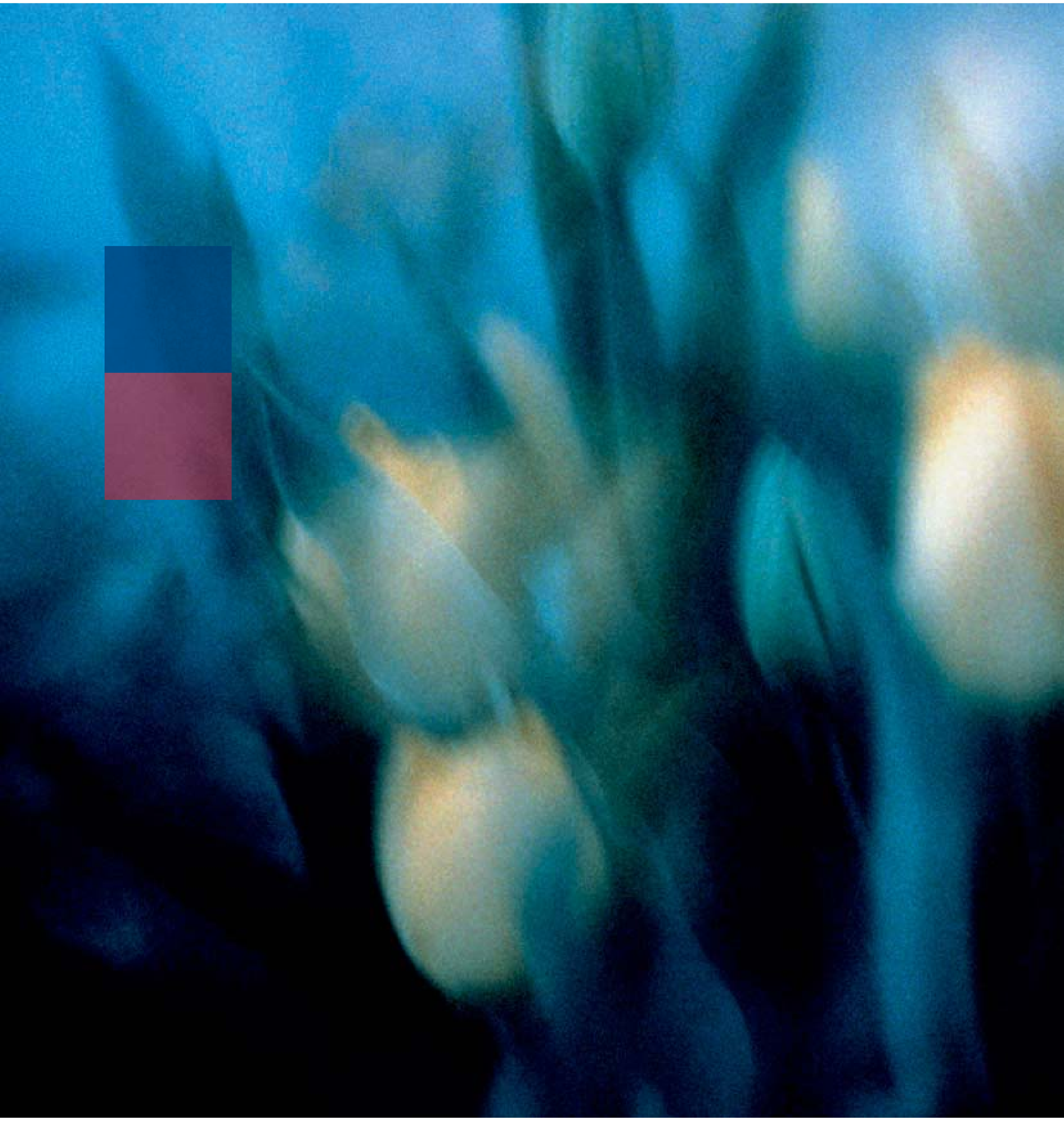
First quarter report 2007



DnB NOR

First quarter report 2007

Introduction

The DnB NOR Group[1)] recorded healthy profits in the first quarter of the year, with a return on equity of 17.2 per cent. The cost/income ratio was 49.8 per cent for the January through March period of 2007, compared with 48.3 per cent in the year-earlier period. DnB NOR aims to have a cost/income ratio below 50 per cent in 2008. The strong Norwegian economy and sound portfolio quality resulted in low write-downs on loans and guarantees in the first quarter of 2007.

DnB NOR's pre-tax operating profits before write-downs came to NOK 3 769 million in the first quarter of 2007, up from NOK 3 704 million in the corresponding period in 2006. After taxes, profits totalled NOK 2 866 million, a rise from NOK 2 849 million in the first quarter of 2006. First-quarter earnings per share stood at NOK 2.11 in both 2006 and 2007.

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 7.6 per cent as at 31 March 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.

DnB NOR aims to increase the share of income from the Group's international operations. As part of this strategy, DnB NOR has presented an offer to acquire the Swedish real estate brokerage chain Svensk Fastighetsförmedling AB. Through this transaction, the real estate brokerage operations of DnB NOR will become the most extensive in the Nordic region. During the first quarter of the year, DnB NOR Finans entered into an agreement to acquire SEB's leasing portfolio within vendor-based car financing in Sweden. 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. In April 2007, the Group received a concession for the acquisition. DnB NOR expanded its operations in Asia during the first quarter of 2007 through the establishment of Corporate Finance Asia, a Singapore-based unit offering investment banking services. DnB NOR has adopted a plan to sell all remaining bank buildings.

New capital adequacy regulations, Basel II, entered into force with effect from 2007. During the first quarter of the year, Kredittilsynet (the Financial Supervisory Authority of Norway) granted DnB NOR permission to use the foundation IRB approach for credit risk to calculate capital adequacy for some portfolios as from 1 January 2007.

Income

Income totalled NOK 7 513 million for the January through March period, an increase of NOK 350 million or 4.9 per cent from the first quarter of 2006.

Net interest income

Net interest income was NOK 3 985 million in the first quarter of 2007, up NOK 363 million or 10.0 per cent compared with the year-earlier period.

Average lending increased by NOK 118 billion or 16.6 per cent from the first quarter of 2006. The rise mainly represented well-secured housing loans and corporate customer loans with low or medium risk. There was a rise of NOK 63 billion or 15.0 per cent in average deposits. Lending spreads contracted by 0.30 percentage points compared with the year-earlier period, standing at 1.09 per cent at end-March 2007. During the same period, deposit spreads expanded by 0.20 percentage points to 0.95 per cent at end-March 2007.

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

Changes in net interest income

Amounts in NOK million	1st quarter 2007	Change	1st quarter 2006
Net interest income	3 985	363	3 622
DnB NORD	233	79	154
Lending and deposit volumes		415	
Lending and deposit spreads		(347)	
Other		216	

Net other operating income

Net other operating income amounted to NOK 3 528 million in the first quarter of 2007, down NOK 13 million compared with the corresponding period of 2006. The reduction must be viewed in light of the very high level of income, particularly from corporate finance activities, in the first quarter of 2006.

Net other operating income represented 47.0 per cent of total income in the first quarter of 2007, as against 49.4 per cent in the year-earlier period.

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

Changes in net other operating income

Amounts in NOK million	1st quarter 2007	Change	1st quarter 2006
Net other operating income	3 528	(13)	3 541
DnB NORD	105	34	71
Net commissions and fees		(28)	
Net gains on equity investments		49	
Net gains on other financial instruments		(21)	
Net financial and risk result in Vital		(62)	
Other income		16	

Operating expenses

Operating expenses totalled NOK 3 744 million in the first quarter of 2007, up NOK 285 million from the year-earlier period. Excluding operations in DnB NORD, there was a NOK 216 million rise in expenses.

The cost trend in the first quarter of 2007 reflected rising personnel expenses due to higher pension costs and the result of the 2006 wage settlements. In addition, the Group is in the midst of a period of investment, product development and international start-ups. The investments will ensure a broader income base and improve conditions for future

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

income growth in DnB NOR.

Pension expenses rose by NOK 60 million in the first quarter of 2007 compared with the year-earlier period. The increase was partly attributable to new calculations of pension commitments due to higher anticipated life expectancy.

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

Changes in operating expenses

Amounts in NOK million	1st quarter 2007	Change	1st quarter 2006
Operating expenses	3 744	285	3 459
DnB NORD	220	69	151
Wage settlements		64	
Pension expenses		60	
IT development		40	
Depreciation and write-downs		27	
Synergies		(23)	
Other		48	

Net gains on fixed and intangible assets

Net gains on fixed and intangible assets came to NOK 5 million in the first quarter of 2007, compared with NOK 12 million in the year-earlier period. The gains referred to the sale of properties.

Write-downs on commitments

Write-downs on loans and guarantees came to NOK 51 million, with individual write-downs of NOK 88 million and reversals on group write-downs of NOK 37 million. The reversals on group write-downs reflected the positive trend in the Norwegian economy.

Portfolio quality showed a continued positive trend in the first quarter of 2007. After deductions for individual write-downs, net non-performing and impaired commitments came to NOK 3 367 million at end-March 2007, a decline of NOK 433 million from 31 December 2006. Net non-performing and impaired commitments represented 0.39 per cent of net lending at end-March 2007, down from 0.64 per cent a year earlier.

Taxes

The DnB NOR Group's tax charge for the first quarter of 2007 was NOK 856 million. The tax charge is based on an anticipated average tax rate of 23 per cent of the Group's pre-tax operating profits.

Balance sheet and assets under management

At end-March 2007, total combined assets in the DnB NOR Group were NOK 1 747 billion, an increase of NOK 257 billion or 17.2 per cent from a year earlier.

Total assets in the Group's balance sheet were NOK 1 384 billion as at 31 March 2007, as against NOK 1 138 billion a year earlier.

Net lending to customers rose by NOK 115 billion or 15.8 per cent during the twelve-month period.

Customer deposits rose by NOK 82 billion or 19.6 per cent from the first 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 59.7 per cent at end-March 2007, up from 57.8 per cent a year earlier.

Securities issued by the Group increased by NOK 68 billion or 26.1 per cent from the first quarter of 2006, totalling NOK 330 billion at end-March 2007. The majority of the securities were issued in international capital markets. DnB NOR has good access to the European, US and Asian capital markets, and there was a significant increase in the Group's funding in the US capital market in 2006.

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 224.4 billion as at 31 March 2007, compared with NOK 215.7 billion a year earlier.

Risk and capital adequacy

DnB NOR quantifies risk by measuring risk-adjusted capital requirement. The net risk-adjusted capital requirement increased by NOK 0.1 billion in the January through March period of 2007, to NOK 40.8 billion. The table below shows developments in the risk-adjusted capital requirement:

Amounts in NOK billion	31 March 2007	31 Dec. 2006	31 March 2006
Credit risk	35.1	36.0	33.8
Market risk	2.7	2.4	2.0
Ownership risk for Vital	9.7	7.5	10.6
Operational risk	5.0	4.8	4.4
Business risk	2.4	2.4	2.2
Gross risk-adjusted capital	55.0	53.0	53.0
Diversification effect [1]	14.2	12.3	13.9
Net risk-adjusted capital	40.8	40.7	39.1
Diversification effect in per cent of gross risk-adjusted capital [1]	25.8	23.3	26.2

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.*

The decline in credit risk reflects improved credit quality and a moderate increase in credit volumes. Lending growth remains brisk in the retail market, while corporate credit volumes have been stable. The Group has taken a cautious approach to extending credit to acquisition financing and commercial property projects.

Measured by the risk-adjusted capital requirement, risk related to Vital rose during the first quarter of 2007. The reason for this was a significant increase in equity investments representing risk exposure that was only partially offset through the build-up of buffers and higher interest rate levels. Vital continued its extensive programme to hedge against major reductions in equity prices. Both short-term and long-term interest rates are at a level that ensures a significant positive margin relative to policyholders' guaranteed rate of return. Without considering other factors, this will reduce ownership risk in Vital in future.

There was a slight increase in market risk due to the bank's higher exposure in equity instruments.

During the first quarter, parts of DnB NOR's IT systems were affected by computer viruses. The cleanup process took some time, and the problems had certain negative effects on operations, though the impact on the bank's IT solutions for customers was less serious.

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

Amounts in NOK billion	31 March 2007	31 Dec. 2006	31 March 2006
4.25 per cent of risk-weighted assets	37.2	37.4	32.7
Capital buffer	13.6	13.3	12.7
Core capital target excl. hybrid securities	50.8	50.7	45.5
Statutory deductions in core capital	11.4	4.4	3.7
Equity target	62.1	55.1	49.1
Actual equity [1]	67.6	57.8	53.3
Equity reserve	5.5	2.7	4.2

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 at 31 March 2007.*

The equity reserve increased to NOK 5.5 billion, reflecting the fact that risk-weighted volume included in the calculation of the capital adequacy requirement was reduced due to the conversion to new capital adequacy regulations, healthy earnings and a stable risk-adjusted capital requirement. Calculations indicate that the Group is well capitalised.

The DnB NOR Group has been granted permission to use the foundation IRB approach for credit risk as from 1 January 2007. Use of the foundation IRB approach implies that the bank's own classification systems can be used for capital adequacy purposes. The portfolios for which the Group has been granted permission to use the foundation IRB approach comprises loans to small and medium-sized companies as well as loans to retail customers secured by residential property, excluding Postbanken and DnB NOR Boligkreditt. See further description in note 18.

Risk-weighted volume included in the calculation of the formal capital adequacy requirement declined by NOK 8.6 billion during the first quarter, to NOK 871.7 billion. This was due to a NOK 27.7 billion increase according to previous rules and a NOK 36.3 billion reduction according to transitional rules for IRB measurement. In the first quarter of 2007, capital adequacy is calculated on the basis of IFRS accounts for the first time. The increase in statutory deductions in core capital mainly reflects the conversion from NGAAP to IFRS. Including 50 per cent of interim profits, the core capital ratio was 7.6 per cent, while the capital adequacy ratio was 10.8 per cent.

Business areas

The activities of DnB NOR are organised in five 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

Corporate Banking and Payment Services achieved pre-tax operating profits of NOK 1 783 million in the first quarter of 2007, an increase of NOK 312 million from the year-earlier period. Strong growth in lending and deposit volumes contributed to the rise in profits.

Reflecting the healthy rise in credit demand throughout 2006, average loans and guarantees rose by NOK 78.8 billion from the first quarter of 2006, to NOK 448.0 billion. Sound profit margins among Norwegian corporate clients has also ensured a boost in liquidity in the business sector. Average deposits thus increased by NOK 41.1 billion from the year-earlier period, to NOK 271.8 billion.

Ordinary net interest income was up NOK 234 million in the first quarter of 2007 compared with the year-earlier period. There was continued strong competition in the Norwegian and international markets, and the combined spread contracted by 0.10 percentage points from the first quarter of 2006 to the corresponding period in 2007.

Due to a high level of customer activity, net other operating income increased by NOK 85 million from the first quarter of 2006. There was a rise in income from syndicated loans, foreign exchange and interest rate products and guarantee commissions, while lower corporate finance activity reduced income from this product area.

Operating expenses totalled NOK 982 million in the first quarter of the year, up NOK 119 million from the corresponding period of 2006. The increase reflected international initiatives in 2006, resulting in rising staff numbers and greater investments. In addition, there was strong wage growth in Norwegian operations compared with the first quarter of 2006. The cost/income ratio was 35.2 per cent in the first quarter, an improvement of 2.0 percentage points from the corresponding period in 2006. At end-March 2007, staff in Corporate Banking and Payment Services represented 2 635 full-time positions, including 606 positions in subsidiaries and 445 in international units.

Due to sound quality in the credit portfolios combined with the healthy economic trend, write-downs were low in the January through March period. Net write-downs came to NOK 31 million.

Market shares showed a satisfactory trend, and the market share of credit to Norwegian corporate clients was 15.1 per cent at end-February 2007, on a level with the figure a year earlier.

In the first quarter of 2007, DnB NOR acquired a car loan portfolio in Sweden valued at approximately SEK 2.4 billion.

Corporate Banking and Payment Services anticipates a continued high level of activity, though credit growth is expected to stabilise. The fierce competition is expected to prevail, causing continued pressure on spreads.

Retail Banking

Retail Banking recorded pre-tax operating profits of NOK 878 million in the first quarter of 2007, down NOK 227 million from the corresponding period in 2006. The decline was an anticipated consequence of narrowing spreads during the period.

Brisk demand for housing loans caused an increase in average lending of 11.1 per cent or NOK 41 billion from the first quarter of 2006, to NOK 412 billion in the first quarter of 2007. Customer deposits increased by 9.1 per cent or NOK 18 billion to NOK 212 billion during the same period.

Net interest income from ordinary operations declined by NOK 185 million compared with the first quarter of 2006, to NOK 1 604 million. Due to strong competition in the housing loan market, lending spreads contracted, standing at 1.08 per cent in the first quarter of 2007. Notification periods in connection with changes in customer interest rates will normally cause a shortfall in net interest income during periods of rising interest rates.

Net other operating income totalled NOK 775 million, down NOK 24 million from the year-earlier period. The reduction in income from payment transactions was partly offset by higher income from sales of insurance, mutual fund and structured products.

Operating expenses were up 3.5 per cent, totalling NOK 1 553 million in the first quarter of the year, up from NOK 1 500 million in the year-earlier period. The cost/income ratio was 61.9 per cent, as against 56.0 per cent in the first quarter of 2006. Retail Banking staff numbered 4 111 full-time positions at end-March 2007.

Write-downs on loans remained low, totalling NOK 77 million for the January through March period in 2007.

Equities trading via mobile phones was offered to DnB NOR's customers during the first quarter. Retail customers will soon be given the opportunity to invest in savings products which have previously been reserved for large institutional customers. Through cooperation with Vital, retail customers will be offered investments in a global portfolio of private equity funds. In March 2007, a special customer loyalty programme, Partner Start, was introduced for corporate clients and one-man businesses in the start-up phase. BankID, which is a personal electronic proof of identity for secure identification and signatures on the Internet, is under establishment and will be offered customers in the course of the year.

At end-February 2007, the market share of credit to retail customers was 29.6 per cent, down from 30.2 per cent at end-March 2006. The market share of savings was 37.1 per cent at end-February 2007. The number of customers subscribing to loyalty programmes increased by 14 per cent during the 12-month period, totalling 1 080 000 at end-March, of whom 660 000 were under the DnB NOR brand while 420 000 had Postbanken Leve product packages. Postbanken Eiendom was established in 2006 and had 19 franchise offices as at 31 March 2007.

Retail Banking aims to strengthen its position in a market characterised by intense competition from domestic and international players. Competition will be met by developing new products and distribution solutions geared to the market and by making efficient use of the broad distribution network. Retail Banking will also seek future growth outside Norway. As part of this strategy, DnB NOR has presented an offer to acquire the Swedish real estate brokerage chain Svensk Fastighetsförmedling AB. Through this transaction, the real estate brokerage operations of DnB NOR will become the most extensive in the Nordic region.

DnB NOR Markets

DnB NOR Markets achieved pre-tax operating profits of NOK 647 million in the first quarter of 2007, up NOK 52 million from the year-earlier period. Return on capital was 53.2 per cent. Due to stock market volatility, income from equities brokerage and corporate finance activity was lower than in the first quarter of 2006. However, higher income from foreign exchange and interest rate products and custodial and other securities services more than compensated for the decline.

Total revenues were NOK 1 063 million in the first quarter of 2007, an increase from NOK 1 010 million in the year-earlier period.

Costs totalled NOK 392 million in the first quarter of 2007, a decline from NOK 415 million in the January through March period in 2006. The 6 per cent reduction was due to non-recurring items in the first quarter of 2007. The cost/income ratio was 36.9 per cent, and full-time positions numbered 569 at end-March 2007.

Customer-related income from foreign exchange and interest rate derivatives rose to NOK 306 million in the first quarter of 2007, from NOK 268 million a year earlier. Higher Norwegian money market rates boosted demand for interest rate hedging products, while demand for foreign exchange products remained stable compared with the year-earlier period.

Customer-related revenues from the sale of securities and other investment products came to NOK 230 million, as against NOK 259 million in the first quarter of 2006. There was healthy demand for savings products such as property funds, bonds with embedded credit derivatives, index-linked bonds and equity-linked bank deposits. During the quarter, DnB NOR Markets launched bank deposits with returns linked to mutual funds based on DnB NOR Asset Management's equity and hedge funds. In addition, equities trading by mobile phone was introduced.

Customer-related revenues from corporate finance services were NOK 148 million, down NOK 64 million from the high level in the first quarter of 2006. In March 2007, DnB NOR Markets established a corporate finance department for Asia at the bank's branch in Singapore. There was a high level of activity in the debt capital markets, and DnB NOR Markets was the leading arranger of bond issues in Norwegian kroner in the first quarter of 2007.

Customer-related revenues from the sale of custodial and other securities services rose to NOK 91 million, from NOK 70 million in the first quarter of 2006. The 30 per cent increase reflected a high level of activity within securities lending and among international investors on Oslo Børs.

Earnings from market making and other proprietary trading totalled NOK 251 million, an increase from NOK 184 million in the year-earlier period. A rise in income from trading in interest rate instruments and narrower credit margins on bonds were factors contributing to the good performance.

Stock market activity, credit market trends and fluctuations in the NOK exchange rate and Norwegian interest rate levels will be decisive factors for the business area's future performance. Strong competition and an increase in electronic trading are expected to further increase the pressure on prices. Activity levels are generally lower in the second than in the first quarter of the year.

Vital

Vital achieved an increase in premium income for group pensions and a healthy recorded return on capital in the first quarter of 2007. Estimated profits for distribution to policyholders were NOK 2 061 million, and pre-tax profits totalled NOK 372 million, a decline from NOK 425 million in the year-earlier period.

The recorded return on capital was 2.2 per cent, as against 2.1 per cent in the first quarter of 2006. The value-adjusted return, excluding changes in unrealised gains in the portfolio of held-to-maturity securities, was 1.4 per cent, compared with 2.8 per cent in the year-earlier period. The main factor behind the lower value-adjusted return in the first quarter of 2007 was a moderate stock market upturn compared with the corresponding period in 2006.

During the first quarter of 2007, the securities adjustment reserve was reduced by NOK 1.5 billion, totalling NOK 5.6 billion as at 31 March. The risk result increased by NOK 47 million, standing at NOK 13 million in the first quarter of 2007. The administration result was negative at NOK 20 million, an improvement of NOK 4 million from the year-earlier period.

Total assets were NOK 224.4 billion at end-March 2007, up 0.3 per cent from end-December 2006. Due to rising interest rate levels and undefined parameters for guaranteed retail market products, there were extensive repurchases of such products during the first quarter of 2007. Recorded policyholders' funds within defined-contribution pension schemes totalled NOK 2 575 million at end-March 2007, up 16 per cent since year-end 2006.

Premium income totalled NOK 8.9 billion in the first quarter of 2007, down 10 per cent from the year-earlier period. Premium income for group pensions rose by 6 per cent from the first quarter of 2006, standing at NOK 6.5 billion. In the individual market, rising interest rate levels and undefined parameters resulted in a 35 per cent reduction in premium income compared with the first quarter of 2006, to NOK 2.4 billion.

Vital recorded a net inflow of transfers of NOK 0.2 billion in the first quarter of 2007, while there was a net outflow of transfers of NOK 0.3 billion in the year-earlier period.

As part of DnB NOR's international initiatives, Vital established operations in Latvia on 19 March 2007, based on distribution via DnB NORD's branch network.

In February 2007, Bård Benum, managing director of Vital since 2003, announced his resignation to take over as president and CEO of a listed company located in Trondheim. Tom Rathke was appointed new managing director of Vital and group executive vice president in DnB NOR with effect from 30 April 2007, leaving his position as financial director in Vital.

Vital Forsikring and Vital Link merged in February 2007 with accounting effect from 1 January 2007.

During 2006, it was decided to remove tax concessions on individual pension products. In March 2007, a settlement was reached in the Norwegian parliament which, among other things, entails the introduction of tax incentives on individual savings as from 2008. Vital has developed new products which are in compliance with the new external parameters.

Vital's market share of policyholders' funds was 34.7 per cent at end-December 2006. Vital led the mandatory occupational pension market at end-March 2007, with market shares of 29.6 per cent in terms of number of members of such schemes and 19.1 per cent in terms of number of schemes.

As at 31 March 2007, solvency capital totalled NOK 24.2 billion, up from NOK 23.5 billion at end-December 2006. The increase reflected first-quarter profits, reductions in the securities adjustment reserve and lower unrealised gains in the portfolio of bonds held to maturity.

Vital is on schedule in adapting operations to new regulations entering into force as from 2008. Vital is well prepared to meet the competition in the market and has a strong ambition to further develop its position as the pension specialist in the Norwegian market in future.

DnB NOR Asset Management

DnB NOR Asset Management recorded pre-tax operating profits of NOK 110 million in the first quarter of 2007, down NOK 9 million from the year-earlier period.

Revenues totalled NOK 292 million, on a level with the first quarter of 2006. Commission income came to NOK 281 million, up NOK 1 million from the year-earlier period. Commission income from the retail market stood at NOK 128 million, while income from institutional clients was NOK 153 million.

The distribution agreement with Retail Banking was renegotiated during the first quarter of 2007. The new agreement gives Retail Banking a larger share of revenues.

Operating expenses for the January through March period of 2007 were NOK 182 million, up NOK 10 million compared with the corresponding period in 2006. The cost/income ratio was 62.3 per cent. Full-time positions numbered 302 at end-March 2007.

As at 31 March 2007, the business area had NOK 546 billion under management, an increase of NOK 16 billion from end-March 2006. NOK 23.7 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 Swedish krona gave a positive exchange effect of NOK 15.1 billion on international securities under management. The net outflow of funds was NOK 22.8 billion.

Assets under management from the Norwegian market rose by 2.9 per cent. For the portfolio outside Norway, there was a 3.1 per cent increase in assets, measured in Norwegian kroner. Investment funds from the retail market amounted to NOK 61.3 billion at end-March after a net increase of NOK 1.9 billion. The corresponding figures for institutional clients were NOK 484.3 billion and a net reduction of NOK 4.4 billion. At end-March 2007, the total number of savings schemes exceeded 315 000.

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

During the first quarter of the year, more than 7 400 savings schemes were entered into under the Save Smart concept introduced in autumn 2005. Through the Save Smart funds, clients achieve an optimal spread on various investment alternatives and markets depending on their preferred investment horizon and risk profile. Annual subscriptions under savings schemes rose by 8.0 per cent from end-December 2006, to NOK 3.0 billion.

At end-March 2007, 44 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 35.8 per cent.

DnB NOR Asset Management expects an increasing number of European market participants to opt for outsourcing of investment operations services. The range of such services related to mutual fund activity and asset management will be expanded with a view to offering such services to other market participants. The first external customer in Norway started using DnB NOR Asset Management's solutions in the first quarter of 2007.

DnB NOR Asset Management anticipates a rise in private financial savings in both Norway and Sweden, and the business area is well positioned to take part in this growth. Initiatives in the Swedish retail market take place in cooperation with other business areas in the Group. Moreover, distribution will be strengthened in Germany via Luxembourg while a distribution network will be established in the Baltic region and Poland as part of the cooperation with DnB NORD.

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

DNB NORD recorded pre-tax operating profits of NOK 109 million in the first quarter of 2007, up NOK 44 million compared with the year-earlier period, mainly reflecting a strong rise in volumes.

Customer lending averaged NOK 38.9 billion in the first quarter of 2007, up 63.7 per cent from the corresponding period in 2006. Average deposit volume rose by 24.5 per cent from the year-earlier period, to NOK 13.0 billion.

Income totalled NOK 338 million in the first quarter of the year, an increase of NOK 113 million or 50.2 per cent from the first quarter of 2006. Costs represented NOK 220 million for the January through March period in 2007, up NOK 69 million or 45.7 per cent from the first quarter of 2006. The cost/income ratio was 65.1 per cent. At end-March 2007, DnB NORD staff represented 2 111 full-time positions.

A key strategic target for DnB NORD is to take part in the extensive commercial and investment activities throughout the Baltic Sea region. In order to succeed, major efforts are being made to harmonise products and integrate IT systems and products in the DnB NORD network, ensuring that products and services can be offered across national borders. This is expected to provide economies of scale and boost revenues.

In Poland, Denmark and Finland, DnB NORD is a full-service bank for corporate customers, while the entities in the Baltic region also serve retail customers and small businesses. DnB NORD is well represented in the Baltic region and Poland, with more than 715 000 customers and 122 branches, and is thus well positioned and has good prospects in markets showing considerable growth.

Strong credit growth is expected in the Baltic region in 2007, and DnB NORD expects to grow in pace with the total market. In early autumn 2006, DnB NOR initiated measures to minimise losses in the event of exchange rate volatility in Latvia. In the short term, 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 here by focusing on small and medium-sized companies. The agreement to acquire BISE Bank is 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

Towards the end of 2006, the strong growth in the Norwegian economy accelerated and underlying growth at the beginning of 2007 was very high. A high level of optimism among households and businesses indicate continued solid growth in the mainland economy in 2007. A lack of available resources in several areas will, however, curb the growth potential of certain business sectors, while a global economic cool-down may cause export growth to decline somewhat. It is expected that rising interest rates may result in a slowdown in both household consumption and investment growth.

Competition in the savings and loan markets is expected to continue to increase. To meet the intensifying competition, the Group will exploit in full its size and scale of operations. In addition, productivity and cost awareness will be enhanced at all levels to ensure a cost/income ratio below 50 per cent in 2008.

Due to DnB NOR's position in the domestic market and intensifying competition in Norway, the Group will seek future growth also abroad. Therefore, during the last few years, the significance of the Group's international operations has increased and the target is that the future share of income from international operations will increase. DnB NOR's strategy is to expand internationally in sectors and product areas where the Group has acquired special competence based on several years' experience, while it will remain important to accompany Norwegian customers when they establish businesses outside Norway. The Group will closely observe future developments in the Nordic financial markets.

Favourable economic conditions for Norway and DnB NOR indicate that 2007 will be a profitable year for the Group, with limited write-downs on loans.

Oslo, 2 May 2007
The Board of Directors of DnB NOR ASA

Olav Hytta (chairman)	Bjørn Sund (vice-chairman)	Per Hoffmann
Nina Britt Husebø	Berit Kjøll	Jørn O. Kvilhaug
Bent Pedersen	Heidi M. Petersen	Ingjerd Skjeldrum
Anne Carine Tanum	Per Terje Vold	Rune Bjerke (group chief executive)

Contents – quarterly accounts

DnB NOR Group

Notes to the accounts

DnB NOR ASA

Income statement [1)]

Amounts in NOK million	Note	DnB NOR Group 1st quarter 2007	1st quarter 2006	Full year 2006	Full year 2005
Total interest income	4	13 386	8 864	42 381	29 973
Total interest expenses	4	9 401	5 242	27 092	16 363
Net interest income	4	**3 985**	**3 622**	**15 289**	**13 610**
Commissions and fees receivable etc.	5	2 322	2 328	8 963	8 362
Commissions and fees payable etc.	5	587	574	2 253	2 320
Net gains on financial instruments at fair value	5, 6	1 057	1 015	3 610	2 915
Net gains on assets in Vital	3, 5	4 572	4 941	16 131	14 379
Guaranteed returns and allocations to policyholders in Vital	3, 5	4 193	4 453	14 584	13 111
Premium income etc. included in the risk result in Vital	3, 5	1 414	1 063	4 314	3 925
Insurance claims etc. included in the risk result in Vital	3, 5	1 401	1 097	4 324	3 828
Net realised gains on investment securities (AFS)	5	0	0	0	167
Profit from companies accounted for by the equity method	5	37	29	171	118
Other income	5	306	290	1 176	1 117
Net other operating income	5	**3 528**	**3 541**	**13 204**	**11 725**
Total income		**7 513**	**7 163**	**28 493**	**25 335**
Salaries and other personnel expenses	7	2 129	1 925	7 967	6 737
Other expenses	7	1 416	1 375	5 745	5 474
Depreciation and impairment of fixed and intangible assets	7	199	159	715	653
Total operating expenses	7	**3 744**	**3 459**	**14 427**	**12 864**
Net gains on fixed and intangible assets	9	5	12	365	775
Write-downs on loans and guarantees	10, 11	51	(26)	(258)	137
Pre-tax operating profit		**3 723**	**3 743**	**14 689**	**13 109**
Taxes		856	894	2 881	2 965
Profit from discontinuing operations after taxes		0	0	0	0
Profit for the period		**2 866**	**2 849**	**11 808**	**10 144**
Profit attributable to shareholders		2 812	2 815	11 665	10 131
Profit attributable to minority interests		54	34	143	13
Earnings per share (NOK)		2.11	2.11	8.74	7.59
Diluted earnings per share (NOK)		2.11	2.11	8.74	7.59
Earnings per share for discontinuing operations (NOK)		0.00	0.00	0.00	0.00
Diluted earnings per share for discontinuing operations (NOK)		0.00	0.00	0.00	0.00

1) See note 3 for specification of income statement items in Vital.

Balance sheets 1)

Amounts in NOK million	Note	31 March 2007	31 Dec. 2006	31 March 2006	31 Dec. 2005
		DnB NOR Group			
Assets					
Cash and deposits with central banks		18 685	11 453	2 742	21 229
Lending to and deposits with credit institutions	13	109 713	71 091	67 955	40 854
Lending to customers	12, 13, 14	842 298	827 947	727 571	697 579
Commercial paper and bonds		165 668	172 040	151 725	145 475
Shareholdings		61 091	51 393	43 510	35 980
Financial assets, customers bearing the risk		18 867	18 840	15 143	13 136
Financial derivatives		58 006	57 999	30 468	33 913
Shareholdings, available for sale		0	0	0	0
Commercial paper and bonds, held to maturity		60 093	62 444	56 518	52 587
Investment property		25 846	25 816	23 583	23 143
Investments in associated companies		1 467	1 515	1 440	1 402
Intangible assets	15	6 393	6 471	6 159	6 042
Deferred tax assets		28	38	53	52
Fixed assets		5 590	5 478	5 121	5 120
Biological assets		0	0	0	0
Discontinuing operations		27	27	0	27
Other assets		9 888	7 691	6 407	4 889
Total assets		**1 383 659**	**1 320 242**	**1 138 395**	**1 081 428**
Liabilities and equity					
Loans and deposits from credit institutions		141 592	124 372	110 518	108 056
Deposits from customers		503 129	474 526	420 836	410 991
Financial derivatives		59 474	58 812	31 280	31 845
Securities issued	16	330 288	326 806	261 847	236 631
Insurance liabilities, customers bearing the risk		18 867	18 840	15 143	13 136
Liabilities to life insurance policyholders		189 715	188 096	182 838	174 675
Payable taxes		4 707	4 091	1 687	943
Deferred taxes		767	730	1 832	1 759
Other liabilities		23 951	18 812	18 090	14 333
Discontinuing operations		0	0	0	0
Provisions		4 582	4 768	4 412	4 594
Subordinated loan capital	16	37 432	33 977	28 215	26 112
Total liabilities		**1 314 503**	**1 253 829**	**1 076 695**	**1 023 075**
Minority interests		2 226	2 201	1 520	946
Revaluation reserve		0	0	0	0
Share capital		13 341	13 341	13 369	13 369
Other reserves and retained earnings		53 589	50 870	46 811	44 038
Total equity		**69 156**	**66 413**	**61 699**	**58 353**
Total liabilities and equity		**1 383 659**	**1 320 242**	**1 138 395**	**1 081 428**
Off-balance sheet transactions and contingencies	19				

1) *See note 3 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
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	(9)				(42)	(42)	(50)
Profit for the period	34				2 815	2 815	2 849
Net income for the period	26				2 773	2 773	2 799
Minority interests DnB NORD	545						545
Other minority interests	3				(1)	(1)	2
Balance sheet as at 31 March 2006	**1 520**	**0**	**13 369**	**11 963**	**34 848**	**46 811**	**61 699**
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	(30)				(93)	(93)	(123)
Profit for the period	54				2 812	2 812	2 866
Net income for the period	25				2 719	2 719	2 744
Balance sheet as at 31 March 2007	**2 226**	**0**	**13 341**	**11 963**	**41 626**	**53 589**	**69 156**

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	*(9)*	*(42)*	*(50)*
Balance sheet as at 31 March 2006	*(9)*	*(118)*	*(127)*
Balance sheet as at 31 December 2006	*44*	*(44)*	*0*
Net change in currency translation reserve	*(30)*	*(93)*	*(123)*
Balance sheet as at 31 March 2007	*14*	*(137)*	*(123)*

Cash flow statements

Amounts in NOK million	1st quarter 2007	1st quarter 2006	Full year 2006	Full year 2005
				DnB NOR Group
OPERATIONS				
Net payments on loans to customers	(14 417)	(27 345)	(135 673)	(86 045)
Net receipts on deposits from customers	27 313	8 165	66 315	45 478
Interest received from customers	11 833	7 283	40 136	25 572
Interest paid to customers	(2 739)	(985)	(9 065)	(6 421)
Net receipts/payments on sales of financial assets for investment or trading	7 467	(11 688)	(33 948)	(22 547)
Net receipts on commissions and fees	2 354	2 184	9 243	8 689
Payments to operations	(4 351)	(4 045)	(15 726)	(14 918)
Taxes paid	(222)	(72)	(613)	(1 848)
Receipts on premiums	8 177	6 146	17 442	17 803
Net receipts/payments on premium reserve transfers	(11)	(111)	(2 209)	1 704
Payments of insurance settlements	(5 657)	(2 498)	(11 942)	(8 017)
Other receipts	262	362	1 107	1 078
Net cash flow relating to operations	**30 009**	**(22 604)**	**(74 932)**	**(39 472)**
INVESTMENT ACTIVITY				
Net payments on the acquisition of fixed assets	(356)	(197)	(932)	(242)
Receipts on the sale of long-term investments in shares	0	0	212	1 291
Payments on the acquisition of long-term investments in shares	0	(144)	(167)	(1 349)
Dividends received on long-term investments in shares	87	46	115	59
Net cash flow relating to investment activity	**(269)**	**(295)**	**(771)**	**(241)**
FUNDING ACTIVITY				
Net receipts/payments on loans from credit institutions	(16 010)	(23 662)	(8 215)	19 543
Net receipts/payments on other short-term liabilities	(1 140)	1 030	(2 786)	2 463
Net issue of bonds and commercial paper [1)]	5 342	28 138	95 281	37 685
Issue of subordinated loan capital	4 310	2 925	10 302	1 594
Redemptions of subordinated loan capital	0	(296)	(2 433)	(952)
Repurchase of own shares/share issue	0	527	(212)	320
Dividend payments	0	0	(4 680)	(3 410)
Net interest payments on funding activity	(8 430)	(2 554)	(17 674)	(7 413)
Net cash flow from funding activity	**(15 928)**	**6 108**	**69 583**	**49 830**
Net cash flow	**13 812**	**(16 791)**	**(6 120)**	**10 116**
Cash as at 1 January	18 594	24 714	24 714	14 597
Net receipts/payments on cash	13 812	(16 791)	(6 120)	10 116
Cash at end of period	32 405	7 922	18 594	24 714

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 2005 and 2006 funded by issuing bonds and commercial paper.*

Key figures 1)

		DnB NOR Group			
		1st quarter 2007	1st quarter 2006	Full year 2006	Full year 2005
Interest rate analysis					
1.	Combined average spread for lending and deposits (%)	2.04	2.15	2.10	2.19
2.	Spread for ordinary lending to customers (%)	1.09	1.40	1.28	1.49
3.	Spread for deposits from customers (%)	0.95	0.75	0.82	0.70
Rate of return/profitability					
4.	Net other operating income, per cent of total income	47.0	49.4	46.3	46.3
5.	Cost/income ratio (%)	49.8	48.3	50.1	50.2
6.	Return on equity, annualised (%)	17.2	19.2	19.5	18.8
7.	RARORAC, annualised (%)	22.7	24.8	22.0	24.1
8.	RORAC, annualised (%)	26.0	28.9	26.4	29.8
9.	Average equity including allocated dividend (NOK million)	65 571	58 793	59 862	53 111
10.	Return on average risk-weighted volume, annualised (%)	1.31	1.54	1.50	1.58
Financial strength					
11.	Core (Tier 1) capital ratio at end of period (%)	7.4	7.0	6.7	7.4
12.	Core (Tier 1) capital ratio incl. 50 per cent of profit for the period (%)	7.6	7.2	-	-
13.	Capital adequacy ratio at end of period (%)	10.7	10.0	10.0	10.2
14.	Capital adequacy ratio incl. 50 per cent of profit for the period (%)	10.8	10.2	-	-
15.	Core capital at end of period (NOK million)	64 531	54 053	59 054	52 523
16.	Risk-weighted volume at end of period (NOK million)	871 660	770 232	880 292	714 039
Loan portfolio and write-downs					
17.	Write-downs relative to net lending to customers, annualised	0.02	(0.01)	(0.03)	0.02
18.	Net non-performing and impaired commitments, per cent of net lending	0.39	0.64	0.45	0.63
19.	Net non-performing and impaired commitments at end of period (NOK million)	3 367	4 758	3 800	4 751
Liquidity					
20.	Ratio of customer deposits to net lending to customers at end of period (%)	59.7	57.8	57.3	58.9
Total assets owned or managed by DnB NOR					
21.	Assets under management at end of period (NOK billion)	572	550	575	567
22.	Total combined assets at end of period (NOK billion)	1 747	1 490	1 688	1 459
23.	Customer savings at end of period (NOK billion)	1 078	976	1 052	982
Staff					
24.	Number of full-time positions at end of period	12 011	11 575	11 824	11 334
The DnB NOR share					
25.	Number of shares at end of period (1 000)	1 334 089	1 336 875	1 334 089	1 336 875
26.	Average number of shares (1 000)	1 334 089	1 336 875	1 335 449	1 334 474
27.	Earnings per share (NOK)	2.11	2.11	8.74	7.59
28.	Dividend per share (NOK)		-	4.00	3.50
29.	Total shareholders' return (%)	(3.1)	22.6	27.8	25.3
30.	Dividend yield (%)	-	-	4.52	4.86
31.	Equity per share including allocated dividend at end of period (NOK)	50.17	45.01	48.13	42.94
32.	Share price at end of period (NOK)	85.80	88.25	88.50	72.00
33.	Price/book value	1.71	1.96	1.84	1.68
34.	Market capitalisation (NOK billion)	114.5	118.0	118.1	96.3

1) Figures for 2005 do not include DnB NORD and DnB NOR Monchebank.

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	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. 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. Risk-adjusted profits indicate the level of profits in a normalised situation.
8	RORAC (Return On Risk-Adjusted Capital) is defined as profits for the period relative to risk-adjusted capital. 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 divided by average risk-weighted volume.
21	Total assets under management for customers in DnB NOR Asset Management and Vital.
22	Total assets and assets under management.
23	Total deposits from customers, assets under management and equity-linked bonds.
25	Number of shares at end of 2006 are excluding the 2 786 thousand own shares repurchased in accordance with the authorisation issued by DnB NOR's General Meeting.
27	Excluding discontinuing operations and profits attributable to minority interests. Holdings of own shares are not included in calculations of the number of shares.
29	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, divided by closing price at beginning of period.
31	Equity at end of period excluding minority interests divided by number of shares at end of period.
33	The last quoted share price on Oslo Børs at end of period relative to recorded equity at end of period.
34	Number of shares multiplied by the closing share price at end of period.

Note 1 – Accounting principles etc.

Accounting principles

The first quarter accounts have been prepared according to IFRS principles, 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 accounts for 2006.

Changes in IFRS 8 – Segment Reporting and IFRS 2 – Share-based Payment were issued by IASB in the fourth quarter of 2006. Changes in IAS 23 – Borrowing Costs were issued by IASB in the first quarter of 2007. The effective date of these standards is 1 January 2009. Hence, DnB NOR has not adopted these regulations in the first quarter of 2007.

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. Note 2 in the annual accounts for 2006 gives a description of important estimates and assumptions. The same estimates and assumptions have been applied when preparing the accounts for the first quarter of 2007. 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 the first quarter of 2007, see note 7 Operating expenses.

Comparable figures

Comparable figures are based on IFRS. Comparable figures for 2005 have not been restated as a result of the establishment of DnB NORD and purchase of Monchebank.

Note 2 – Business areas

The operational structure of DnB NOR includes five 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 sheets 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 are based on a number of assumptions, estimates and discretionary distribution.

Income statement [1)]

													DnB NOR Group	
	Corporate Banking and Payment Services 1st quarter		Retail Banking 1st quarter		DnB NOR Markets 1st quarter		Vital 1st quarter		DnB NOR Asset Management 1st quarter		DnB NORD 1st quarter		Other operations/ eliminations [2)] 1st quarter	
Amounts in NOK million	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Net interest income - ordinary operations	1 733	1 499	1 604	1 789	52	59	0	0	(1)	(3)	206	143	391	135
Interest on allocated capital	303	154	128	88	37	17	0	0	18	9	27	11	(514)	(279)
Net interest income	2 036	1 653	1 732	1 877	89	76	0	0	17	6	233	154	(123)	(144)
Net other operating income	757	671	775	800	973	934	689	722	275	284	105	71	(47)	58
Total income	2 793	2 325	2 508	2 676	1 063	1 010	689	722	292	290	338	225	(170)	(86)
Operating expenses *)	982	864	1 553	1 500	392	415	318	297	182	172	220	151	97	59
Pre-tax operating profit before write-downs	1 811	1 461	955	1 176	670	595	372	425	110	119	118	74	(267)	(145)
Net gains on fixed and intangible assets	4	7	0	0	(1)	0	0	0	0	0	2	3	1	3
Write-downs on loans and guarantees	31	(4)	77	71	22	0	0	0	0	0	11	11	(90)	(105)
Pre-tax operating profit	1 783	1 472	878	1 105	647	595	372	425	110	119	109	65	(176)	(37)
**) Of which group overhead*	*27*	*23*	*14*	*12*	*6*	*5*	*7*	*8*	*3*	*2*	*0*	*0*	*(58)*	*(51)*

1) Figures for the business areas are based in internal management reporting. The figures have been restated in accordance with the Group's current principles for allocating costs and capital between business areas.

Note 2 – Business areas (continued)

2) Other operations/ eliminations:

Amounts in NOK million	*Elimination of double entries 1st quarter 2007*	*2006*	*Other eliminations 1st quarter 2007*	*2006*	*Group Centre *) 1st quarter 2007*	*2006*
Net interest income - ordinary operations	*(3)*	*(6)*	*(35)*	*(20)*	*429*	*162*
Interest on allocated capital					*(514)*	*(279)*
Net interest income	*(3)*	*(6)*	*(35)*	*(20)*	*(85)*	*(117)*
Net other operating income	*(330)*	*(314)*	*(84)*	*(57)*	*368*	*429*
Total income	*(334)*	*(321)*	*(119)*	*(77)*	*282*	*312*
Operating expenses			*(119)*	*(77)*	*215*	*136*
Pre-tax operating profit before write-downs	*(334)*	*(321)*	*0*	*0*	*67*	*176*
Net gains on fixed and intangible assets			*0*	*0*	*1*	*3*
Write-downs on loans and guarantees			*0*	*0*	*(90)*	*(105)*
Pre-tax operating profit	*(334)*	*(321)*	*0*	*0*	*157*	*284*

The Group Centre includes Human Resources and Group Services, Finance/Group Staff, Risk Management and IT, Corporate Communications, 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. The eliminations refer mainly to internal services from support units to business areas and between business areas. Further, intra-group company 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.

**) Group Centre - pre-tax operating profit in NOK million*	*1st quarter 2007*	*2006*
Income on equities	*241*	*172*
Unallocated write-downs on loans and guarantees	*103*	*91*
Unallocated	*39*	*62*
Funding costs on goodwill	*(49)*	*(30)*
Ownership-related expenses (costs relating to shareholders, investor relations, strategic planning etc.)	*(52)*	*(45)*
Portfolio hedging, Treasury	*(132)*	*60*
Other	*8*	*(27)*
Pre-tax operating profit	*157*	*284*

Main average balance sheet items [1)] **DnB NOR Group**

Amounts in NOK billion	Corporate Banking and Payment Services 1st quarter 2007	2006	Retail Banking 1st quarter 2007	2006	DnB NOR Markets 1st quarter 2007	2006	Vital [2)] 1st quarter 2007	2006	DnB NOR Asset Management 1st quarter 2007	2006	DnB NORD 1st quarter 2007	2006	Other operations/ eliminations 1st quarter 2007	2006
Net lending to customers [3)]	385.6	320.1	412.3	371.1	13.5	7.5					38.9	23.7	(6.5)	(3.6)
Customer deposits [3)]	271.8	230.7	212.1	194.3	14.6	12.8					13.0	10.4	(9.3)	(12.0)
Assets under management							224.0	209.2	547.3	539.4			(181.8)	(174.6)

Key figures [1)] **DnB NOR Group**

Per cent	Corporate Banking and Payment Services 1st quarter 2007	2006	Retail Banking 1st quarter 2007	2006	DnB NOR Markets 1st quarter 2007	2006	Vital 1st quarter 2007	2006	DnB NOR Asset Management 1st quarter 2007	2006	DnB NORD 1st quarter 2007	2006	Other operations 1st quarter 2007	2006
Cost/income ratio	35.2	37.2	61.9	56.0	36.9	41.1	46.1	41.2	62.3	59.1	65.1	67.2		
Ratio of deposits to lending [3)]	70.5	72.1	51.4	52.4							33.3	43.9		
Return on capital [4) 5)]	17.9	18.0	20.8	23.9	53.2	66.9	15.3	18.8	18.6	23.8	13.0	13.5		
Number of full-time positions as at 31 March	2 635	2 596	4 111	4 073	569	538	814	769	302	296	2 111	1 831	1 470	1 472

1) Figures for the business areas are based in internal management reporting. The figures have been restated in accordance with the Group's current principles for allocating costs and capital between business areas.

2) Assets under management include total assets.

3) Based on nominal values and includes lending to/ deposits from credit institutions.

4) 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 Vital and DnB NOR Asset Management.

5) 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 15 per cent and for Vital 0 per cent.

Note 3 – Vital

The business area Vital in DnB NOR comprises Vital Forsikring ASA including subsidiaries. Vital Link AS og Vital Forsikring ASA merged in February 2007 with accounting effect from January 1, 2007. Vital Forsikring ASA including subsidiaries are fully consolidated in the DnB NOR Group's accounts. 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.

Below, the income statement and balance sheets for Vital as included in the DnB NOR Group's accounts, are described.

Income statement 1)

				Vital
Amounts in NOK million	1st quarter 2007	1st quarter 2006	Full year 2006	Full year 2005
Total interest income				
Total interest expenses				
Net interest income				
Commissions and fees receivable etc.	458	450	1 836	1 630
Commissions and fees payable etc.	160	177	673	562
Net gains on financial instruments at fair value				
Net gains on assets in Vital	4 572	4 936	16 117	14 369
Guaranteed returns and allocations to policyholders in Vital	4 193	4 453	14 584	13 111
Premium income etc. included in the risk result in Vital	1 414	1 063	4 314	3 925
Insurance claims etc. included in the risk result in Vital	1 401	1 097	4 324	3 828
Net realised gains on investment securities (AFS)				
Profit from companies accounted for by the equity method				
Other income				
Net other operating income	**689**	**722**	**2 686**	**2 423**
Total income	**689**	**722**	**2 686**	**2 423**
Salaries and other personnel expenses	176	153	676	575
Other expenses	122	124	501	434
Depreciation and impairment of fixed and intangible assets	20	21	77	97
Total operating expenses	**318**	**297**	**1 254**	**1 105**
Net gains on fixed and intangible assets				
Write-downs on loans and guarantees				
Pre-tax operating profit	**372**	**425**	**1 431**	**1 318**
Taxes	0	(2)	(771)	(331)
Profit from discontinuing operations after taxes				
Profit for the period 2)	**372**	**426**	**2 202**	**1 649**

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 3 – Vital (continued)

2) *Breakdown of income statement*

Vital				
Amounts in NOK million	*1st quarter 2007*	*1st quarter 2006*	*Full year 2006*	*Full year 2005*
Interest result	*2 444*	*2 155*	*7 094*	*6 053*
Risk result	*13*	*(34)*	*(10)*	*98*
Administration result [a)]	*(20)*	*(24)*	*(91)*	*(37)*
Transferred from security reserve	*(9)*	*(1)*	*(5)*	*(5)*
Profit for distribution within Vital [*)]	*2 428*	*2 096*	*6 987*	*6 109*
Transferred to additional allocations	*0*	*0*	*2 740*	*1 500*
Funds transferred to policyholders [a)]	*2 061*	*1 677*	*2 838*	*3 290*
+ Reversal of goodwill amortisation	*6*	*6*	*22*	*0*
Pre-tax operating profit in Vital	*372*	*425*	*1 431*	*1 318*
Taxes [a)]	*0*	*(2)*	*(771)*	*(331)*
Profit for the period in Vital	*372*	*426*	*2 202*	*1 649*

**) Specification of profits for distribution*				
Profit for operations subject to profit sharing	*2 444*	*2 097*	*4 267*	*4 582*
- funds transferred to policyholders	*2 061*	*1 677*	*2 838*	*3 290*
- profits for allocation to the owner and taxes	*382*	*420*	*1 429*	*1 292*
Profit from operations not subject to profit sharing	*(16)*	*(1)*	*(20)*	*26*

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.

a) *Figures for 2005 are exclusive of pension expenses resulting from Vital's transition to IFRS in 2005. The transition generated expenses of NOK 434 million, with NOK 282 million for policyholders and NOK 152 million for the owner and taxes. The expenses are reversed in the group accounts as DnB NOR introduced IFRS for pensions with effect from 1 January 2004.*

Note 3 – Vital (continued)

Balance sheets [1]				Vital
	31 March	31 Dec.	31 March	31 Dec.
Amounts in NOK million	2007	2006	2006	2005
Assets				
Cash and deposits with central banks				
Lending to and deposits with credit institutions	8 716	7 185	7 978	11 527
Lending to customers				
Commercial paper and bonds	50 264	57 838	67 144	67 457
Shareholdings	56 057	47 291	39 956	32 445
Financial assets, customers bearing the risk	18 867	18 840	15 143	13 136
Financial derivatives	837	1 654	2 255	786
Commercial paper and bonds, held to maturity	60 093	62 444	56 518	52 587
Investment property	25 697	25 668	23 350	22 872
Investments in associated companies	16	16	14	14
Intangible assets	326	294	279	252
Deferred tax assets	185	185		
Fixed assets	52	75	48	50
Discontinuing operations				
Other assets	3 263	2 161	3 039	1 533
Total assets	**224 375**	**223 650**	**215 725**	**202 659**
Liabilities and equity				
Loans and deposits from credit institutions				
Deposits from customers				
Financial derivatives	828	1 166	233	1 080
Securities issued				
Insurance liabilities, customers bearing the risk	18 867	18 840	15 143	13 136
Liabilities to life insurance policyholders	189 715	188 096	182 838	174 675
Payable taxes				
Deferred taxes			665	99
Other liabilities	2 314	3 259	6 340	1 991
Discontinuing operations				
Provisions	125	124	121	133
Subordinated loan capital	2 545	2 556	2 581	2 594
Total liabilities	**214 393**	**214 040**	**207 919**	**193 708**
Minority interests				
Revaluation reserve				
Share capital	1 310	1 310	1 307	1 307
Other reserves and retained earnings	8 672	8 300	6 498	7 643
Total equity	**9 982**	**9 610**	**7 805**	**8 951**
Total liabilities and equity	**224 375**	**223 650**	**215 725**	**202 659**

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 3 – Vital (continued)

Key figures				Vital
Per cent	1st quarter 2007	1st quarter 2006	Full year 2006	Full year 2005
Recorded return, excluding unrealised gains on financial instruments [1]	2.2	2.1	7.5	7.3
Value-adjusted return, excluding changes in unrealised gains on commercial paper and bonds held to maturity [1]	1.4	2.8	8.1	8.3
Value-adjusted return, including changes in unrealised gains on commercial paper and bonds held to maturity and unrealised gains on current assets [1]	1.1	2.2	6.4	7.7
Return on capital after taxes [2] [3]	15.3	18.8	25.0	20.7
Expenses in per cent of insurance provisions [2]	0.95	1.02	1.00	0.98
Capital adequacy ratio at the end of the period [4] [5]	8.9	10.4	9.8	11.7
Core capital ratio at the end of the period [4] [5]	6.7	7.9	7.4	8.9
Policyholders funds from operations with guaranteed returns, at the end of the period (NOK billion)	190	183	188	175
Policyholders funds from operations with choice of investment profile at the end of the period (NOK billion)	19	15	19	13
Solvency margin capital in per cent of requirement at the end of the period [4] [5] [6]	160	151	164	158
Number of employees calculated on a full-time basis at end of period	814	769	815	756

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

Note 4 – Net interest income

				DnB NOR Group
Amounts in NOK million	1st quarter 2007	1st quarter 2006	Full year 2006	Full year 2005
Interest on loans to and deposits with credit institutions	1 148	444	2 904	1 514
Interest on loans to customers	10 548	7 451	34 630	25 164
Interest on impaired commitments	28	11	124	205
Interest on commercial paper and bonds	1 489	724	3 934	2 114
Front-end fees etc.	120	86	281	97
Other interest income	53	148	508	878
Total interest income	**13 386**	**8 864**	**42 381**	**29 973**
Interest on loans and deposits from credit institutions	1 418	847	4 610	2 554
Interest on demand deposits from customers	3 592	1 976	9 892	5 509
Interest on securities issued	4 013	2 328	12 194	6 314
Interest on subordinated loan capital	480	293	1 466	915
Other interest expenses	(102)	(202)	(1 069)	1 071
Total interest expenses	**9 401**	**5 242**	**27 092**	**16 363**
Net interest income	**3 985**	**3 622**	**15 289**	**13 610**

Note 5 – Net other operating income

	DnB NOR Group			
Amounts in NOK million	1st quarter 2007	1st quarter 2006	Full year 2006	Full year 2005
Money transfer fees receivable	671	717	2 852	3 057
Fees on asset management services	295	335	1 325	1 178
Fees on custodial services	99	89	370	309
Fees on securities broking	122	133	427	370
Corporate finance	149	217	548	415
Interbank fees	30	39	148	185
Credit broking commissions	107	36	290	190
Sales commissions on insurance products	530	512	2 000	1 802
Sundry commissions and fees receivable on banking services	320	249	1 003	855
Total commissions and fees receivable etc.	**2 322**	**2 328**	**8 963**	**8 362**
Money transfer fees payable	232	236	936	1 048
Commissions payable on fund management services	29	30	128	102
Fees on custodial services payable	36	34	119	94
Interbank fees	47	59	219	259
Credit broking commissions	17	7	34	197
Commissions payable on the sale of insurance products	71	61	236	207
Sundry commissions and fees payable on banking services	153	148	582	412
Total commissions and fees payable etc.	**587**	**574**	**2 253**	**2 320**
Net gains on financial instruments at fair value	**1 057**	**1 015**	**3 610**	**2 915**
Net gains on assets in Vital	**4 572**	**4 941**	**16 131**	**14 379**
Guaranteed returns and allocations to policyholders in Vital	**4 193**	**4 453**	**14 584**	**13 111**
Premium income etc. included in the risk result in Vital	**1 414**	**1 063**	**4 314**	**3 925**
Insurance claims etc. included in the risk result in Vital	**1 401**	**1 097**	**4 324**	**3 828**
Net realised gains on investment securities (AFS)	**0**	**0**	**0**	**167**
Profit from companies accounted for by the equity method	**37**	**29**	**171**	**118**
Income from owned/leased premises	21	29	108	96
Fees on real estate broking	167	158	746	645
Net unrealised gains on investment property	0	1	0	(9)
Miscellaneous operating income	118	102	322	384
Total other income	**306**	**290**	**1 176**	**1 117**
Net other operating income	**3 528**	**3 541**	**13 204**	**11 725**

Note 5 – Net other operating income (continued)

Last five quarters					**DnB NOR Group**
Amounts in NOK million	1st quarter 2007	4th quarter 2006	3rd quarter 2006	2nd quarter 2006	1st quarter 2006
Money transfer fees receivable	671	707	719	710	717
Fees on asset management services	295	357	311	322	335
Fees on custodial services	99	97	84	99	89
Fees on securities broking	122	87	81	126	133
Corporate finance	149	184	52	96	217
Interbank fees	30	33	40	36	39
Credit broking commissions	107	92	58	103	36
Sales commissions on insurance products	530	558	443	488	512
Sundry commissions and fees receivable on banking services	320	256	263	236	249
Total commissions and fees receivable etc.	**2 322**	**2 371**	**2 050**	**2 215**	**2 328**
Money transfer fees payable	232	219	243	237	236
Commissions payable on fund management services	29	41	27	30	30
Fees on custodial services payable	36	24	27	35	34
Interbank fees	47	49	57	54	59
Credit broking commissions	17	10	7	10	7
Commissions payable on the sale of insurance products	71	61	47	67	61
Sundry commissions and fees payable on banking services	153	179	122	133	148
Total commissions and fees payable etc.	**587**	**583**	**530**	**566**	**574**
Net gains on financial instruments at fair value	**1 057**	**1 150**	**705**	**739**	**1 015**
Net gains on assets in Vital	**4 572**	**6 022**	**2 723**	**2 445**	**4 941**
Guaranteed returns and allocations to policyholders in Vital	**4 193**	**5 731**	**2 392**	**2 008**	**4 453**
Premium income etc. included in the risk result in Vital	**1 414**	**1 191**	**1 001**	**1 059**	**1 063**
Insurance claims etc. included in the risk result in Vital	**1 401**	**1 146**	**960**	**1 121**	**1 097**
Net realised gains on investment securities (AFS)	**0**	**0**	**0**	**0**	**0**
Profit from companies accounted for by the equity method	**37**	**24**	**94**	**24**	**29**
Income from owned/leased premises	21	29	16	34	29
Fees on real estate broking	167	194	198	197	158
Net unrealised gains on investment property	0	0	0	(1)	1
Miscellaneous operating income	118	100	48	73	102
Total other income	**306**	**323**	**262**	**302**	**290**
Net other operating income	**3 528**	**3 622**	**2 951**	**3 090**	**3 541**

Note 6 – Net gains on financial instruments at fair value

				DnB NOR Group
Amounts in NOK million	1st quarter 2007	1st quarter 2006	Full year 2006	Full year 2005
Dividends	13	34	109	122
Net gains on foreign exchange and financial derivatives	863	906	3 393	3 174
Net gains on financial derivatives, hedging	(208)	(490)	(560)	(490)
Net gains on fixed rate loans	(139)	(388)	(1 247)	(1 712)
Net gains on financial guarantees	117	69	341	304
Net gains on commercial paper and bonds	(59)	(94)	(504)	(247)
Net gains on shareholdings	253	188	558	669
Net gains on other financial assets	2	7	(8)	(65)
Net gains on financial liabilities, hedged items	(2)	504	603	609
Net gains on financial liabilities, other	125	266	784	642
Net interest on interest rate positions	92	12	141	(91)
Net gains on financial instruments at fair value	**1 057**	**1 015**	**3 610**	**2 915**

Note 7 – Operating expenses

Amounts in NOK million	1st quarter 2007	1st quarter 2006	Full year 2006	Full year 2005
				DnB NOR Group
Ordinary salaries	1 507	1 424	5 814	5 179
Employer's national insurance contributions	227	204	818	752
Pension expenses [1]	264	203	913	400
Other personnel expenses	130	93	421	407
Total salaries and other personnel expenses	**2 129**	**1 925**	**7 967**	**6 737**
Fees	207	192	781	652
EDP expenses	393	358	1 493	1 439
Postage and telecommunications	102	104	410	491
Office supplies	31	27	113	110
Marketing and public relations	163	134	599	506
Travel expenses	58	51	232	197
Reimbursement to Norway Post for transactions executed	40	83	269	555
Training expenses	21	17	77	51
Operating expenses on properties and premises	208	232	855	854
Operating expenses on machinery, vehicles and office equipment	37	32	121	89
Allocation to employees	0	0	164	153
Restructuring expenses	1	0	73	0
Other operating expenses	154	145	558	377
Other expenses	**1 416**	**1 375**	**5 745**	**5 474**
Depreciation and impairment of fixed and intangible assets	**199**	**159**	**715**	**653**
Total operating expenses	**3 744**	**3 459**	**14 427**	**12 864**

Last five quarters

Amounts in NOK million	1st quarter 2007	4th quarter 2006	3rd quarter 2006	2nd quarter 2006	1st quarter 2006
					DnB NOR Group
Ordinary salaries	1 507	1 559	1 438	1 393	1 424
Employer's national insurance contributions	227	223	198	193	204
Pension expenses [1]	264	233	248	229	203
Other personnel expenses	130	115	102	112	93
Total salaries and other personnel expenses	**2 129**	**2 129**	**1 985**	**1 927**	**1 925**
Fees	207	247	161	181	192
EDP expenses	393	413	336	386	358
Postage and telecommunications	102	97	99	110	104
Office supplies	31	33	26	26	27
Marketing and public relations	163	177	133	155	134
Travel expenses	58	76	51	55	51
Reimbursement to Norway Post for transactions executed	40	36	76	73	83
Training expenses	21	30	14	16	17
Operating expenses on properties and premises	208	199	211	213	232
Operating expenses on machinery, vehicles and office equipment	37	38	28	23	32
Allocation to employees	0	164	0	0	0
Restructuring expenses	1	61	13	0	0
Other operating expenses	154	97	174	141	145
Other expenses	**1 416**	**1 669**	**1 323**	**1 379**	**1 375**
Depreciation and impairment of fixed and intangible assets	**199**	**196**	**183**	**177**	**159**
Total operating expenses	**3 744**	**3 994**	**3 491**	**3 483**	**3 459**

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 the first quarter of 2007.*

Note 8 – Number of employees/full-time positions

	DnB NOR Group			
	1st quarter 2007	1st quarter 2006	Full year 2006	Full year 2005
Number of employees at end of period	12 362	11 965	12 187	11 716
Number of employees calculated on a full-time basis at end of period	12 011	11 575	11 824	11 334
Average number of employees	12 266	11 838	11 993	10 148
Average number of employees calculated on a full-time basis	11 846	11 435	11 616	9 766

Note 9 – Net gains on fixed and intangible assets

	DnB NOR Group			
Amounts in NOK million	1st quarter 2007	1st quarter 2006	Full year 2006	Full year 2005
Development area, Oppegård			47	
Lodalen Utvikling			44	
Kirkegaten 17, Oslo			31	
Scanrope			16	
Exporama			30	
Bogstadveien 45, Oslo			61	
Haraldsgate 125, Haugesund				52
Søndregate 12, Trondheim				46
Follalaks				107
Helgelandske				16
Pan Fish				314
Aurora Salmon				63
Akersgt. 64-67, Oslo				88
Postbanken Eiendomsmegling				18
Other	5	12	136	71
Net gains on fixed and intangible assets	**5**	**12**	**365**	**775**

Note 10 – Write-downs on loans and guarantees

	DnB NOR Group			
Amounts in NOK million	1st quarter 2007	1st quarter 2006	Full year 2006	Full year 2005
Write-offs	57	74	227	445
New individual write-downs	226	183	692	432
Total new individual write-downs	283	257	919	877
Reassessed individual write-downs	112	106	371	323
Total individual write-downs	171	151	548	554
Recoveries on commitments previously written off	83	80	388	320
Change in group write-downs on loans [1]	(37)	(97)	(418)	(97)
Write-downs on loans and guarantees	**51**	**(26)**	**(258)**	**137**
Of which individual write-downs on guarantees	*11*	*(10)*	*(13)*	*13*
Write-offs covered by individual write-downs made in previous years	181	81	699	1 638

1) *The DnB NOR Group implemented IAS 39 - Financial Guarantee Contracts as from 1 January 2006. The 2005 figures have been restated accordingly, see note 1 Accounting principles in the 2006 annual report for the DnB NOR Group.*

Note 11 – Write-downs on loans and guarantees for principal sectors [1)]

	DnB NOR Group			
Amounts in NOK million	1st quarter 2007	1st quarter 2006	Full year 2006	Full year 2005
Retail customers	98	69	48	270
International shipping	0	0	18	7
Real estate	(13)	(12)	(31)	(36)
Manufacturing	(34)	7	22	29
Services and management	11	3	13	(101)
Trade	14	4	28	25
Oil and gas	0	0	(7)	(5)
Transportation and communication	4	7	39	12
Building and construction	10	4	(4)	11
Power and water supply	0	0	0	1
Fishing	3	(3)	11	4
Hotels and restaurants	(3)	0	(7)	(4)
Agriculture and forestry	(3)	4	11	1
Other sectors	(1)	(12)	20	(18)
Total customers	88	71	161	196
Credit institutions	0	0	(1)	38
Change in group write-downs on loans [2)]	(37)	(97)	(418)	(97)
Write-downs on loans and guarantees	**51**	**(26)**	**(258)**	**137**
Of which individual write-downs on guarantees	*11*	*(10)*	*(13)*	*13*

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.

2) The DnB NOR Group implemented IAS 39 - Financial Guarantee Contracts as from 1 January 2006. The 2005 figures have been restated accordingly, see note 1 Accounting principles in the 2006 annual report for the DnB NOR Group.

Note 12 – Lending to customers

	DnB NOR Group			
Amounts in NOK million	31 March 2007	31 Dec. 2006	31 March 2006	31 Dec. 2005
Lending to customers, nominal amount	698 944	692 207	592 480	558 682
Individual write-downs	1 744	1 820	2 086	2 185
Lending to customers, after individual write-downs	697 200	690 387	590 394	556 497
+ Accrued interest and amortisation	2 237	2 046	1 526	1 738
– Individual write-downs of accrued interest and amortisation	392	399	547	659
– Group write-downs [1)]	847	892	1 229	1 344
Lending to customers, at amortised cost	698 198	691 141	590 144	556 232
Lending to customers, nominal amount	143 763	136 271	136 302	139 580
+ Accrued interest	626	681	411	664
+ Adjustment to fair value	(290)	(147)	713	1 103
Lending to customers, classified at fair value	144 100	136 805	137 426	141 347
Lending to customers	**842 298**	**827 947**	**727 571**	**697 579**

1) The DnB NOR Group implemented IAS 39 - Financial Guarantee Contracts as from 1 January 2006. The 2005 figures have been restated accordingly, see note 1 Accounting principles in the 2006 annual report for the DnB NOR Group.

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

	DnB NOR Group			
Amounts in NOK million	31 March 2007	31 Dec. 2006	31 March 2006	31 Dec. 2005
Retail customers	425 226	417 594	377 799	374 115
International shipping	73 503	74 184	58 155	53 696
Real estate	122 505	116 207	107 976	98 908
Manufacturing	36 583	36 676	28 415	23 977
Services and management	66 059	64 536	46 863	47 248
Trade	35 326	32 066	31 131	27 074
Oil and gas	12 724	12 720	6 969	7 486
Transportation and communication	17 836	16 698	16 917	15 842
Building and construction	10 647	11 223	9 667	9 027
Power and water supply	7 006	7 304	6 960	6 148
Fishing	10 249	10 069	10 579	8 992
Hotels and restaurants	3 488	3 544	3 519	3 716
Agriculture and forestry	6 392	7 533	6 213	6 444
Central and local government	5 305	7 394	4 493	3 401
Other sectors	8 116	8 910	11 042	10 003
Total customers, nominal amount after individual write-downs	840 964	826 658	726 698	696 077
– Group write-downs, customers [2)]	847	892	1 229	1 344
+ Other adjustments	2 181	2 181	2 102	2 846
Lending to customers	**842 298**	**827 947**	**727 571**	**697 579**
Credit institutions, nominal amount after individual write-downs	109 133	702 382	67 942	40 776
+ Other adjustments	579	710	13	77
Lending to and deposits with credit institutions	**109 713**	**71 091**	**67 955**	**40 854**

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.*

2) *The DnB NOR Group implemented IAS 39 - Financial Guarantee Contracts as from 1 January 2006. The 2005 figures have been restated accordingly, see note 1 Accounting principles in the 2006 annual report for the DnB NOR Group.*

Note 14 – Net impaired commitments for principal sectors [1)]

	DnB NOR Group			
Amounts in NOK million	31 March 2007	31 Dec. 2006	31 March 2006	31 Dec. 2005
Retail customers	1 894	1 888	2 210	2 058
International shipping	(27)	(10)	(34)	(2)
Real estate	389	384	872	816
Manufacturing	284	542	486	411
Services	197	306	365	286
Trade	169	152	214	138
Oil and gas	0	1	11	9
Transportation and communication	119	132	175	107
Building and construction	126	119	142	111
Power and water supply	0	0	0	2
Fishing	55	86	101	186
Hotels and restaurants	47	71	90	69
Agriculture and forestry	105	119	127	61
Central and local government	0	0	0	6
Other sectors	9	10	(6)	469
Total customers	3 367	3 800	4 752	4 727
Credit institutions	0	0	6	24
Total	3 367	3 800	4 758	4 751

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	31 March 2007	31 Dec. 2006	31 March 2006	31 Dec. 2005
Goodwill	5 694	5 823	5 682	5 623
Postbanken brand name	51	51	51	51
Systems development	570	520	368	311
Other intangible assets	77	77	59	57
Total intangible assets	**6 393**	**6 471**	**6 159**	**6 042**

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	31 March 2007	31 Dec. 2006	31 March 2006	31 Dec. 2005
Commercial paper issued, nominal amount	67 450	68 216	85 823	69 445
Bond debt, nominal amount	261 744	257 379	174 413	165 386
Adjustments	1 094	1 211	1 611	1 800
Total securities issued	**330 288**	**326 806**	**261 847**	**236 631**

Amounts in NOK million	1st quarter 2007	1st quarter 2006
Changes in securities issued	3 482	25 216

Subordinated loan capital and perpetual subordinated loan capital securities

	DnB NOR Group					
Amounts in NOK million	Balance sheet 31 March 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	20 417	0	0	(349)	1	20 764
Perpetual subordinated loan capital, nominal amount	7 570	0	0	(172)	0	7 741
Perpetual subordinated loan capital securities, nominal amount [1)]	9 448	4 183	0	(96)	1	5 360
Adjustments	(3)	0	0	0	(116)	113
Total	**37 432**	**4 183**	**0**	**(617)**	**(113)**	**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 note 18 for a further description of the DnB NOR Group's implementation of the Basel II regulations. Due to the transition to new regulations, the Group's core capital and capital adequacy ratios rose by 0.3 and 0.4 percentage points respectively.

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 regulation 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	31 March 2007	31 Dec. 2006 [1]
Share capital	13 341	13 341
Other equity	52 899	44 492
Total equity	66 239	57 833
Perpetual subordinated loan capital securities [2] [3]	9 683	5 603
Deductions		
Pension funds above pension commitments	(197)	(182)
Goodwill	(5 726)	(4 454)
Deferred tax assets	(75)	(671)
Other intangible assets	(718)	(884)
Dividends payable	(5 336)	-
Unrealised gains on fixed assets	(558)	-
50 per cent of investments in other financial institutions	0	-
Other	13	-
Additions		
Portion of unrecognised actuarial gains/losses, pension costs [4]	1 207	1 810
Core capital	64 531	59 054
Perpetual subordinated loan capital	7 503	7 602
Perpetual subordinated loan capital securities [2] [3]	4	0
Term subordinated loan capital [3]	20 691	20 969
Deductions		
50 per cent of investments in other financial institutions	0	0
Additions		
45 per cent of unrealised gains on fixed assets	345	-
Supplementary capital	28 543	28 571
Total eligible primary capital [5]	93 074	87 625

Minimum capital requirement	**DnB NOR Group**
Amounts in NOK million	31 March 2007
Credit risk, IRB [6]	11 058
Of which:	
Retail commitments secured by residential property	2 711
Corporate commitments, Regional Divisions East and Coast	8 347
Claims calculated according to Basel I, transitional rules [7]	48 236
Total capital requirement, credit risk	59 294
Counterparty risk	1 229
Position risk	3 160
Settlement risk	2
Foreign exchange risk	132
Total capital requirement market risk	4 524
Operational risk	2 857
Deduction	-
Total capital requirements according to Basel II	66 676
Additions due to transitional rules (max 5 per cent reduction in relation to Basel I) [8]	3 057
Total capital requirements	69 733

Note 17 – Capital adequacy (continued)

The table below illustrates the effect of the transition to Basel II regulations in the first quarter of 2007. The columns marked “Basel I” reflect 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**

Amounts in NOK million	Reported 31 March 2007 8)	Basel II 31 March 2007	Basel I 31 March 2007	 31 Dec. 2006 1)
Risk-weighted volume 5)	871 660	833 453	908 002	880 292
Core capital ratio (%)	7.4	7.7	7.1	6.7
Capital ratio (%)	10.7	11.2	10.3	10.0
Core capital ratio including 50 per cent of profit for the period (%)	7.6	7.9	7.3	-
Capital ratio including 50 per cent of profit for the period (%)	10.8	11.3	10.4	-

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 March 31 2007 calculations of capital adequacy include a total of NOK 731 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 31 March 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 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, and commitments with small corporate customers in the Regional Division East and the Regional Division Coast, 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.*

Note 18 – Capital adequacy – 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 2007 comprises loans to small and medium-sized companies as well as loans secured by residential property in DnB NOR ASA excluding Postbanken. I 2007 all other credit portfolios will be reported in accordance with the former capital adequacy requirements.

Note 18 – Capital adequacy – Basel II implementation (continued)

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 followed up through calculations which take the customer's credit quality and collateral into account.

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 (PD).* 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 (EAD).* 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 (LGD).* 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.

Operational risk

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 (AMA) at a later date.

Market risk

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 will report market risk according to the standardised approach.

Further progress

Throughout 2006, there was parallel reporting to Kredittilsynet (the Financial Supervisory Authority of Norway) of portfolios for which use of the foundation IRB approach had been approved as from 1 January 2007, serving as a test reporting of risk-weighted assets according to the new regulations compared with previous reporting. 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 holding company board 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 will be presented on separate pages on www.dnbnor.com.

Note 19 – Off-balance sheet transactions and contingencies

Off-balance sheet transactions and additional information				**DnB NOR Group**
Amounts in NOK million	31 March 2007	31 Dec. 2006	31 March 2006	31 Dec. 2005
Unutilised ordinary credit lines	247 916	245 827	218 670	186 328
Documentary credit commitments	15 455	15 705	10 550	9 115
Other commitments	564	447	337	1 654
Total commitments	263 935	261 979	229 557	197 097
Performance guarantees	23 248	21 702	19 514	14 764
Payment guarantees	17 428	18 010	17 489	14 519
Loan guarantees [1)]	6 462	6 302	6 638	4 013
Guarantees for taxes etc.	4 000	3 948	3 268	3 077
Other guarantee commitments	6 121	4 791	5 273	5 163
Total guarantee commitments [2)]	57 259	54 753	52 182	41 537
Support agreements	4 438	5 267	3 109	4 995
Total guarantee commitments etc. [*)]	61 697	60 020	55 291	46 532
*) Of which:				
Counter-guaranteed by financial institutions	1 806	1 584	1 426	1 498
Securities	73 953	75 931	55 285	49 669
are pledged as security for: Loans [3)]	73 839	75 816	55 174	49 558
Other activities	114	115	111	111

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 9 888 million were recorded in the balance sheet as at 31 March 2007.*
2) *Liabilities included in issued financial guarantees are measured at fair value and recorded in the balance sheet.*
3) *NOK 73 839 million in securities as at 31 March 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 20 – Profit and balance sheet trends

Income statement — **DnB NOR Group**

Amounts in NOK million	1st quarter 2007	4th quarter 2006	3rd quarter 2006	2nd quarter 2006	1st quarter 2006
Total interest income	13 386	12 556	10 961	10 001	8 864
Total interest expenses	9 401	8 581	7 049	6 219	5 242
Net interest income	**3 985**	**3 975**	**3 911**	**3 781**	**3 622**
Commissions and fees receivable etc.	2 322	2 371	2 050	2 215	2 328
Commissions and fees payable etc.	587	583	530	566	574
Net gains on financial instruments at fair value	1 057	1 150	705	739	1 015
Net gains on assets in Vital	4 572	6 022	2 723	2 445	4 941
Guaranteed returns and allocations to policyholders in Vital	4 193	5 731	2 392	2 008	4 453
Premium income etc. included in the risk result in Vital	1 414	1 191	1 001	1 059	1 063
Insurance claims etc. included in the risk result in Vital	1 401	1 146	960	1 121	1 097
Net realised gains on investment securities (AFS)	0	0	0	0	0
Profit from companies accounted for by the equity method	37	24	94	24	29
Other income	306	323	262	302	290
Net other operating income	**3 528**	**3 622**	**2 951**	**3 090**	**3 541**
Total income	**7 513**	**7 597**	**6 863**	**6 871**	**7 163**
Salaries and other personnel expenses	2 129	2 129	1 985	1 927	1 925
Other expenses	1 416	1 669	1 323	1 379	1 375
Depreciation and impairment of fixed and intangible assets	199	196	183	177	159
Total operating expenses	**3 744**	**3 994**	**3 491**	**3 483**	**3 459**
Net gains on fixed and intangible assets	5	66	135	151	12
Write-downs on loans and guarantees	51	(16)	(51)	(165)	(26)
Pre-tax operating profit	**3 723**	**3 684**	**3 558**	**3 703**	**3 743**
Taxes	856	291	844	853	894
Profit from discontinuing operations after taxes	0	0	0	0	0
Profit for the period	**2 866**	**3 394**	**2 714**	**2 851**	**2 849**
Earnings per share (NOK)	2.11	2.52	2.00	2.11	2.11
Diluted earnings per share (NOK)	2.11	2.52	2.00	2.11	2.11

Note 20 – Profit and balance sheet trends (continued)

Balance sheets **DnB NOR Group**

Amounts in NOK million	31 March 2007	31 Dec. 2006	30 Sept. 2006	30 June 2006	31 March 2006
Assets					
Cash and deposits with central banks	18 685	11 453	15 474	14 022	2 742
Lending to and deposits with credit institutions	109 713	71 091	69 116	90 282	67 955
Lending to customers	842 298	827 947	801 747	764 766	727 571
Commercial paper and bonds	165 668	172 040	161 954	154 927	151 725
Shareholdings	61 091	51 393	45 781	42 868	43 510
Financial assets, customers bearing the risk	18 867	18 840	16 005	14 800	15 143
Financial derivatives	58 006	57 999	51 539	34 085	30 468
Shareholdings, available for sale	0	0	0	0	0
Commercial paper and bonds, held to maturity	60 093	62 444	62 478	60 898	56 518
Investment property	25 846	25 816	25 173	24 042	23 583
Investments in associated companies	1 467	1 515	1 457	1 425	1 440
Intangible assets	6 393	6 471	6 446	6 264	6 159
Deferred tax assets	28	38	42	40	53
Fixed assets	5 590	5 478	5 244	5 152	5 121
Biological assets	0	0	0	0	0
Discontinuing operations	27	27	43	67	0
Other assets	9 888	7 691	5 460	8 376	6 407
Total assets	**1 383 659**	**1 320 242**	**1 267 961**	**1 222 016**	**1 138 395**
Liabilities and equity					
Loans and deposits from credit institutions	141 592	124 372	121 100	133 036	110 518
Deposits from customers	503 129	474 526	457 485	459 734	420 836
Financial derivatives	59 474	58 812	46 533	33 217	31 280
Securities issued	330 288	326 806	316 466	281 508	261 847
Insurance liabilities, customers bearing the risk	18 867	18 840	16 005	14 800	15 143
Liabilities to life insurance policyholders	189 715	188 096	182 181	182 208	182 838
Payable taxes	4 707	4 091	3 331	2 457	1 687
Deferred taxes	767	730	1 740	1 819	1 832
Other liabilities	23 951	18 812	20 031	18 039	18 090
Discontinuing operations	0	0	0	0	0
Provisions	4 582	4 768	4 399	4 355	4 412
Subordinated loan capital	37 432	33 977	36 199	31 235	28 215
Total liabilities	**1 314 503**	**1 253 829**	**1 205 469**	**1 162 409**	**1 076 695**
Minority interests	2 226	2 201	1 650	1 551	1 520
Revaluation reserve	0	0	0	0	0
Share capital	13 341	13 341	13 341	13 342	13 369
Other reserves and retained earnings	53 589	50 870	47 501	44 715	46 811
Total equity	**69 156**	**66 413**	**62 492**	**59 607**	**61 699**
Total liabilities and equity	**1 383 659**	**1 320 242**	**1 267 961**	**1 222 016**	**1 138 395**

DnB NOR ASA

Income statement

Amounts in NOK million	1st quarter 2007	1st quarter 2006	Full year 2006	Full year 2005
				DnB NOR ASA
Total interest income	41	28	132	173
Total interest expenses	55	41	185	186
Net interest income	**(14)**	**(13)**	**(53)**	**(13)**
Commissions and fees payable etc.	1	1	6	6
Net gains on financial instruments at fair value	0	0	11	(8)
Other income [1]	0	0	9 904	5 532
Net other operating income	**(1)**	**(1)**	**9 909**	**5 517**
Salaries and other personnel expenses	0	0	2	38
Other expenses	52	45	182	164
Total operating expenses	**52**	**45**	**185**	**202**
Pre-tax operating profit	**(67)**	**(59)**	**9 672**	**5 302**
Taxes	(19)	(16)	2 311	595
Profit for the period	**(48)**	**(42)**	**7 360**	**4 708**

1) Of which dividends from group companies/group contributions *9 904* *5 532*

Balance sheets

Amounts in NOK million	31 March 2007	31 Dec. 2006	31 March 2006	31 Dec. 2005
				DnB NOR ASA
Assets				
Deposits with DnB NOR Bank ASA	3 612	3 617	3 810	3 808
Lending to other group companies	225	225	225	225
Investments in group companies	48 642	48 642	48 612	48 612
Other receivables due from group companies	12 662	12 656	6 992	6 992
Other assets	19	0	50	45
Total assets	**65 160**	**65 140**	**59 688**	**59 682**
Liabilities and equity				
Loans from DnB NOR Bank ASA	5 719	5 719	5 936	5 936
Loans from other group companies	4 295	4 227	2 314	2 249
Other liabilities and provisions	6 582	6 582	4 680	4 697
Paid-in capital	25 275	25 275	25 303	25 303
Retained earnings	23 289	23 337	21 455	21 497
Total liabilities and equity	**65 160**	**65 140**	**59 688**	**59 682**

Note 1 – Transition to IFRS and accounting principles

Transition to IFRS

DnB NOR ASA has 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

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

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Organisation number	Register of Business Enterprises NO 981 276 957 MVA

Board of Directors in DnB NOR ASA

Olav Hytta, chairman
Bjørn Sund, vice-chairman
Per Hoffmann
Nina Britt Husebø
Berit Kjøll
Jørn O. Kvilhaug
Bent Pedersen
Heidi M. Petersen
Ingjerd Skjeldrum
Anne Carine Tanum
Per Terje Vold

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
Tom Rathke	Group executive vice president, Vital
Øyvind Birkeland	Group executive vice president, DnB NOR Asset Management
Helge Forfang	Group executive vice president, Group Risk Management and IT
Evlyn Raknerud	Group executive vice president, Human Resources and Group Servises

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Financial calendar 2007

Annual General Meeting	24 April
Distribution of dividends	as of 7 May
First quarter	3 May
Second quarter	9 August
Third quarter	1 November

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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