost over book value is classified as goodwill and includes the value of greater distribution power in Sweden for the sale of housing loans and other products from the DnB NOR Group. Goodwill will be subject to annual impairment testing.

Preliminary acquisition analysis Svensk Fastighetsförmedling *Amounts in SEK million*	**DnB NOR Group** 30 September 2007
Cost price	
Cash price	301.6
Additional payment after 13 months	66.9
Additional payment after 25 months	64.1
Transaction costs	7.9
Cost price	**440.5**
Excess of cost over book value	
Cost price	440.5
Share of equity, 100 per cent	38.9
Excess of cost over book value	**401.6**
Allocation of excess values	
Value of customer contracts/customer relations	11.5
Goodwill	390.1
Excess of cost over book value	**401.6**

Note 2 – Changes in group structure (continued)

BISE Bank

In late 2006, DnB NOR signed an agreement to acquire 76.3 per cent of the Polish BISE Bank through its partially-owned subsidiary DnB NORD. Subsequent to this, DnB NORD has regularly purchased minority shares, bringing its holding to 97.35 per cent at end-September. BISE Bank was included in DnB NOR Group's consolidated accounts in the second quarter of 2007.

The total cost price including transaction costs was EUR 136.1 million. Transaction costs represented EUR 3.9 million, consisting mainly of fees to advisers and assistance in connection with the share acquisitions. No excess values were identified relating to recorded assets and liabilities. In connection with the purchase, a due diligence was undertaken of BISE Bank to identify any additional intangible assets and commitments. When making allocations for the excess of cost over book value, provisions of EUR 1.4 million were made for contingent liabilities relating to legal actions. The value of customer contracts/customer relations, estimated at EUR 4.3 million, is expected to have a useful life of 12 years and is depreciated over this period. Any other excess of cost over book value is classified as goodwill and represents the value of greater distribution power in the Polish retail and corporate markets. Goodwill will be subject to annual impairment testing.

Preliminary acquisition analysis BISE Bank *Amounts in EUR million*	**DnB NOR Group** 30 September 2007
Cost price	
Purchase of shares, 97.35 per cent	132.2
Transaction costs	3.9
Cost price	**136.1**
Excess of cost over book value	
Cost price	136.1
Share of equity, 97.35 per cent	44.6
Minority interests in BISE Bank	0.3
Excess of cost over book value	**91.2**
Allocation of excess values	
Provisions for contingent liabilities	(1.4)
Value of customer contracts/customer relations	4.3
Deferred taxes	0.5
Identified excess values	2.3
Goodwill 1)	88.9
Excess of cost over book value	**91.2**

1) 49 per cent of estimated goodwill, corresponding to EUR 43.6 million, represented NORD/LB's ownership share in DnB NORD. This amount is recorded as a reduction in minority interests and is not shown as goodwill in the accounts of the DnB NOR Group.

The Group's consolidated accounts include profits from BISE Bank in the amount of NOK 20.5 million for the January through September period, with NOK 6.3 million referring to the third quarter.

SEB's vendor-based car financing

During the first quarter of 2007, DnB NOR entered into an agreement to acquire SEB's leasing portfolio within vendor-based car financing in Sweden. The acquisition was completed in the third quarter. The acquired portfolio totals approximately SEK 2.4 billion. In connection with the transaction, goodwill and other intangible assets totalling SEK 135 million were recorded in the balance sheet.

SkandiaBanken Bilfinans

In order to further strengthen the Group's position in the Swedish market, DnB NOR has entered into an agreement to acquire SkandiaBanken Bilfinans and will thus become one of the key providers of car financing in Scandinavia. Through the purchase, the Group will take over
115 000 customer contracts, 120 employees and a total credit portfolio of approximately NOK 11 billion, equally balanced between Norway and Sweden. DnB NOR will pay a premium of just under NOK 1 billion over the company's equity. The transaction is expected to be completed during the first half of 2008, conditional on approval by Swedish and Norwegian authorities.

SalusAnsvar

DnB NOR's offer to purchase all shares in SalusAnsvar was accepted by Swedish authorities on 18 October 2007. On the acceptance closing date, 26 October, shareholders representing 94.5 per cent of the company's shares had accepted DnB NOR's offer. The acceptance deadline has been extended to 9 November, subsequent to which DnB NOR will demand redemption of shares from any minority shareholders. The company distributes financial products to members of Swedish professional organisations and trade unions. The company is listed and has approximately 200 employees and 540 000 customers. The acquisition will give DnB NOR access to a well-established distribution network and a large customer base in Sweden. 100 per cent acceptance will give a total purchase price of SEK 749 million.

Discontinuing operations

In connection with the sale of DnB NOR's premises at Aker Brygge in Oslo, a gain of NOK 865 million was recorded as income in the third quarter of 2007. The premises at Aker Brygge were classified as discontinuing operations as at 30 June 2007. Other bank buildings due to be sold during autumn 2007 were classified as discontinuing operations as at 30 September 2007.

Note 3 – Business areas

The operational structure of DnB NOR includes four business areas and four staff and support units. In addition, DnB NORD is reported as a separate profit centre. The business areas carry responsibility for customer segments served by the Group, as well as the products offered.

The income statement and balance sheet for business areas have been prepared on the basis of internal financial reporting for the functional organisation of the DnB NOR Group into business areas. Figures for the business areas are based on DnB NOR's management model and the Group's accounting principles. The figures have been restated in accordance with the Group's current principles for allocating costs and capital between business areas and are based on a number of assumptions, estimates and discretionary distribution.

Income statement, third quarter — **DnB NOR Group**

	Corporate Banking and Payment Services		Retail Banking		DnB NOR Markets		Life Insurance and Asset Management		DnB NORD		Other operations/ eliminations [1]	
	3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter	
Amounts in NOK million	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Net interest income - ordinary operations	2 029	1 691	1 817	1 851	53	70	7	(3)	281	193	476	110
Interest on allocated capital	398	220	169	112	50	25	24	13	41	20	(682)	(390)
Net interest income	2 427	1 911	1 985	1 963	103	95	31	10	321	212	(206)	(280)
Net other operating income	657	628	751	783	252	697	1 219	912	136	69	(88)	(137)
Total income	3 084	2 540	2 736	2 746	355	792	1 250	922	457	281	(294)	(418)
Operating expenses *)	1 008	906	1 524	1 533	304	327	544	477	330	175	185	73
Pre-tax operating profit before write-downs	2 076	1 633	1 212	1 213	51	465	706	445	127	106	(478)	(490)
Net gains on fixed and intangible assets	3	95	0	0	0	0	0	0	5	3	865	37
Write-downs on loans and guarantees	(10)	(3)	54	24	0	0	0	0	37	16	(11)	(88)
Pre-tax operating profit	2 089	1 732	1 158	1 189	51	465	706	445	96	92	398	(365)
**) Of which group overhead*	*37*	*26*	*14*	*12*	*6*	*5*	*12*	*8*	*0*	*0*	*(69)*	*(51)*

Income statement, January-September — **DnB NOR Group**

	Corporate Banking and Payment Services		Retail Banking		DnB NOR Markets		Life Insurance and Asset Management		DnB NORD		Other operations/ eliminations	
	Jan.-Sept.		Jan.-Sept.		Jan.-Sept.		Jan.-Sept.		Jan.-Sept.		Jan.-Sept.	
Amounts in NOK million	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Net interest income - ordinary operations	5 556	4 817	5 053	5 498	162	194	7	(4)	790	491	1 298	319
Interest on allocated capital	1 049	558	444	304	132	63	63	34	106	45	(1 793)	(1 005)
Net interest income	6 605	5 375	5 497	5 802	294	257	70	30	896	536	(495)	(686)
Net other operating income	2 196	1 951	2 323	2 343	2 154	2 453	3 359	2 855	425	219	(269)	(240)
Total income	8 801	7 326	7 820	8 145	2 448	2 711	3 428	2 884	1 321	756	(765)	(925)
Operating expenses *)	2 978	2 654	4 671	4 525	1 098	1 094	1 627	1 450	904	499	262	210
Pre-tax operating profit before write-downs	5 822	4 672	3 149	3 620	1 350	1 616	1 801	1 434	417	257	(1 027)	(1 135)
Net gains on fixed and intangible assets	11	138	0	0	(1)	0	0	0	12	7	866	153
Write-downs on loans and guarantees	47	(4)	194	143	22	0	0	0	73	35	(76)	(417)
Pre-tax operating profit	5 787	4 814	2 955	3 477	1 326	1 616	1 801	1 434	356	229	(85)	(565)
**) Of which group overhead*	*95*	*76*	*43*	*36*	*19*	*16*	*28*	*25*	*0*	*0*	*(185)*	*(153)*

1) Other operations/ eliminations:

	Elimination of double entries		*Other eliminations*		*Group Centre *)*		*Total other operations/ eliminations*	
	3rd quarter		*3rd quarter*		*3rd quarter*		*3rd quarter*	
Amounts in NOK million	*2007*	*2006*	*2007*	*2006*	*2007*	*2006*	*2007*	*2006*
Net interest income - ordinary operations	*(7)*	*(9)*	*(36)*	*(28)*	*518*	*147*	*476*	*110*
Interest on allocated capital			*0*	*0*	*(682)*	*(390)*	*(682)*	*(390)*
Net interest income	*(7)*	*(9)*	*(36)*	*(28)*	*(164)*	*(243)*	*(206)*	*(280)*
Net other operating income	*(425)*	*(246)*	*(94)*	*(50)*	*431*	*159*	*(88)*	*(137)*
Total income	*(432)*	*(255)*	*(130)*	*(78)*	*268*	*(84)*	*(294)*	*(418)*
Operating expenses			*(128)*	*(78)*	*313*	*151*	*185*	*73*
Pre-tax operating profit before write-downs	*(432)*	*(255)*	*(1)*	*0*	*(45)*	*(235)*	*(478)*	*(490)*
Net gains on fixed and intangible assets			*2*	*0*	*864*	*37*	*865*	*37*
Write-downs on loans and guarantees			*0*	*0*	*(11)*	*(88)*	*(11)*	*(88)*
Pre-tax operating profit	*(432)*	*(255)*	*0*	*0*	*829*	*(110)*	*398*	*(365)*

The eliminations refer mainly to internal services from support units to business areas and between business areas. Further, intra-group transactions and gains and losses on transactions between companies in the Group are eliminated. The elimination of double entries primarily concerns net profits on customer business carried out in cooperation between DnB NOR Markets and other business areas and taken to income in both areas.

The Group Centre includes Operations, HR (Human Resources), IT, Group Finance and Risk Management, Corporate Communications, Corporate Centre, investments in IT infrastructure and shareholder-related expenses. In addition, the Group Centre includes that part of the Group's equity that is not allocated to the business areas.

Note 3 – Business areas (continued)

*) *Group Centre - pre-tax operating profit in NOK million*	*3rd quarter 2007*	*3rd quarter 2006*
Net gains on fixed and intangible assets	*865*	*37*
Portfolio hedging, Treasury	*192*	*(171)*
Unallocated write-downs on loans and guarantees	*19*	*107*
Ownership-related expenses (costs relating to shareholders, investor relations, strategic planning etc.)	*(56)*	*(48)*
Income on equities	*(6)*	*102*
Funding costs on goodwill	*(59)*	*(38)*
Uallocated income	*(90)*	*5*
Other	*(36)*	*(104)*
Pre-tax operating profit	*829*	*(110)*

Main average balance sheet items **DnB NOR Group**

	Corporate Banking and Payment Services		Retail Banking		DnB NOR Markets		Life Insurance and Asset Management		DnB NORD		Other operations/ eliminations	
	3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter	
Amounts in NOK billion	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Net lending to customers 1)	417.3	362.1	430.3	392.0	16.7	8.6			51.5	33.4	(7.5)	0.4
Deposits from customers 1)	294.8	251.0	224.9	209.3	22.5	11.0			19.6	11.2	(11.2)	(11.8)
Assets under management 2)							592.8	565.7				

Key figures **DnB NOR Group**

	Corporate Banking and Payment Services		Retail Banking		DnB NOR Markets		Life Insurance and Asset Management		DnB NORD		Other operations	
	3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter	
Per cent	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Cost/income ratio	32.7	35.7	55.7	55.8	85.7	41.2	43.5	51.7	72.2	62.4		
Ratio of deposits to lending 1)	70.6	69.3	52.3	53.4					38.1	33.5		
Return on capital, annualised 3) 4)	19.4	18.1	25.3	24.7	3.8	42.5	32.9	16.4	8.4	12.5		
RORAC, annualised 4) 5)	20.0	17.8	45.5	50.3	3.8	67.9	34.5	16.2	8.1	13.0		
Number of full-time positions as at 30 September 6)	2 291	2 584	3 696	4 040	599	550	1 136	1 114	3 144	1 917	2 334	1 456

1) *Based on nominal values and includes lending to and deposits from credit institutions.*
2) *Assets under management include total assets in Vital.*
3) *Return on capital is calculated on the basis of allocated capital. Allocated capital for Corporate Banking and Payment Services, Retail Banking, DnB NOR Markets and DnB NORD is calculated as 6.5 per cent of risk-weighted volume. Recorded equity is used for Life Insurance and Asset Management.*
4) *Estimated return on capital is based on profit after tax. A tax rate of 28 per cent is applied for Corporate Banking and Payment Services, Retail Banking, DnB NOR Markets and DnB NOR Asset Management. The expected tax rate for DnB NORD is 20 per cent for 2007 and 15 per cent for 2006 while accounted taxes are applied for Vital.*
5) *RORAC (Return On Risk-Adjusted Capital) is defined as profits for the period relative to risk-adjusted capital requirement.*
6) *As a consequence of the reorganisation of the Group in June 2007, 405 and 444 full-time positions respectively have been transferred from Corporate Banking and Payment Services and Retail Banking to Group Centre. As the services are repurchased, there is a limited effect on operating expenses in the business areas, and the presented figures have thus not been adjusted.*

Note 4 – Life Insurance and Asset Management

The business area Life Insurance and Asset Management in DnB NOR comprises Vital Forsikring ASA and DnB NOR Kapitalforvaltning Holding AS, both with subsidiaries. The tables below marked "Life Insurance and Asset Management" show selected income statement items and key figures for the whole area.

Vital Forsikring ASA including subsidiaries, hereinafter referred to as "Vital", is fully consolidated in the DnB NOR Group's accounts. Vital's lines of business are life insurance and pension savings. Profit sharing between policyholders and the owner in life insurance companies is based on special accounting regulations for such operations stipulated by the Norwegian Ministry of Finance. Regulations relating to profit sharing between the owner and policyholders in life insurance companies limit the DnB NOR Group’s access to revenues and assets from life insurance operations. Vital Link AS and Vital Forsikring ASA merged in February 2007 with accounting effect from 1 January 2007. The tables below marked "Vital" describe the income statement and balance sheet for Vital as included in the DnB NOR Group's accounts.

Income statement — **Life Insurance and Asset Management**

Amounts in NOK million	3rd quarter 2007	3rd quarter 2006	January-September 2007	January-September 2006	Full year 2006
Total income	1 250	922	3 428	2 884	3 893
Total operating expenses	544	477	1 627	1 450	1 973
Pre-tax operating profit	706	445	1 801	1 434	1 920
Taxes	(187)	29	(504)	89	(634)
Profit after taxes	**893**	**416**	**2 305**	**1 345**	**2 554**

Key figures — **Life Insurance and Asset Management**

	3rd quarter 2007	3rd quarter 2006	January-September 2007	January-September 2006	Full year 2006
Total combined assets at end of period (NOK billion)	591	571	591	571	591
Return on equity, annualised (%) 1)	32.9	16.4	27.8	17.5	24.6
RORAC, annualised (%) 2)	34.5	16.2	31.3	17.7	25.9
Cost/income ratio (%)	43.5	51.7	47.5	50.3	50.7
Number of full-time positions at end of period	1 136	1 114	1 136	1 114	1 115

1) *Calculated based on recorded equity.*
2) *RORAC (Return On Risk-Adjusted Capital) is defined as profits for the period relative to risk-adjusted capital requirement.*

Income statement 1) — **Vital**

Amounts in NOK million	3rd quarter 2007	3rd quarter 2006	January-September 2007	January-September 2006	Full year 2006
Total interest income					
Total interest expenses					
Net interest income					
Commissions and fees receivable etc.	456	433	1 367	1 338	1 836
Commissions and fees payable etc.	138	160	435	501	673
Net gains on financial instruments at fair value					
Net gains on assets in Vital	9 334	2 714	20 022	10 084	16 117
Guaranteed returns and allocations to policyholders in Vital	6 097	2 392	15 888	8 853	14 584
Premium income etc. included in the risk result in Vital	1 215	1 001	3 546	3 122	4 314
Insurance claims etc. included in the risk result in Vital	3 823	960	6 129	3 178	4 324
Net realised gains on investment securities (AFS)					
Profit from companies accounted for by the equity method					
Other income					
Net other operating income	**947**	**634**	**2 483**	**2 012**	**2 686**
Total income	**947**	**634**	**2 483**	**2 012**	**2 686**
Salaries and other personnel expenses	187	168	550	493	676
Other expenses	109	112	394	364	501
Depreciation and write-downs of fixed and intangible assets	24	18	76	59	77
Total operating expenses	**320**	**298**	**1 020**	**916**	**1 254**
Net gains on fixed and intangible assets					
Write-downs on loans and guarantees					
Pre-tax operating profit	**627**	**336**	**1 463**	**1 096**	**1 431**
Taxes	(209)	(1)	(599)	(5)	(771)
Profit from discontinuing operations after taxes					
Profit for the period 2)	**836**	**337**	**2 061**	**1 101**	**2 202**

1) *The figures encompass Vital Forsikring ASA including subsidiaries as included in the DnB NOR Group accounts before eliminations for intra-group transactions and balances.*

Note 4 – Life Insurance and Asset Management (continued)

2) Breakdown of income statement

Vital

Amounts in NOK million	3rd quarter 2007	3rd quarter 2006	January-September 2007	January-September 2006	Full year 2006
Interest result	7 739	342	13 498	4 103	7 094
Risk result	(2 609)	40	(2 583)	(56)	(10)
Administration result	(1)	(25)	(89)	(79)	(91)
Transferred from security reserve	(2)	0	(10)	(1)	(5)
Profit for distribution within Vital *)	5 126	357	10 817	3 968	6 987
Transferred to additional allocations	0	0	0	0	2 740
Funds transferred to policyholders	4 505	27	9 371	2 889	2 838
+ Reversal of goodwill amortisation	6	6	17	17	22
Pre-tax operating profit in Vital	627	336	1 463	1 096	1 431
Taxes	(209)	(1)	(599)	(5)	(771)
Profit for the period in Vital	836	337	2 061	1 101	2 202

**) Specification of profits for distribution:*

Profit for operations subject to profit sharing	5 153	357	10 906	3 972	4 267
- funds transferred to policyholders	4 505	27	9 371	2 889	2 838
- profits for allocation to the owner and taxes	648	330	1 535	1 083	1 429
Profit from operations not subject to profit sharing	(26)	0	(89)	(4)	(20)

Profits for allocation to the owner and taxes for operations subject to profit sharing include:
- *return on equity, subordinated loan capital and the security reserve, calculated as the company's return on capital, less accrued interest on subordinated loans and allocations to the security reserve*
- *margin on policyholders' funds*
- *margin on effective risk premium adjusted for survival risk on contracts providing sufficient profits.*

According to regulations, profits for allocation to the owner and taxes cannot exceed 35 per cent of profits for operations subject to profit sharing. If this figure is negative, the entire amount should be charged to the owner. Total profits to the owner and taxes also include profits from operations not subject to profit sharing.

Note 4 – Life Insurance and Asset Management (continued)

Balance sheets [1]			Vital
Amounts in NOK million	30 Sept. 2007	31 Dec. 2006	30 Sept. 2006
Assets			
Cash and deposits with central banks			
Lending to and deposits with credit institutions	18 010	7 185	6 234
Lending to customers			
Commercial paper and bonds	44 449	57 838	58 258
Shareholdings	51 257	47 291	42 412
Financial assets, customers bearing the risk	19 325	18 840	16 005
Financial derivatives	3 589	1 654	1 251
Commercial paper and bonds, held to maturity	60 075	62 444	62 478
Investment property	32 361	25 668	25 026
Investments in associated companies	19	16	14
Intangible assets	367	294	318
Deferred tax assets		185	
Fixed assets	44	75	43
Discontinuing operations			
Other assets	2 820	2 161	1 497
Total assets	**232 315**	**223 650**	**213 536**
Liabilities and equity			
Loans and deposits from credit institutions			
Deposits from customers			
Financial derivatives	603	1 166	1 480
Securities issued			
Insurance liabilities, customers bearing the risk	19 325	18 840	16 005
Liabilities to life insurance policyholders	194 841	188 096	182 181
Payable taxes			
Deferred taxes	285		661
Other liabilities	5 037	3 259	1 920
Discontinuing operations			
Provisions	231	124	205
Subordinated loan capital	2 501	2 556	2 575
Total liabilities	**222 823**	**214 040**	**205 027**
Minority interests			
Revaluation reserve			
Share capital	1 310	1 310	1 310
Other reserves and retained earnings	8 182	8 300	7 199
Total equity	**9 492**	**9 610**	**8 509**
Total liabilities and equity	**232 315**	**223 650**	**213 536**

1) *The figures encompass Vital Forsikring ASA including subsidiaries as included in the DnB NOR Group accounts before eliminations for intra-group transactions and balances.*

Note 4 – Life Insurance and Asset Management (continued)

Key figures					**Vital**
	3rd quarter	3rd quarter	January-September		Full year
Per cent	2007	2006	2007	2006	2006
Recorded return, excluding unrealised gains on financial instruments [1]	4.6	1.1	9.9	4.9	7.5
Value-adjusted return, excluding changes in unrealised gains on commercial paper and bonds, held to maturity [1]	3.3	1.9	8.6	4.5	8.1
Value-adjusted return, including changes in unrealised gains on commercial paper and bonds, held to maturity, and unrealised gains on current assets [1]	3.5	2.2	7.8	3.6	6.4
Expenses in per cent of insurance provisions [2]	0.89	0.95	0.95	0.99	1.00
Capital adequacy ratio at the end of the period [3] [4]	8.9	10.2	8.9	10.2	9.8
Core capital ratio at the end of the period [3] [4]	6.9	7.8	6.9	7.8	7.4
Policyholders funds from operations from products with guaranteed returns, at the end of the period (NOK billion)	195	182	195	182	188
Policyholders funds from operations from products with a choice of investment profile, at the end of the period (NOK billion)	19	16	19	16	19
Solvency margin capital in per cent of requirement, at the end of the period [3] [4] [5]	168	148	168	148	164

1) *Refers to operations from products with guaranteed returns.*
2) *Figures are annualised.*
3) *Kredittilsynet (the Financial Supervisory Authority of Norway) and the Ministry of Finance have not adapted capital adequacy or solvency margin capital regulations to IFRS.*
4) *Operations from products with a choice of investment profile are included from 1 January 2007.*
5) *Solvency margin capital is measured against the solvency margin requirement, which is linked to the company's insurance commitments. The solvency margin capital requirements for Norwegian life insurance companies are subject to regulations laid down by the Ministry of Finance on 19 May 1995.*

Note 5 – Net interest income

					DnB NOR Group
	3rd quarter	3rd quarter	January-September		Full year
Amounts in NOK million	2007	2006	2007	2006	2006
Interest on loans to and deposits with credit institutions	1 213	711	3 880	1 834	2 904
Interest on loans to customers	13 234	9 022	35 571	24 680	34 630
Interest on impaired commitments	29	24	95	93	124
Interest on commercial paper and bonds	1 463	994	4 322	2 580	3 934
Front-end fees etc.	145	81	338	239	281
Other interest income	(64)	130	(3)	399	508
Total interest income	**16 019**	**10 961**	**44 203**	**29 826**	**42 381**
Interest on loans and deposits from credit institutions	1 800	1 257	4 975	3 201	4 610
Interest on demand deposits from customers	4 890	2 645	12 703	6 870	9 892
Interest on securities issued	3 975	3 165	11 939	8 225	12 194
Interest on subordinated loan capital	501	395	1 492	1 016	1 466
Other interest expenses	192	(413)	228	(802)	(1 069)
Total interest expenses	**11 357**	**7 049**	**31 337**	**18 511**	**27 092**
Net interest income	**4 663**	**3 911**	**12 867**	**11 315**	**15 289**

Note 6 – Net other operating income

	DnB NOR Group				
	3rd quarter	3rd quarter	January-September		Full year
Amounts in NOK million	2007	2006	2007	2006	2006
Money transfer fees receivable	688	719	2 060	2 145	2 852
Fees on asset management services	295	311	928	968	1 325
Fees on custodial services	104	84	308	272	370
Fees on securities broking	89	81	301	340	427
Corporate finance	112	52	496	364	548
Interbank fees	32	40	95	115	148
Credit broking commissions	64	58	265	198	290
Sales commissions on insurance products	496	443	1 513	1 443	2 000
Sundry commissions and fees receivable on banking services	360	263	1 025	748	1 003
Total commissions and fees receivable etc.	**2 239**	**2 050**	**6 990**	**6 593**	**8 963**
Money transfer fees payable	251	243	724	716	936
Commissions payable on fund management services	44	27	113	87	128
Fees on custodial services payable	33	27	104	96	119
Interbank fees	47	57	145	169	219
Credit broking commissions	33	7	50	24	34
Commissions payable on the sale of insurance products	61	47	185	175	236
Sundry commissions and fees payable on banking services	158	122	455	402	582
Total commissions and fees payable etc.	**628**	**530**	**1 777**	**1 670**	**2 253**
Net gains on financial instruments at fair value	**439**	**705**	**2 486**	**2 459**	**3 610**
Net gains on assets in Vital	**9 337**	**2 723**	**20 026**	**10 109**	**16 131**
Guaranteed returns and allocations to policyholders in Vital	**6 097**	**2 392**	**15 888**	**8 853**	**14 584**
Premium income etc. included in the risk result in Vital	**1 215**	**1 001**	**3 546**	**3 122**	**4 314**
Insurance claims etc. included in the risk result in Vital	**3 823**	**960**	**6 129**	**3 178**	**4 324**
Net realised gains on investment securities (AFS)	**0**	**0**	**0**	**0**	**0**
Profit from companies accounted for by the equity method	**(40)**	**94**	**18**	**146**	**171**
Income from owned/leased premises	43	16	75	79	108
Fees on real estate broking	189	198	570	553	746
Net unrealised gains on investment property	0	0	(2)	0	0
Miscellaneous operating income	54	48	271	222	322
Total other income	**285**	**262**	**915**	**854**	**1 176**
Net other operating income	**2 926**	**2 951**	**10 187**	**9 582**	**13 204**

Note 7 – Net gains on financial instruments at fair value

	DnB NOR Group				
	3rd quarter	3rd quarter	January-September		Full year
Amounts in NOK million	2007	2006	2007	2006	2006
Dividends	14	11	156	106	109
Net gains on foreign exchange and financial derivatives	626	605	1 887	2 284	3 441
Net gains on financial derivatives, hedging	442	354	(289)	(423)	(560)
Net gains on fixed rate loans	77	(50)	(415)	(769)	(1 247)
Net gains on financial guarantees	108	109	333	245	341
Net gains on commercial paper and bonds	(729)	(2)	(890)	(264)	(504)
Net gains on shareholdings	24	130	409	357	558
Net gains on other financial assets	39	21	0	15	(8)
Net gains on financial liabilities, hedged items	(432)	(421)	384	398	555
Net gains on financial liabilities, other	79	(97)	506	416	784
Net interest on interest rate positions	191	45	406	97	141
Net gains on financial instruments at fair value	**439**	**705**	**2 486**	**2 459**	**3 610**

Note 8 – Operating expenses

					DnB NOR Group
	3rd quarter	3rd quarter	January-September		Full year
Amounts in NOK million	2007	2006	2007	2006	2006
Ordinary salaries	1 584	1 438	4 718	4 256	5 814
Employer's national insurance contributions	219	198	675	595	818
Pension expenses [1)]	284	248	823	680	913
Other personnel expenses	117	102	322	307	421
Total salaries and other personnel expenses	**2 203**	**1 985**	**6 538**	**5 837**	**7 967**
Fees	240	161	643	534	781
EDP expenses	359	336	1 175	1 079	1 493
Postage and telecommunications	108	99	315	313	410
Office supplies	27	26	88	80	113
Marketing and public relations	166	133	493	422	599
Travel expenses	53	51	176	157	232
Reimbursement to Norway Post for transactions executed	63	76	162	232	269
Training expenses	16	14	58	47	77
Operating expenses on properties and premises	206	211	620	656	855
Operating expenses on machinery, vehicles and office equipment	34	28	104	83	121
Allocation to employees	0	0	0	0	164
Restructuring expenses	1	13	4	13	73
Other operating expenses	166	174	468	461	558
Other expenses	**1 437**	**1 323**	**4 306**	**4 076**	**5 745**
Depreciation and write-downs of fixed and intangible assets	**255**	**183**	**697**	**519**	**715**
Total operating expenses	**3 895**	**3 491**	**11 541**	**10 432**	**14 427**

1) *With effect from 31 December 2006, the Group changed the assumption concerning life expectancy in connection with the calculation of pension commitments. This has affected pension expenses for 2007.*

Note 9 – Number of employees/full-time positions

					DnB NOR Group
	3rd quarter	3rd quarter	January-September		Full year
	2007	2006	2007	2006	2006
Number of employees at end of period	13 644	12 049	13 644	12 049	12 187
- of which number of employees abroad	4 051	2 576	4 051	2 576	2 647
Number of employees calculated on a full-time basis at end of period	13 201	11 661	13 201	11 661	11 824
- of which number of employees calculated on a full-time basis abroad	3 931	2 530	3 931	2 530	2 618
Average number of employees	13 473	12 040	12 962	11 943	11 993
Average number of employees calculated on a full-time basis	13 075	11 674	12 570	11 564	11 616

Note 10 – Net gains on fixed and intangible assets

Amounts in NOK million	3rd quarter 2007	3rd quarter 2006	January-September 2007	January-September 2006	Full year 2006
					DnB NOR Group
Aker Brygge, Oslo	865		865		
Development area, Oppegård		47		47	47
Lodalen Utvikling		44		44	44
Kirkegaten 17, Oslo		22		22	31
Scanrope				16	16
Exporama				30	30
Bogstadveien 45, Oslo				61	61
Other	9	22	23	78	136
Net gains on fixed and intangible assets	**874**	**135**	**888**	**298**	**365**

Note 11 – Write-downs on loans and guarantees

Amounts in NOK million	3rd quarter 2007	3rd quarter 2006	January-September 2007	January-September 2006	Full year 2006
					DnB NOR Group
Write-offs	57	36	154	148	227
New individual write-downs	160	149	612	545	692
Total new individual write-downs	217	185	766	693	919
Reassessed individual write-downs	34	66	218	244	371
Total individual write-downs	183	119	548	449	548
Recoveries on commitments previously written off	107	94	274	295	388
Change in group write-downs on loans	(6)	(76)	(14)	(397)	(418)
Write-downs on loans and guarantees [1)]	**70**	**(51)**	**260**	**(243)**	**(258)**
Write-offs covered by individual write-downs made in previous years	118	93	500	458	699
1) Of which individual write-downs on guarantees	*18*	*(1)*	*23*	*(11)*	*(13)*

Note 12 – Lending to customers

Amounts in NOK million	30 Sept. 2007	31 Dec. 2006	30 Sept. 2006
			DnB NOR Group
Lending to customers, nominal amount	753 392	692 207	667 005
Individual write-downs	1 968	1 820	1 970
Lending to customers, after individual write-downs	751 424	690 387	665 035
+ Accrued interest and amortisation	2 697	2 046	1 928
– Individual write-downs of accrued interest and amortisation	397	399	488
– Group write-downs	892	892	928
Lending to customers, at amortised cost	752 831	691 141	665 547
Lending to customers, nominal amount	155 169	136 271	135 369
+ Accrued interest	988	681	499
+ Adjustment to fair value	(564)	(147)	332
Lending to customers, classified at fair value	155 594	136 805	136 200
Lending to customers	**908 424**	**827 947**	**801 747**

Note 13 – Net lending to principal sectors [1)]

	DnB NOR Group		
Amounts in NOK million	30 Sept. 2007	31 Dec. 2006	30 Sept. 2006
Retail customers	447 109	417 594	406 143
International shipping	81 473	74 184	70 227
Real estate	135 748	116 207	115 491
Manufacturing	44 557	36 676	33 997
Services and management	67 515	64 536	58 423
Trade	35 303	32 066	32 553
Oil and gas	14 394	12 720	13 077
Transportation and communication	19 417	16 698	21 090
Building and construction	12 349	11 223	10 124
Power and water supply	7 920	7 304	7 554
Fishing	10 351	10 069	10 392
Hotels and restaurants	3 683	3 544	3 849
Agriculture and forestry	6 516	7 533	7 143
Central and local government	9 976	7 394	3 351
Other sectors	10 282	8 910	6 989
Total customers, nominal amount after individual write-downs	906 593	826 658	800 404
– Group write-downs, customers	892	892	928
+ Other adjustments	2 724	2 181	2 271
Lending to customers	**908 424**	**827 947**	**801 747**
Credit institutions, nominal amount after individual write-downs	92 520	70 381	69 333
– Group write-downs, credit institutions	3	0	0
+ Other adjustments	242	710	(217)
Lending to and deposits with credit institutions	**92 759**	**71 091**	**69 116**

1) *The breakdown into principal sectors is based on standardised sector and industry categories set up by Statistics Norway. Customers are classified according to their main line of business.*

Note 14 – Net non-performing and impaired commitments for principal sectors [1)]

	DnB NOR Group		
Amounts in NOK million	30 Sept. 2007	31 Dec. 2006	30 Sept. 2006
Retail customers	1 982	1 888	2 176
International shipping	0	0	0
Real estate	506	384	715
Manufacturing	364	532	406
Services	459	306	268
Trade	143	152	208
Oil and gas	0	1	9
Transportation and communication	198	132	97
Building and construction	179	119	121
Power and water supply	0	0	0
Fishing	82	86	62
Hotels and restaurants	54	71	88
Agriculture and forestry	94	119	110
Central and local government	0	0	0
Other sectors	17	10	11
Total customers	4 078	3 800	4 271
Credit institutions	0	0	0
Total	4 078	3 800	4 271

1) *The breakdown into principal sectors is based on standardised sector and industry categories set up by Statistics Norway. Customers are classified according to their main line of business.*

Note 15 – Intangible assets

	DnB NOR Group		
Amounts in NOK million	30 Sept. 2007	31 Dec. 2006	30 Sept. 2006
Goodwill [1)]	6 377	5 823	5 853
Postbanken brand name	51	51	51
Systems development	659	520	475
Other intangible assets [1)]	137	77	67
Total intangible assets	**7 224**	**6 471**	**6 446**

1) *As at 30 September 2007 the figures for Svensk Fastighetsförmedling AB and BISE Bank are based on preliminary acquisition analyses.*

Note 16 – Securities issued and subordinated loan capital

As an element in liquidity management, the DnB NOR Group issues and redeems own securities.

Securities issued

	DnB NOR Group		
Amounts in NOK million	30 Sept. 2007	31 Dec. 2006	30 Sept. 2006
Commercial paper issued, nominal amount	68 215	68 216	84 559
Bond debt, nominal amount	247 742	257 379	230 867
Adjustments	1 126	1 211	1 040
Total securities issued	**317 082**	**326 806**	**316 466**

Changes in securities issued

	DnB NOR Group					
Amounts in NOK million	Balance sheet 30 Sept. 2007	Issued 2007	Matured/ redeemed 2007	Exchange rate movements 2007	Changes in adjustments 2007	Balance sheet 31 Dec. 2006
Commercial paper issued, nominal amount	68 215	95 320	93 801	(1 521)	0	68 216
Bond debt, nominal amount	247 742	49 490	39 895	(19 232)	0	257 379
Adjustments	1 126	0	0	0	(85)	1 211
Total securities issued	**317 082**	**144 810**	**133 696**	**(20 753)**	**(85)**	**326 806**

Subordinated loan capital and perpetual subordinated loan capital securities

	DnB NOR Group					
Amounts in NOK million	Balance sheet 30 Sept. 2007	Issued 2007	Matured/ redeemed 2007	Exchange rate movements 2007	Net change in recorded costs and adjustments 2007	Balance sheet 31 Dec. 2006
Term subordinated loan capital, nominal amount	17 025	81	2 271	(1 552)	3	20 764
Perpetual subordinated loan capital, nominal amount	6 876	0	0	(866)	0	7 741
Perpetual subordinated loan capital securities, nominal amount [1)]	8 725	3 870	0	(508)	3	5 360
Adjustments	132	0	0	0	20	113
Total subordinated loan capital and perpetual subordinated loan capital securities	**32 759**	**3 951**	**2 271**	**(2 926)**	**26**	**33 977**

1) *Perpetual subordinated loan capital securities are eligible for inclusion in core capital by an amount not exceeding 15 per cent of total core capital. Kredittilsynet may require that the securities should be written down proportionally to equity if the bank's core capital ratio falls below 5 per cent or capital adequacy ratio falls below 6 per cent. Amounts written down on the securities must be revalued before the distribution of dividends to shareholders or revaluation of equity.*

Note 17 – Capital adequacy

New capital adequacy regulations, Basel II, entered into force on 1 January 2007, see below for further description of the DnB NOR Group's implementation of the Basel II regulations.

Capital adequacy calculations are subject to special consolidation rules governed by the Consolidation Regulations. Primary capital and nominal amounts used in calculating risk-weighted volume will deviate from figures in the DnB NOR Group's accounts, as associated companies which are consolidated in the accounts according to the equity method are consolidated according to the gross method in capital adequacy calculations.

Valuation rules used in the statutory accounts form the basis for the consolidation. As from the first quarter 2007, the Norwegian regulations on the use of IFRS have been implemented in statutory accounts of the companies in the Group. According to new regulations on primary capital calculations, most items that have affected equity upon transition to the Norwegian regulations on the use of IFRS should be deducted from core capital. The deductions are specified below.

Primary capital	**DnB NOR Group**	
Amounts in NOK million	30 Sept. 2007	31 Dec. 2006 [1]
Share capital	13 327	13 341
Other equity	47 492	44 492
Total equity	60 819	57 833
Perpetual subordinated loan capital securities [2] [3]	8 946	5 603
Deductions		
Pension funds above pension commitments	(205)	(182)
Goodwill	(6 408)	(4 454)
Deferred tax assets	(140)	(671)
Other intangible assets	(866)	(884)
Dividends payable	0	-
Unrealised gains on fixed assets	(342)	-
50 per cent of investments in other financial institutions	0	0
Other	(52)	-
Additions		
Portion of unrecognised actuarial gains/losses, pension costs [4]	1 214	1 810
Core capital	62 965	59 054
Perpetual subordinated loan capital	6 876	7 602
Perpetual subordinated loan capital securities [2] [3]	0	0
Term subordinated loan capital [3]	17 471	20 969
Deductions		
50 per cent of investments in other financial institutions	0	0
Additions		
45 per cent of unrealised gains on fixed assets	190	-
Supplementary capital	24 537	28 571
Total eligible primary capital [5]	87 502	87 625

Minimum capital requirement	**DnB NOR Group**
Amounts in NOK million	30 Sept. 2007
Credit risk, IRB [6]	11 437
Of which:	
Retail commitments secured by residential property	2 893
Corporate commitments, small and medium sized companies	8 543
Claims calculated according to Basel I, transitional rules [7]	51 498
Total minimum capital requirement, credit risk	62 935
Position risk	3 524
Settlement risk	2
Foreign exchange risk	225
Total minimum capital requirement, market risk	3 752
Operational risk	2 857
Deduction	0
Total capital requirements according to Basel II	69 544
Additions due to transitional rules (maximum 5 per cent reduction in relation to Basel I) [8]	5 745
Total minimum capital requirement	75 290

Note 17 – Capital adequacy (continued)

The table below illustrates the effect of the transition to Basel II regulations in the first three quarters of 2007. The column "Basel I" reflects calculations based on the former capital adequacy regulations. The results of the Basel II calculations have been included in the capital adequacy calculations shown in column "Basel II". The transitional rules limits the effect of Basel II calculations to a reduction to 95 per cent of Basel I requirements in the first year of implementation. This restriction known as "Capital floor" is reflected in the capital adequacy shown in column "Reported" in the table below.

Capital adequacy **DnB NOR Group**

	Reported	Basel II	Basel I	
	30 Sept. 2007 8)	30 Sept. 2007	30 Sept. 2007	31 Dec. 2006 1)
Risk-weighted volume (NOK million) 5)	941 122	869 315	978 284	880 292
Core capital ratio (%)	6.7	7.2	6.4	6.7
Capital ratio (%)	9.3	10.1	8.9	10.0
Core capital ratio including 50 per cent of profit for the period (%)	7.2	7.8	6.9	-
Capital ratio including 50 per cent of profit for the period (%)	9.8	10.6	9.4	-

1) *Figures for previous periods have been prepared in accordance with rules prevailing on the reporting dates.*
2) *Perpetual subordinated loan capital securities can represent up to 15 per cent of core capital. The excess will qualify as perpetual supplementary capital.*
3) *As at 30 September 2007 calculations of capital adequacy include a total of NOK 668 million in subordinated loan capital in associated companies, in addition to subordinated loan capital in the Group's balance sheet.*
4) *Upon implementation of NRS 6A (IAS 19) in 2005, unrecognised actuarial gains/losses for pension commitments were charged to equity in the accounts. The Ministry of Finance has established a transitional rule whereby two-fifths of the amount recorded against equity can be included in capital adequacy calculations as at 30 September 2007. This effect will be reduced by one-fifth yearly up until and including 2008.*
5) *Primary capital and nominal amounts used in calculating risk-weighted volume deviate from figures in the DnB NOR Group's accounts, as associated companies which are assessed in the accounts according to the equity method, are assessed according to the gross method in capital adequacy calculations.*
6) *In the third quarter of 2007, credit risk for loans to retail customers secured by residential property in DnB NOR Bank ASA, excluding such loans under the brand-name Postbanken, commitments with small and medium sized corporate customers in the Regional Division East and the Regional Division Coast and the housing-loan portfolio of DnB NOR Boligkreditt AS are reported according to the foundation IRB approach, Internal Ratings Based.*
7) *The minimum primary capital requirement for portfolios not mentioned in footnote 6 is 8 per cent of risk-weighted volume calculated according to Basel I regulations.*
8) *Due to transitional rules, minimum capital requirements for 2007, 2008 and 2009 can maximum be reduced to 95, 90 and 80 per cent respectively of the requirement according to Basel I rules.*

Basel II implementation

Monitoring and managing risk is an integral part of financial operations. In DnB NOR, sound risk management is a strategic tool to enhance value generation. Risk-adjusted return is a key financial management parameter in the internal management of the DnB NOR Group. The Group's risk is measured in the form of risk-adjusted capital requirements, calculated for main risk categories and for all of the Group's business areas. Capital is thus allocated to the business areas on the basis of the estimated risk of operations, and return on capital is continually monitored.

Basel II

New capital requirements, Basel II, entered into force on 1 January 2007 and is divided into three parts, so-called pillars. Pillar 1 is about minimum capital adequacy requirements and is based on the previous capital adequacy regulations, Basel I. Pillar 2 is about institutions' assessment of their overall capital requirement and supervisory review, while Pillar 3 is about the disclosure of financial information. The regulations entail that there will be greater consistency between the authorities' capital adequacy regulations for financial institutions and the methodologies used by the financial institutions themselves in calculating capital requirements. The minimum capital requirement is still 8 per cent, with minimum 50 per cent representing core capital. The new regulations will result in changes in the risk-weighted volume included in the calculation of the capital adequacy requirement. A new methodology has been introduced for calculating credit risk, while operational risk calculations have been added as a new element. The shift from Basel I to Basel II has a more limited impact on the treatment of market risk.

Pillar 1 Approach used in capital adequacy calculations

Pillar 1 includes capital requirements for credit, market and operational risk. The DnB NOR Group has been granted permission to use the foundation IRB, Internal Ratings Based, approach for credit risk to calculate the Group's capital adequacy as from 1 January 2007.

Use of the foundation IRB approach implies that the bank's own classification systems are used for capital adequacy purposes. The IRB system is defined as the models, work processes, decision-making processes, control mechanisms, IT systems and internal guidelines and routines used to classify and quantify credit risk. During 2006, DnB NOR implemented important parts of the IRB system, mainly through the development of routines, procedures and IT systems.

The portfolios for which the Group has been granted permission to use the foundation IRB approach as from the first quarter of 2007 comprises loans to small and medium-sized companies as well as loans secured by residential property in DnB NOR Bank ASA excluding Postbanken. DnB NOR Boligkreditt AS was also granted permission to report its housing-loan portfolio according to the IRB approach as from the second quarter of 2007. All other credit portfolios are reported in accordance with the former capital adequacy requirements, Basel I.

Credit risk

Credit risk represents the chief risk category for the Group and refers to all claims against customers, mainly loans. In order to avoid large risk concentrations, the risk levels of individual customers, industries and geographical areas are monitored closely. In addition to verifying risk classifications, exposures to large clients are supervised through calculations which take the customer's credit quality and collateral into account.

Note 17 – Capital adequacy (continued)

The classification of commitments provides the basis for statistical calculations of expected losses in a long-term perspective and the need for equity on the basis of portfolio risk. DnB NOR's models for risk classification of customers are subject to continual improvement and testing. The models are adapted to different industries and segments and are successively upgraded to satisfy quality requirements according to Basel II. The models are based on three components:

1. *Estimated probability of default.* The counterparty (customer) is classified according to a scale of ten risk categories based on the probability of default. In addition, impaired and non-performing commitments are placed in categories 11 and 12 respectively for reporting purposes. The risk categories are defined on the basis of the scales used by international rating agencies.
2. *Exposure at default.* Exposure is an estimated figure which includes amounts drawn under credit limits (loans) as well as a percentage share of committed, undrawn credit lines.
3. *Loss given default*. This is a statistically modelled quantity indicating how much the Group expects to lose if the customer fails to meet his obligations, taking the collateral provided into consideration. Realisation values for collateral are set on the basis of experience and/or external data.

The credit risk models should show the average probability of default during a business cycle. However, no model is completely unaffected by cyclical fluctuations. Consequently, stress testing is used to assess whether the bank would be required to hold additional capital during a recession. Such assessments will be taken into account in the bank's management process to determine the correct level of capital.

<u>Operational risk</u>
On 1 January 2007, new regulations for capital requirements for operational risk entered into force. In a separate policy for operational risk management, the Board of Directors states that DnB NOR will have low operational risk. Thus, management places great emphasis on risk and quality in the management of the Group.

DnB NOR Bank ASA will report according to the standardised approach in 2007 and will consider a shift to the Advanced Measurement Approach at a later date.

<u>Market risk</u>
Overall, market risk represents a moderate share of the Group's total risk. Market risk in Vital is included under ownership risk in DnB NOR ASA. In 2007, DnB NOR reports market risk according to the standardised approach.

<u>Further progress</u>
In June 2006, the Group applied for permission to use the advanced IRB approach for credit risk as from 1 January 2008. A major reduction in risk-weighted assets is expected upon full implementation of the IRB system. Due to transitional rules, however, the minimum capital adequacy requirements for 2007, 2008 and 2009 will be reduced to a maximum of 95, 90 and 80 per cent respectively relative to the Basel I requirements.

Pillar 2 Institutions' assessment of total capital requirement and supervisory review
According to Pillar 2, DnB NOR is required to have a process for assessing the Group's overall capital adequacy. This includes an analysis of the risks not encompassed by the Pillar 1 process and the capital requirement for growth, as well as an indication of how much above the minimum regulatory capital ratios the Group chooses to set its capital levels.

The staff unit Group Risk Management has overall responsibility for risk management and internal control and for assessing and reporting the Group's overall risk situation. Each quarter, Group Risk Management prepares a report to the board of Directors of DnB NOR ASA regarding developments in the various risk categories as well as a report to the Board of Directors of DnB NOR Bank ASA regarding the trend in the banking group's credit risk.

As part of the adaptation to Pillar 2, the Board of Directors approved a new group capitalisation policy in April 2006, aimed at ensuring that group equity is adequate to ensure effective and optimal use of equity relative to the scope and risk profile of operations. The equity of DnB NOR should enable the Group to achieve a competitive return on equity and obtain competitive terms in funding markets. Also, it should put the Group in a position to exploit growth opportunities in the market through either organic growth or acquisitions while meeting minimum capital adequacy requirements with a margin adapted to the Group's adopted risk profile and risk tolerance.

In the longer term, the Group's equity will be structured to ensure that core capital excluding hybrid securities exceeds 4.25 per cent of risk-weighted assets, with the addition of a capital buffer. The calculation model for risk-adjusted capital is used to measure the size of the capital buffer relative to risk tolerance limits. Risk will be quantified through calculations of risk-adjusted capital. In addition, stress tests for credit and market risk are important reference points. The capitalisation policy is reviewed annually as part of the Group's budget and strategy process.

As part of its supervisory process, Kredittilsynet will prepare an annual overall risk assessment for the Group, including feedback on the capitalisation of the Group. These assessments will play a significant part when determining the actual effect of the transfer to new capital adequacy regulations.

Pillar 3 Requirements concerning the disclosure of financial information
Pillar 3 presents requirements concerning the disclosure of financial information on the Internet. The information must cover DnB NOR's adaptation to and compliance with the new capital adequacy regulations. Such information are presented on separate pages on www.dnbnor.com.

Note 18 – Off-balance sheet transactions and contingencies

Off-balance sheet transactions and additional information			DnB NOR Group	
Amounts in NOK million		30 Sept. 2007	31 Dec. 2006	30 Sept. 2006
Unutilised ordinary credit lines		259 474	245 827	237 789
Documentary credit commitments		17 335	15 705	16 856
Other commitments		552	447	513
Total commitments		277 361	261 979	255 158
Performance guarantees		22 431	21 702	19 962
Payment guarantees		18 369	18 010	19 824
Loan guarantees [1)]		8 056	6 302	9 859
Guarantees for taxes etc.		3 911	3 948	3 451
Other guarantee commitments		6 209	4 791	4 620
Total guarantee commitments [2)]		58 975	54 753	57 716
Support agreements		6 361	5 267	4 076
Total guarantee commitments etc. [*)]		65 336	60 020	61 792
*) Of which:				
Counter-guaranteed by financial institutions		1 630	1 584	1 627
Securities		77 320	75 931	56 502
are pledged as security for:	Loans [3)]	77 212	75 816	56 387
	Other activities	108	115	115

1) *DnB NOR carries loans in its balance sheet that subject to legal agreement have been transferred to Eksportfinans and for which DnB NOR has issued guarantees. According to the agreement, DnB NOR still carries interest rate risk and credit risk for the transferred portfolio. Customer loans in the portfolio totalling NOK 8 252 million were recorded in the balance sheet as at 30 September 2007.*

2) *Liabilities included in issued financial guarantees are measured at fair value and recorded in the balance sheet.*

3) *NOK 77 212 million in securities as at 30 September 2007 has been pledged as collateral for credit facilities with Norges Bank (the Norwegian central bank). According to regulations, these loans must be fully collateralised by a mortgage on interest-bearing securities and/or the bank's deposits with Norges Bank.*

Contingencies

Due to its extensive operations in Norway and abroad, the DnB NOR Group will regularly be party to a number of legal actions. None of the current disputes are expected to have any material impact on the Group's financial position.

In 2004, DnB NOR Bank issued a writ against the Norwegian government, represented by the Central Tax Office for Large Companies, requiring that the tax assessment for 2002 be invalidated. The bank claimed that the tax authorities made incorrect use of the realisation principle with respect to interest rate and currency swaps, as no tax credit was awarded for net losses in the tax assessment. In 2006, the bank lost the case in the District Court. The outcome will have no material effect on the result for the DnB NOR Group. The decision has been appealed.

Lloyd´s Underwriters has announced an action for damages against Vital Skade AS, maintaining that the company has been wrongfully involved in an insurance claim of up to NOK 200 million by Vital Skade. The claim is contested.

Heidelberger Cement Pensjonskasse/Norcem AS has filed a complaint with the court of conciliation against Vital Forsikring, with a claim for damages of up to NOK 110 million. It is claimed that Vital Forsikring ASA gave incorrect advice in connection with a transfer of assets from a premium fund under the company's pension scheme. The claim is contested.

Note 19 – Profit and balance sheet trends

Income statement

DnB NOR Group

Amounts in NOK million	3rd quarter 2007	2nd quarter 2007	1st quarter 2007	4th quarter 2006	3rd quarter 2006
Total interest income	16 019	14 798	13 386	12 556	10 961
Total interest expenses	11 357	10 579	9 401	8 581	7 049
Net interest income	**4 663**	**4 219**	**3 985**	**3 975**	**3 911**
Commissions and fees receivable etc.	2 239	2 429	2 322	2 371	2 050
Commissions and fees payable etc.	628	562	587	583	530
Net gains on financial instruments at fair value	439	989	1 057	1 150	705
Net gains on assets in Vital	9 337	6 118	4 572	6 022	2 723
Guaranteed returns and allocations to policyholders in Vital	6 097	5 598	4 193	5 731	2 392
Premium income etc. included in the risk result in Vital	1 215	917	1 414	1 191	1 001
Insurance claims etc. included in the risk result in Vital	3 823	904	1 401	1 146	960
Net realised gains on investment securities (AFS)	0	0	0	0	0
Profit from companies accounted for by the equity method	(40)	21	37	24	94
Other income	285	323	306	323	262
Net other operating income	**2 926**	**3 733**	**3 528**	**3 622**	**2 951**
Total income	**7 589**	**7 952**	**7 513**	**7 597**	**6 863**
Salaries and other personnel expenses	2 203	2 207	2 129	2 129	1 985
Other expenses	1 437	1 453	1 416	1 669	1 323
Depreciation and write-downs of fixed and intangible assets	255	242	199	196	183
Total operating expenses	**3 895**	**3 902**	**3 744**	**3 994**	**3 491**
Net gains on fixed and intangible assets	874	9	5	66	135
Write-downs on loans and guarantees	70	140	51	(16)	(51)
Pre-tax operating profit	**4 498**	**3 919**	**3 723**	**3 684**	**3 558**
Taxes	826	512	856	291	844
Profit from discontinuing operations after taxes	0	0	0	0	0
Profit for the period	**3 673**	**3 407**	**2 866**	**3 394**	**2 714**
Earnings per share (NOK)	2.72	2.50	2.11	2.52	2.00

Note 19 – Profit and balance sheet trends (continued)

Balance sheet					**DnB NOR Group**
Amounts in NOK million	30 Sept. 2007	30 June 2007	31 March 2007	31 Dec. 2006	30 Sept. 2006
Assets					
Cash and deposits with central banks	8 805	8 951	18 685	11 453	15 474
Lending to and deposits with credit institutions	92 759	127 298	109 713	71 091	69 116
Lending to customers	908 424	882 810	842 298	827 947	801 747
Commercial paper and bonds	156 581	157 273	165 668	172 040	161 954
Shareholdings	59 310	65 570	61 091	51 393	45 781
Financial assets, customers bearing the risk	19 325	19 105	18 867	18 840	16 005
Financial derivatives	69 585	61 024	58 006	57 999	51 539
Shareholdings, available for sale	0	0	0	0	0
Commercial paper and bonds, held to maturity	60 075	62 906	60 093	62 444	62 478
Investment property	32 530	26 662	25 846	25 816	25 173
Investments in associated companies	1 399	1 462	1 467	1 515	1 457
Intangible assets	7 224	7 196	6 393	6 471	6 446
Deferred tax assets	91	80	28	38	42
Fixed assets	3 313	5 245	5 590	5 478	5 244
Biological assets	0	0	0	0	0
Discontinuing operations	1 641	812	27	27	43
Other assets	9 489	10 668	9 888	7 691	5 460
Total assets	**1 430 551**	**1 437 061**	**1 383 659**	**1 320 242**	**1 267 961**
Liabilities and equity					
Loans and deposits from credit institutions	148 800	163 739	141 592	124 372	121 100
Deposits from customers	532 478	527 937	503 129	474 526	457 485
Financial derivatives	73 315	63 100	59 474	58 812	46 533
Securities issued	317 082	328 508	330 288	326 806	316 466
Insurance liabilities, customers bearing the risk	19 325	19 105	18 867	18 840	16 005
Liabilities to life insurance policyholders	194 841	191 452	189 715	188 096	182 181
Payable taxes	6 518	5 466	4 707	4 091	3 331
Deferred taxes	134	426	767	730	1 740
Other liabilities	30 041	31 239	23 951	18 812	20 031
Discontinuing operations	0	0	0	0	0
Provisions	4 571	4 503	4 582	4 768	4 399
Subordinated loan capital	32 759	34 152	37 432	33 977	36 199
Total liabilities	**1 359 864**	**1 369 627**	**1 314 503**	**1 253 829**	**1 205 469**
Minority interests	2 467	2 536	2 226	2 201	1 650
Revaluation reserve	0	0	0	0	0
Share capital	13 327	13 341	13 341	13 341	13 341
Other reserves and retained earnings	54 894	51 557	53 589	50 870	47 501
Total equity	**70 687**	**67 434**	**69 156**	**66 413**	**62 492**
Total liabilities and equity	**1 430 551**	**1 437 061**	**1 383 659**	**1 320 242**	**1 267 961**

DnB NOR ASA

Income statement — **DnB NOR ASA**

Amounts in NOK million	3rd quarter 2007	3rd quarter 2006	January-September 2007	January-September 2006	Full year 2006
Total interest income	92	34	205	95	132
Total interest expenses	82	50	199	134	185
Net interest income	**10**	**(17)**	**6**	**(39)**	**(53)**
Commissions and fees payable etc.	2	2	5	5	6
Net gains on financial instruments at fair value	0	11	0	11	11
Other income [1]	0	0	0	0	9 904
Net other operating income	**(2)**	**9**	**(5)**	**6**	**9 909**
Total income	**8**	**(7)**	**2**	**(32)**	**9 856**
Salaries and other personnel expenses	0	0	1	0	2
Other expenses	56	48	162	138	182
Total operating expenses	**56**	**48**	**162**	**138**	**185**
Pre-tax operating profit	**(48)**	**(55)**	**(160)**	**(171)**	**9 672**
Taxes	(14)	(16)	(45)	(48)	2 311
Profit for the period	**(35)**	**(40)**	**(115)**	**(123)**	**7 360**
Earnings per share (NOK) [2]	(0.03)	(0.03)	(0.09)	(0.09)	5.51
Earnings per share for discontinuing operations (NOK) [2]	0.00	0.00	0.00	0.00	0.00

1) *Dividends from group companies/group contributions.*
2) *DnB NOR has not issued options or other financial instruments that could cause dilution of earnings per share.*

Balance sheet — **DnB NOR ASA**

Amounts in NOK million	30 Sept. 2007	31 Dec. 2006	30 Sept. 2006
Assets			
Deposits with DnB NOR Bank ASA	6 767	3 617	3 611
Lending to other group companies	230	225	225
Investments in group companies	48 642	48 642	48 642
Other receivables due from group companies	0	12 656	4
Other assets	45	0	50
Total assets	**55 684**	**65 140**	**52 532**
Liabilities and equity			
Loans from DnB NOR Bank ASA	5 576	5 719	5 719
Loans from other group companies	473	4 227	345
Other liabilities and provisions	1 246	6 582	3
Paid-in capital	24 994	25 275	25 275
Retained earnings	23 394	23 337	21 190
Total liabilities and equity	**55 684**	**65 140**	**52 532**

Note 1 – Transition to IFRS and accounting principles etc.

Transition to IFRS

DnB NOR ASA has as of 1 January 2007 prepared accounts according to the Norwegian Ministry of Finance's regulations on annual accounts, Section 1-5, on the use of IFRS (International Financial Reporting Standards), hereinafter called the Norwegian IFRS regulations. These regulations give permission to record provisions for dividends and group contributions in subsidiaries as income and record the Board of Directors' proposed dividends and group contributions as liabilities on the balance sheet date. According to IFRS, dividends should be classified as equity until approved by the general meeting. DnB NOR ASA is the parent company in the DnB NOR Group, which implemented IFRS in the consolidated accounts as of 1 January 2005. The DnB NOR Group's opening balance date was 1 January 2004.

Up until 31 December 2006, DnB NOR ASA prepared statutory accounts based on Norwegian accounting legislation, the accounting regulations issued by the Ministry of Finance and Norwegian generally accepted accounting principles, hereinafter referred to as NGAAP. Transition to IFRS did not entail changes in accounting principles other than certain reclassifications in income statement.

Changes in the income statement

- The line "Dividends from group companies/group contributions" is no longer included, and these items are presented under "Other income".
- The lines "Net gains on foreign exchange and financial instruments" and "Net gains on long-term securities" are no longer included, and these items are presented on the line "Net gains on financial instruments at fair value".

Accounting principles etc.

Changes in accounting principles

The effects of changes in accounting principles are recorded directly against equity.

Ownership interests in group companies

Subsidiaries are defined as companies in which DnB NOR ASA has control, directly or indirectly, through a long-term ownership interest and a holding of more than 50 per cent of the voting share capital or primary capital. DnB NOR ASA's subsidiaries are DnB NOR Bank ASA, Vital Forsikring ASA, DnB NOR Kapitalforvaltning Holding AS and Vital Skade AS. All subsidiaries are 100 per cent owned.

In the accounts of DnB NOR ASA, investments in subsidiaries are recorded at cost.

Transactions with group companies

Transactions with subsidiaries are conducted in accordance with general business conditions and principles whereby income, expenses, losses and gains are distributed as correctly as possible between the group companies.

Dividends and group contributions

Dividends and group contributions from group companies are recorded in the accounts in the same year as provisions are made in the relevant companies. Group contributions received are classified as dividends when considered to represent return on invested capital. Distributed dividends and group contributions are recorded as liabilities in accordance with the Board of Directors proposal on the balance sheet date.

Taxation

Taxes for the year comprise payable taxes for the financial year and changes in the value of deferred taxes and deferred tax assets.

Deferred taxes are calculated on the basis of differences between the profits stated in the accounts and the profits computed for tax purposes, which will be offset in the future. Evaluations are based on the balance sheet and tax position on the balance sheet date. Taxable and tax-deductible timing differences will be netted against each other within the same time interval. Deferred tax assets can be recognised as assets in the balance sheet when it is considered probable that the tax-deductible timing differences may be realised.

Information about the DnB NOR Group

Head office DnB NOR ASA

Mailing address	NO-0021 Oslo
Visiting address	Stranden 21, Oslo
Telephone	+47 915 03000
Internet	www.dnbnor.com
Organisation number	Register of Business Enterprises NO 981 276 957 MVA

Board of Directors in DnB NOR ASA

Olav Hytta, chairman
Johan Nic. Vold, vice-chairman
Per Hoffmann
Nina Britt Husebø
Jørn O. Kvilhaug
Bent Pedersen
Heidi M. Petersen
Trine Sæther Romuld
Ingjerd Skjeldrum
Bjørn Sund
Anne Carine Tanum

Group management

Rune Bjerke	Group chief executive
Tom Grøndahl	Deputy CEO/chief financial officer
Leif Teksum	Group executive vice president, Corporate Banking and Payment Services
Åsmund Skår	Group executive vice president, Retail Banking
Ottar Ertzeid	Group executive vice president, DnB NOR Markets
Liv Fiksdahl	Group executive vice president, Operations
Tom Rathke	Group executive vice president, Life Insurance and Asset Management
Anne-Brit Folkvord	Group executive vice president, HR
Cathrine Klouman	Group executive vice president, IT

Investor Relations

Tom Grøndahl, deputy CEO/chief financial officer	tel. +47 22 48 29 22	tom.grondahl@dnbnor.no
Per Sagbakken, head of IR/Long-term Funding	tel. +47 22 48 20 72	per.sagbakken@dnbnor.no
Thor Tellefsen	tel. +47 22 94 93 88	thor.tellefsen@dnbnor.no
Jo Teslo	tel. +47 22 94 92 86	jo.teslo@dnbnor.no
Helge Stray	tel. +47 22 94 93 76	helge.stray@dnbnor.no

Financial calendar 2008

Preliminary results 2007	14 February
Annual General Meeting	30 April
Distribution of dividends	as of 2 May
First quarter	29 April
Second quarter	10 July
Third quarter	23 October

Other sources of information

Annual reports

Annual reports for the DnB NOR Group are available on www.dnbnor.com. Separate annual reports are prepared for the DnB NOR Bank Group and Vital.

Quarterly publications

Quarterly reports and supplementary information for investors and analysts are available on www.dnbnor.com. Separate quarterly reports are prepared for the DnB NOR Bank Group and Vital.

The publications can be ordered by sending an e-mail to investor.relations@dnbnor.no.

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