

First quarter report 2004



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All figures for previous periods presented below are pro forma accounting figures for total operations in the DnB NOR Group.

The DnB NOR Group recorded healthy profits in the first quarter of the year. Profits after taxes in DnB NOR stood at NOK 1 517 million in the first quarter of 2004, up NOK 496 million on the year-earlier period. Earnings per share before goodwill amortisation were NOK 1.28, up from NOK 0.90 the previous year. Excluding goodwill amortisation, earnings per share stood at NOK 1.16, as against NOK 0.78 in the year-earlier period. Return on equity before goodwill amortisation was 15.6 per cent in the first quarter of 2004, compared with 11.7 per cent in the first quarter of 2003. Corresponding figures after goodwill amortisation were 14.1 and 10.2 per cent respectively. The core capital ratio, including 50 per cent of profits, was 7.1 per cent.

Net interest income

Net interest income declined by NOK 205 million from the first quarter of 2003, but remained virtually unchanged from the fourth quarter of 2003. An actual increase of NOK 41 billion in average lending to customers combined with a NOK 4 billion rise in deposits pushed up net interest income by NOK 204 million. Lending spreads expanded by an average 0.07 percentage points from the first quarter of 2003, while deposit spreads contracted by 0.3 percentage points. At the beginning of May 2004, interest rates on NOK 71 billion of the total deposit volume were below 0.25 per cent per annum. Further interest rate cuts will make it difficult to maintain the level of earnings on deposits. On the other hand, a potential increase in interest rate levels could give a significant boost to income. Reduced income from interest spreads brought down net interest income by NOK 157 million. Other factors, including a lower direct return on equity, but also reduced funding costs on other non-interest-earning assets, brought down interest

income by a total of NOK 252 million. The table below specifies changes in net interest income between the two quarters:

Changes in net interest income

<i>Amounts in NOK million</i>	1st quarter 2004	Change	1st quarter 2003
Net interest income	3 298	(205)	3 503
Of which			
Lending and deposit volumes		204	
Lending and deposit spreads		(157)	
Funding costs on equity, share investments and real assets		(268)	
Net funding costs on non-performing and doubtful loans		59	
Other		(43)	

Net other operating income

Net other operating income amounted to NOK 3 178 million in the first quarter of 2004, an increase of NOK 1 507 million from the year-earlier period. The sale of Elcon Finans gave a NOK 977 million boost to income. The Group's share of profits from life insurance operations rose by NOK 163 million compared with 2003. Income from traditional financial services, i.e. payment services, asset management and real estate broking, increased by NOK 154 million from the first quarter of 2003. Trading income on foreign exchange and interest rate instruments in Markets was up NOK 123 million.

The full takeover of operations in the companies Gjensidige NOR Driftspartner (GN Driftspartner) and Gjensidige NOR Markedsstøtte (GN Markedsstøtte) at the beginning of January 2004 gave a

NOK 60 million increase in income in the group accounts compared with the first quarter of 2003, stemming from services provided under cooperation agreements. See further description of corresponding effects under operating expenses.

The table below specifies changes in first-quarter net other operating income from 2003 to 2004:

Changes in net other operating income

<i>Amounts in NOK million</i>	1st quarter 2004	Change	1st quarter 2003
Net other operating income	3 178	1 507	1 671
Gains on the sale of assets (Elcon Finans)	977	977	0
Net other ordinary operating income	2 201	530	1 671
Of which:			
Income from traditional financial services		154	
GN Driftspartner and GN Markedsstøtte		60	
Share of profits in Life Insurance and Pensions		163	
Trading income on foreign exchange			
and interest rate instruments, Markets		123	
Income on equities		30	

Operating expenses

Operating expenses totalled NOK 4 278 million in the January through March period in 2004, an increase of NOK 951 million from the year-earlier period. The increase stemmed mainly from restructuring provisions of NOK 930 million charged to the accounts in the first quarter of 2004. The takeover of total operations in GN Driftspartner and GN Markedsstøtte also pushed up operating expenses. GN Driftspartner and GN Markedsstøtte were previously joint ventures with Gjensidige NOR Forsikring. The takeover gave a NOK 60 million increase in expenses in the group accounts. Overall, the rise in other expenses, mainly restructuring expenses, and rising cost levels due to the takeover of operations lifted costs by NOK 964 million, which means that there was an underlying decline in operating expenses of NOK 13 million. The ordinary cost/income ratio, i.e. ordinary expenses relative to income, was 58.1 per cent before goodwill amortisation in the first quarter of 2004, as against 60.9 per cent in 2003. Changes in operating expenses from the first quarter of 2003 are shown in the table below:

Changes in operating expenses

<i>Amounts in NOK million</i>	1st quarter 2004	Change	1st quarter 2003
Total operating expenses	4 278	951	3 327
Other expenses ¹⁾	931	904	27
Total ordinary operating expenses	3 347	47	3 300
Of which:			
Wage settlements and pensions		61	
GN Driftspartner and GN Markedsstøtte		60	
Performance-based pay		41	
Merger synergies		(77)	
Streamlining of operations		(38)	

1) *Restructuring expenses totalled NOK 930 million in the first quarter of 2004, as against NOK 4 million in the first quarter of 2003.*

Salaries and personnel expenses increased by NOK 61 million or 5 per cent from the previous year. Pension expenses showed the highest growth at NOK 42 million. At the end of 2003, assumptions for calculating pension commitments were changed, which is the main factor behind the rise in pension expenses from the year-earlier period. Performance-based pay rose by NOK 41 million, which among other things can be ascribed to higher earnings in Markets. Merger synergies of NOK 77 million have been achieved, and a number of restructuring measures

have been initiated in connection with the integration of operations in the merged entities.

Staff cuts relating to these measures represented 329 full-time positions in the first quarter of 2004. The reductions will have an increasing impact on future cost developments.

Loan-loss provisions and non-performing commitments

Net losses on loans and guarantees totalled NOK 135 million in the first quarter of 2004, compared with NOK 449 million in the corresponding period of 2003. New losses and loan-loss provisions amounted to NOK 595 million, while reversals on previous losses and loan-loss provisions totalled NOK 460 million. The first quarter of 2003 saw new losses of NOK 619 million and reversals of NOK 171 million.

Lower interest rate levels and close follow-ups brought down losses in the retail market. In the corporate market, cost reductions and consolidation by companies also helped reduce losses in the first quarter of 2004 compared with the year-earlier period. Rising salmon prices have improved the situation in the fish-farming industry in 2004, though further consolidation is required in the industry. Credit quality in the loan portfolio was maintained at roughly the same level as at the end of 2003. Thus, the only change in unspecified loan-loss provisions in the Group's balance sheet in the first quarter of 2004 referred to the sale of Elcon Finans.

Non-performing commitments, after specified loan-loss provisions, were scaled back by NOK 238 million, totalling NOK 6 293 million at end-March 2004. Non-performing and doubtful commitments, after specified loan-loss provisions, were down NOK 16 million to NOK 8 385 million. The reduction in non-performing and doubtful commitments referred primarily to property management, the service sector and the sale of Elcon Finans.

Taxes

The DnB NOR Group's tax charge for the first quarter of 2004 was NOK 561 million, based on an anticipated average tax rate of 27 per cent of pre-tax operating profits.

Sale of Elcon Finans

In the first quarter of 2004, DnB NOR Bank ASA entered into an agreement with Santander Consumer Finance on the sale of Elcon Finans AS for a total of around NOK 3 600 million. The sale provided a gain of NOK 977 million recorded in the first-quarter accounts. In addition, income and expenses in Elcon Finans for the January through March period were reflected in the group accounts. Elcon Finans generated first-quarter net profits of NOK 75 million.

The sale of Elcon Finans satisfies one of the major requirements set out by the Norwegian Competition Authority in its approval of the DnB NOR merger. The transaction is subject to regulatory approvals in Norway and Spain. As a result of a lower risk-weighted volume after the sale of Elcon Finans, the Group's core capital ratio rose by approximately 0.3 percentage points.

DnB NOR will continue to offer customers leading solutions in the factoring and leasing markets through DnB NOR Finans.

Restructuring

Restructuring provisions relating to the merger between DnB and Gjensidige NOR total NOK 1 860 million, which is in line with the estimates used in the merger prospectus. Half of this was included in the cost price for the shares in Gjensidige NOR ASA, and the provisions were made on the date of the merger. The remaining half, NOK 930 million, was charged to the accounts for the first quarter of 2004 after consideration by the Board of Directors in March. Around 50 per cent of total restructuring provisions relates to the scheduled staff cuts of 1 630 full-time positions, to be implemented in close cooperation with the Group's employee representatives. The rest of the provisions largely cover the inte-

gration of IT systems and the moving of 53 bank branches into joint premises decided on in April 2004.

NOK 74 million of the provisions was used in 2003. During the first quarter of 2004, a further NOK 161 million was utilised, referring primarily to staff cuts and IT integration.

Balance sheet and assets under management

At end-March 2004, total combined assets in the DnB NOR Group were NOK 1 226 billion, up from NOK 1 121 billion a year earlier. Total assets in the Group's balance sheet were NOK 722 billion. Net lending rose by NOK 13.5 billion in the January through March period after the sale of Elcon Finans. First-quarter lending growth represented NOK 9.8 billion in the retail market and NOK 4.1 billion in the corporate market. The sale of Elcon Finans brought down lending volume by NOK 24.3 billion, thus the actual increase in lending volume was NOK 38.2 billion. Bank deposits rose from NOK 331 billion to NOK 341.5 billion. The ratio of deposits to lending was close to 63 per cent in both 2003 and 2004.

In addition to deposits recorded in the balance sheet, the DnB NOR Group managed customer savings in the form of mutual funds, insurance products etc. for a total of NOK 507 billion at end-March 2004, a rise of NOK 25 billion since the end of 2003.

Risk and capital adequacy

The estimated capital requirement was brought down by NOK 1.1 billion to NOK 29.1 billion. The main factor behind the reduction is the sale of Elcon Finans, which affects credit, liquidity and operational risk, though the other categories of risk also show a decline. Relative to the Group's equity and core capital, calculations indicate that the DnB NOR Group is well capitalised.

Credit risk, measured as the risk-adjusted capital required for credit activity, declined by around 5 per cent during the first quarter through the sale of Elcon Finans. This was partly offset by continued brisk growth in housing loans. There was a positive trend in loan losses and non-performing commitments in the quarter, and developments both internationally and in Norway seem to confirm a general improvement in the economic climate. Credit quality is stable, and normalised losses are estimated at 0.31 per cent of net lending to customers, the same as the year-end figure.

The table below shows developments in the risk-adjusted capital requirement:

<i>Amounts in NOK million</i>	31 March 2004	31 Dec. 2003 ¹⁾	31 Dec. 2003	31 March 2003
Credit risk	17 605	17 108	18 025	17 607
Market risk	1 552	1 621	1 630	1 878
Liquidity risk	630	700	1 107	1 174
Ownership risk for Life				
Insurance and Pensions	8 322	8 498	8 498	8 637
Operational risk	6 250	6 250	6 350	5 750
Risk-adjusted capital				
- before diversification ²⁾	34 359	34 176	35 609	35 046
- after diversification ²⁾	24 077	24 269	24 888	26 090
Addition for variations in expected credit losses	5 029	4 977	5 317	5 109
Estimated capital requirement	29 106	29 246	30 205	31 199

1) Excluding Elcon Finans.

2) 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.

Risk related to operations in Life Insurance and Pensions was unchanged from end-December 2003. During the first quarter of 2004, the securities adjustment reserve was increased

by NOK 1 billion, which counteracted the higher risk resulting from a rise in the proportion of share investments from 12 to 14 per cent and a close to 5 per cent increase in volume. After the first quarter, yields on long-term bonds have risen considerably. Though this will have a negative impact on profits in the short term, it will have a positive effect on the business area's long-term risk situation.

Market risk relating to Markets and the Group's equity investments declined somewhat in the first quarter, which can partly be ascribed to the sale of Storebrand shares. The sale of Elcon Finans will result in a significant reduction in the need for funding from capital markets and ensure greater flexibility in liquidity management.

The implementation of the DnB NOR merger is vital to the Group's operational risk. Progress is on schedule, and no major negative events have been registered.

Risk-weighted volume included in the calculation of the formal capital adequacy requirement totalled NOK 577 billion at end-March. The NOK 2 billion reduction during the quarter can be ascribed to the sale of Elcon Finans.

Including 50 per cent of profits, the DnB NOR Group's core capital ratio was 7.1 per cent, while the capital adequacy ratio was 10.3 per cent at end-March 2004. Excluding profits, the ratios would be around 0.1 percentage points lower. The exercise of subscription rights by former DnB employees in March increased core capital by NOK 424 million.

DnB NOR Bank ASA had a core capital ratio of 7.5 per cent and a capital adequacy ratio of 10.9 per cent at end-March 2004. Including 50 per cent of profits in the calculations would raise the ratios to 7.7 and 11.1 per cent respectively.

Prospects for the rest of the year

The global economy showed an upturn in the second half of 2003, and growth is expected to accelerate during 2004. Increased concerns about terrorism can, however, put a damper on this trend. So far, growth in the euro zone has been relatively weak. The expansion of the EU by ten new member countries from 1 May 2004 will present a huge challenge, and adjustments will take time.

Economic growth in Norway is expected to pick up. Low price growth and reductions in interest rates by Norges Bank (the central bank of Norway) totalling 0.75 percentage points from the middle of December 2003 will stimulate economic activity. A healthy rise in household disposable income and the international upturn are also expected to spur growth. Investment growth and credit demand in the business sector are, however, still hampered by surplus capacity in several sectors. The impact of international inflation is likely to be held in check by increased competition from foreign companies in Norway and rising imports from low-cost countries. Nonetheless, higher import prices are expected to gradually push up inflation and result in rising interest rates from the end of the year.

Growth in housing prices is expected to level off in the second half of the year, which along with rising interest rates is likely to curb the increase in household credit demand, currently at a high level. The improved economic climate is expected to give a slight boost to equity prices, followed by a corresponding rise in investment funds and policyholders' funds.

After the formal establishment of DnB NOR ASA on 4 December 2003, the Group has worked hard to streamline operations. Efforts to integrate the organisations based on the same vision and strategy will be pursued. Priority will be given to innovation and creativity to further enhance performance.

The merger has provided a number of opportunities to realise synergies by winding up and integrating operations. These efforts will be given high priority in the Group during 2004, and will be continually monitored by management and the Board of Directors. The integration process is on schedule and will generate substantial gains in 2004 and onwards.

Expected amendments to legislation

Tax reform

On 26 March 2004, the Norwegian government presented a draft tax reform, including a proposal regarding tax exemption for companies' returns on investments in limited companies in the form of capital gains and dividends. It has been proposed that the changes in capital gains tax be implemented as of 26 March 2004. This means that gains on the sale of shares in Elcon Finans could be exempt from tax, which would bring down DnB NOR's tax charge by around NOK 300 million. However, the new rule would also have negative implications, as shares previously written down in the accounts, e.g. the bank's shares in Storebrand, would not be eligible for tax deductions if realised after 26 March 2004.

It has also been proposed to remove withholding tax for shareholders within the EEA area, which means that foreign companies in the EEA region can transfer dividends from Norway without paying taxes.

For Norwegian private shareholders, a model has been proposed whereby dividends and gains on the sale of shares in excess of the risk-free interest rate will be subject to 28 per cent tax. The cost price, including accumulated "RISK", will form the basis for calculating the relevant tax allowance. A proposal has been made to abolish current rules regarding "RISK" adjustments and tax allowances.

The proposed tax reform will be subject to thorough consideration by Norwegian politicians. The effect of the amended tax regulations for DnB NOR and the Group's shareholders are thus uncertain, and the proposal has thus not been taken into account.

Changes in bank guarantee scheme

The Ministry of Finance has proposed combining the Savings and Commercial Banks' Guarantee Funds, along with a downward adjustment in required annual fee payments. According to the proposal, savings banks will be exempt from fee payments for a period of three years. In addition, the proposal includes exemption from payment of fees on deposits over NOK 2 million, which are not covered by the deposit guarantee.

For 2003, DnB NOR Bank ASA paid around NOK 500 million in guarantee fund fees. If the new regulations are approved, the fee for 2004 will be reduced to around NOK 275 million. The proposal is not reflected in the accounts for the first quarter.

Strategy

The strategic platform for DnB NOR was approved at a board meeting on 8 March 2004. The strategy process in DnB NOR has been thorough and has involved a large number of employees throughout the organisation.

A key objective of the process has been to create a common basis for the new Group's corporate culture and work processes – "How we do it in DnB NOR". The common culture will be built on the Group's vision, business idea, values and strategic targets. The process will continue throughout DnB NOR's organisation.

Strategic platform

Vision: "DnB NOR – a source of pride"

In our dealings with customers, colleagues, investors and the general public, we will involve the entire individual – pride in the place where we work also creates results.

Business idea: "A local presence and a full range of services are our strengths. We will be the best financial partner"

Customer relationships based on local presence and a full range of services are the foundation of our operations and provide the basis for profitable growth.

Values: "Team spirit, simplicity, value creation"

Our values will form a firm basis for the development of a corporate culture and our conduct relative to the market.

Common culture - "How we do it in DnB NOR"

A common culture and view of leadership will be crucial to our success in developing the Group. Our values are the same across the entire Group and will guide our conduct both within and outside the Group and affect decision-making structures, management systems, policy documents etc. As DnB NOR is a service enterprise, the corporate culture will also be reflected in the way we meet the customer. To develop long-term customer relationship, our professional and human skills have to measure up.

"How we do it in DnB NOR" encourages fellowship through common values and provides the basis for reaching the Group's targets relative to our stakeholders; customers, employees, investors and society.

Business areas

The activities of DnB NOR are organised into five business areas in addition to staff and support units. As independent profit centres, the business areas carry responsibility for customer segments served by the Group, as well as the products offered. Differentiated financial and non-financial requirements have been set for the business areas which in combination will help the DnB NOR Group reach its financial targets.

Corporate Banking

Corporate Banking recorded sound pre-tax profits before losses of NOK 1 138 million in the first quarter, as against NOK 1 165 million in the first quarter of 2003. Profit performance reflected sound underlying growth.

There was a high level of customer-related activity in the first quarter. The use of Internet services continued to climb sharply. A customer network called DnB NOR Arena was launched, and Partner customers were given access to a competence base which presents information and legislation relating to boards of directors. The Group's international presence was enhanced through the opening of offices in Shanghai and Helsinki.

Growth in corporate credits remained sluggish during the first quarter, thus the volume of loans and guarantees expanded by a mere NOK 1.8 billion from the corresponding period in 2003. The business area arranged syndicated loans and commercial paper and bond issues for a total of NOK 31.3 billion. The quality of the credit portfolio is good. Deposits rose by NOK 0.2 billion from the first quarter of 2003. Low interest rates have made it difficult to uphold the level of interest income, though price adjustments for credit risk helped lift ordinary interest income from operations by 6.3 per cent from the year-earlier period. Other operating income was up 10.7 per cent on the first quarter of 2003 due to a rise in guarantee commissions, better performance in associated companies and increased income from payment and cash handling services. Focus on advisory services within foreign exchange and interest rate products produced good results. 60 full-time positions had been eliminated as a result of merger synergies by the end of the first quarter. First-quarter net losses came to NOK 102 million, down NOK 268 million on the year-earlier period.

Customers' operating parameters remained stable in the first quarter, though certain sectors, especially fish farming, still represent a challenge. However, the substantial increase in prices on farmed salmon in the first quarter is expected to have a positive impact on developments. Corporate Banking has concentrated expertise relating to this industry in a special unit for fishing and fish farming. Customer satisfaction showed a positive trend from the year-earlier period, and customer loyalty remains high.

Corporate Banking aims to strengthen relationships with existing customers and enhance customer satisfaction.

So far, the low interest levels have not led to increased credit demand in the corporate market, though demand is expected to pick up towards the end of the year.

Retail Banking

Retail Banking showed healthy performance in the first quarter, with pre-tax operating profits before losses of NOK 700 million, which represents an increase of NOK 104 million from the corresponding period a year earlier.

Net interest income declined by NOK 85 million from the first quarter of 2003. The business area achieved solid growth in volume within well-secured housing loans and long-term investments such as pension savings and mutual funds. Historically low interest levels led to a substantial narrowing of deposit spreads. Due to further reductions in money market rates, deposit and lending rates were cut twice during the first quarter. Net interest income was strengthened by adapting prices to the market situation in connection with interest rate cuts. Declining deposit spreads were offset by growth in the volume of housing loans. Lending spreads improved, amounting to 1.68 percentage points on average, while deposit spreads narrowed to an average of 0.81 percentage points for the first quarter. The combined spread improved towards the end of the period. Net other operating income stood at NOK 673 million, a rise of 19 per cent from the same period in 2003. The cost/income ratio in the first quarter was 70 per cent, down 4 percentage points from the first quarter last year. DnB NOR Kort and DnB NOR Eiendom recorded brisk activity and healthy profits.

Loan losses remained at a relatively moderate level, with net losses of NOK 14 million.

The integration process moved along according to schedule, and Retail Banking is ahead of target figures for the planned realisation of synergies. As at 31 March 2004, there were 4 568 full-time positions in the business area. The arbitration proceedings with Norway Post were settled without additional cost in the first quarter.

The transition from manual to electronic payment services continued, and at the end of the first quarter the business area had over 890 000 active Internet banking customers.

The low interest levels gave a boost to credit demand, which is expected to continue. Increased demand for alternative savings products is also anticipated, e.g. long-term pension savings, equity funds, index-linked bonds and equity-linked bank deposits.

Markets

Markets showed a healthy profit trend in the first quarter. A sound rise in equity prices and brisk activity in stock markets ensured substantial growth in equity-related income. In terms of turnover and number of transactions, Markets was the largest equity brokerage house on Oslo Børs (the Oslo Stock Exchange) in the January through March period.

Equity trading on Oslo Børs increased by over 130 per cent compared with the first quarter of 2003. Volatile exchange rates spurred healthy demand for currency hedging products, while the low interest rate level and the differential between short and long-term interest rates resulted in reduced demand for interest rate hedging products. During the first quarter, Markets launched FX-linked bank deposits. As from 2004, Markets Inc. offers investment banking services in the US, primarily targeting DnB NOR's international clients within the shipping and energy sectors. In March 2004, the magazine *Global Finance* ranked DnB NOR best FX bank in Norway and Scandinavia.

Pre-tax operating profits before losses were NOK 347 million, up NOK 7 million on the year-earlier period. Total income rose 2 per cent to NOK 655 million, compared with NOK 639 million in the first quarter of 2003. Expenses were up NOK 9 million. Healthy profits

gave a rise in performance-based pay. In addition, the establishment of the subsidiary DnB NOR Markets Inc. in January 2004 pushed up expenses. This increase was partly offset through the realisation of merger synergies. Return on equity stood at 52.1 per cent and the cost/income ratio at 47.1 per cent.

Income on customer business in foreign exchange and interest rate derivatives was up NOK 1 million to NOK 232 million. Due to interest rate developments, demand for interest rate hedging products was reduced. Customer-related revenues on the sale of securities and other investment products increased by NOK 12 million to NOK 151 million as a result of brisk trading in equities and equity derivatives.

Earnings on corporate finance services totalled NOK 37 million, a reduction of NOK 21 million from the first quarter of 2003. Activity picked up during the quarter, and Markets arranged several share issues.

Income from the sale of custodial services totalled NOK 43 million, on a level with the first quarter of 2003. Performance reflected a higher level of activity, which offset the effects of lower unit prices, an increase in the number of customers using the bank as registrar in the Norwegian Central Securities Depository and a 43 per cent rise in the number of securities issues.

Earnings from market making and other proprietary trading totalled NOK 181 million, up NOK 40 million from the corresponding period last year. There was a rise in income on proprietary trading in foreign exchange, fixed-income securities, credit instruments and equities relative to the first quarter of 2003.

Life Insurance and Pensions

Life Insurance and Pensions showed a satisfactory trend in the January through March period of 2004. The business area recorded a rise in premium income and a net inflow of transfers. Profits from life insurance operations for allocation to the owner and taxes were NOK 240 million, based on a preliminary allocation to policyholders of NOK 607 million. The securities adjustment reserve was increased by around NOK 1 billion.

Performance within Life Insurance and Pensions reflected the slide in interest rates and the upturn in the global and Norwegian stock markets in the first quarter of 2004. Pre-tax operating profits totalled NOK 260 million, compared with NOK 45 million in the year-earlier period. Vital Forsikring recorded profits after taxes of NOK 201 million, up from NOK 40 million in the first quarter of 2003. The recorded and value-adjusted returns on capital, excluding changes in unrealised gains on long-term securities, were 1.6 and 2.3 per cent respectively, compared with corresponding returns of 1.3 per cent in the year-earlier period.

Premium income recorded in the first quarter of 2004 totalled NOK 7.9 billion, an increase of 34 per cent from the corresponding period in 2003. Reserves totalling NOK 1.4 billion were transferred from other companies in the first quarter of 2004. The net inflow of reserves was NOK 730 million. Premium income from the retail market rose 120 per cent to NOK 3.6 billion.

Vital Forsikring strengthened disability reserves by NOK 82 million in the first three months of the year, compared with NOK 189 million in the year-earlier period.

Vital Forsikring's solvency capital increased by NOK 3.1 billion in the January through March period, reflecting interim profits, accumulation of funds in the securities adjustment reserve and changes in unrealised gains on long-term securities.

Life Insurance and Pensions has a leading position within the management of policyholders' funds, with a market share of 35 per cent. At the beginning of 2004, Life Insurance and Pensions provided pension schemes to 52 municipalities, which is the highest number of public sector clients among private life insurance companies.

Life Insurance and Pensions anticipates continued growth in the

market for pension savings in 2004. Pursuant to new legislation, an increasing number of companies will offer employees occupational pension schemes. The Norwegian government's proposal regarding statutory occupational pensions will reinforce this trend, while demand for individual pension savings is expected to rise further. Life Insurance and Pensions is well prepared to meet the competition in the market and is committed to strengthening its position as the largest company within life and pension insurance in Norway.

Asset Management

Asset Management showed a satisfactory trend in the first quarter of 2004. Developments in the equity and interest rate markets and the depreciation of the Norwegian krone have resulted in a substantial increase in assets under management.

Pre-tax operating profits before losses were NOK 37 million in the first quarter. Total revenues amounted to NOK 218 million for the period. Investment management income came to NOK 222 million, which was NOK 28 million higher than in the corresponding period of 2003.

Investment management income from the retail market stood at NOK 89 million, while income from institutional clients totalled NOK 133 million.

Operating expenses for the first three months of 2004 were NOK 181 million, on a level with expenses in the corresponding period of 2003. The effects of cost synergies realised through the integration of operations in DnB and Gjensidige NOR include staff

cuts corresponding to 15 full-time positions in 2003 and a further 19 full-time positions thus far in 2004.

As at 30 March 2004, the business area had a total of NOK 490 billion under management, an increase of NOK 25 billion or 5.6 per cent as from 31 December 2003. NOK 21 billion of the increase in assets under management stemmed from developments in equity prices and interest rates, while the weaker Norwegian krone gave an exchange effect of NOK 3.3 billion on international securities under management. The net inflow of new funds was NOK 0.8 billion. Assets under management for Norwegian clients rose by 7 per cent. For operations outside Norway, the increase in assets under management was 4 per cent, or 3 per cent measured in customers' local currencies. Investment funds from the retail market amounted to NOK 40 billion after a net reduction of NOK 0.8 billion. The corresponding figures for institutional clients were NOK 449 billion and a positive net inflow of NOK 1.5 billion respectively. The number of customer relationships at the end of March was 1.3 million.

The Norwegian savings market has shown a positive trend thus far in 2004. Nevertheless, competition for available funds necessitates further adaptation of products and services. Customer expectations regarding developments in financial markets will have a strong impact on performance in the business area. Asset Management is well-positioned for the anticipated increase in private pension savings in Norway and Sweden.

Oslo, 5 May 2004

The Board of Directors of DnB NOR ASA



Jannik Lindbæk
(vice-chairman)



Olav Hytta
(chairman)



Bjørn Sund
(vice-chairman)



Helge Leiro Baastad



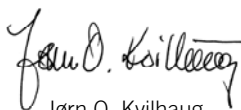
Sverre Finstad



Per Hoffmann



Berit Kjøl



Jørn O. Kvilhaug



Bent Pedersen



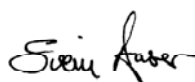
Ingjerd Skjeldrum



Anne Carine Tanum



Per Terje Vold



Svein Aaser
(group chief executive)

Profit and loss accounts

		DnB NOR Group		
<i>Amounts in NOK million</i>	Note	1st quarter 2004	Pro forma 1st quarter 2003	Pro forma full year 2003
Interest income	3	7 462	11 239	38 430
Interest expenses	3	4 164	7 736	24 641
Net interest income and credit commissions	3	3 298	3 503	13 789
Dividends		14	31	212
Net profit from Life Insurance and Pensions	5	178	15	760
Commissions and fees receivable	4	1 666	1 474	6 335
Commissions and fees payable	4	523	474	2 056
Net gain on foreign exchange and financial instruments	4	453	340	1 847
Sundry ordinary operating income	4	411	283	1 181
Gains on the sale of fixed assets	2, 4	979	2	23
Net other operating income	4	3 178	1 671	8 302
Salaries and other ordinary personnel expenses	6	1 679	1 597	6 577
Administrative expenses	6	1 004	1 000	3 982
Depreciation	6	290	300	1 200
Sundry ordinary operating expenses	6	374	403	1 433
Other expenses	6	931	27	219
Total operating expenses	6	4 278	3 327	13 410
Pre-tax operating profit before losses		2 199	1 847	8 681
Net losses on loans etc.	9, 10	135	449	1 891
Net gain/(loss) on long-term securities		15	(1)	224
Pre-tax operating profit		2 078	1 397	7 014
Taxes		561	377	1 636
Profit for the period		1 517	1 021	5 378
Earnings per share		1.16	0.78	4.11
Diluted earnings per share		1.15	0.78	4.10
Average total assets		727 687	691 819	697 223

Balance sheets

		DnB NOR Group		
<i>Amounts in NOK million</i>	Note	31 March 2004	31 Dec. 2003	Pro forma 31 March 2003
Assets				
Cash and deposits with central banks		3 284	8 570	31 331
Lending to and deposits with credit institutions		60 336	28 331	30 804
Gross lending to customers	11, 12	551 765	565 546	537 325
- Specified loan-loss provisions		(4 066)	(4 329)	(4 619)
- Unspecified loan-loss provisions		(3 534)	(3 714)	(3 718)
Net lending to customers	11, 12	544 165	557 503	528 988
Reposessed assets		460	576	848
Commercial paper and bonds		60 147	59 398	52 468
Shareholdings etc.		4 000	4 011	4 874
Investments in Life Insurance and Pensions and associated companies		7 722	7 365	7 260
Intangible assets	13	6 541	6 484	7 421
Fixed assets		4 364	4 475	4 730
Other assets		24 888	23 643	15 567
Prepayments and accrued income		5 705	5 321	8 860
Total assets		721 611	705 677	693 152
Liabilities and equity				
Loans and deposits from credit institutions		75 509	78 497	92 881
Deposits from customers		341 469	335 576	330 973
Securities issued		192 386	181 649	165 546
Other liabilities		34 049	35 305	28 474
Accrued expenses and prepaid revenues		6 756	5 992	7 490
Provisions for commitments		3 022	2 834	2 950
Subordinated loan capital		24 283	23 709	24 128
Share capital	14	13 220	13 090	13 090
Equity reserves	14	29 401	29 025	26 599
Profit for the period		1 517	-	1 021
Total liabilities and equity		721 611	705 677	693 152
Guarantee commitments		53 238	51 306	52 022

Key figures

	DnB NOR Group		
	1st quarter 2004	Pro forma 1st quarter 2003	Pro forma full year 2003
Interest rate analysis			
1. Combined average spread for lending and deposits (%)	2.47	2.69	2.62
2. Spread for ordinary lending to customers (%)	1.78	1.71	1.76
3. Spread for deposits from customers (%)	0.69	0.99	0.87
Rate of return/profitability			
4. Net other operating income, % of total income	40.0	32.3	37.6
5. Cost/income ratio (%)	66.1	64.3	60.7
6. Ordinary cost/income ratio before goodwill amortisation (%)	58.1	60.9	57.1
7. Cost/income ratio before goodwill amortisation (%)	63.6	61.4	57.9
8. Return on equity (%)	14.1	10.2	12.7
9. Return on equity before goodwill amortisation (%)	15.6	11.7	14.3
10. Goodwill amortisation (NOK million)	165	157	651
11. Average equity before dividend payment (NOK million)	43 126	40 198	42 206
Financial strength			
12. Core (Tier 1) capital ratio at end of period (%)	7.0	6.5	6.8
13. Core (Tier 1) capital ratio incl. 50 per cent of profit for the year to date (%)	7.1	6.6	-
14. Capital adequacy ratio at end of period (%)	10.2	9.8	9.8
15. Capital adequacy ratio at end of period incl. 50 per cent of profit for the period (%)	10.3	9.9	-
16. Core capital at end of period (NOK million)	40 224	35 896	39 270
17. Total eligible primary capital at end of period (NOK million)	58 763	54 555	56 499
18. Risk-weighted volume at end of period (NOK million)	576 656	555 214	579 445
Loan portfolio and loan-loss provisions			
19. Loan-loss ratio, annualised (%)	0.10	0.34	0.34
20. Non-performing and doubtful commitments, % of total lending	1.53	1.68	1.50
21. Loan-loss provisions relative to total gross lending (%)	1.38	1.55	1.42
22. Non-performing commitments at end of period (NOK million)	6 293	6 133	6 531
23. Doubtful commitments at end of period (NOK million)	2 092	2 947	1 870
Liquidity			
24. Ratio of customer deposits to net lending to customers at end of period (%)	62.8	62.6	60.2
Total assets owned or managed			
25. Assets under management at end of period (NOK billion)	505	430	483
26. Average total combined assets (NOK billion)	1 206	1 084	1 120
27. Total combined assets at end of period (NOK billion)	1 226	1 121	1 186
28. Customer savings at end of period (NOK billion)	848	762	818
Staff			
29. Number of full-time positions at end of period	10 478	11 477	11 044
30. - of which in Life Insurance and Pensions	993	1 055	1 022
The DnB NOR share			
31. Number of shares at end of period (1 000)	1 321 957	1 309 027	1 309 027
32. Average number of shares (1 000)	1 309 880	1 309 027	1 309 027
33. Average number of shares – fully diluted (1 000)	1 315 516	1 309 027	1 311 737
34. Earnings per share (NOK)	1.16	0.78	4.11
35. Earnings per share before goodwill amortisation (NOK)	1.28	0.90	4.61
36. Earnings per share – fully diluted (NOK)	1.15	0.78	4.10
37. Equity per share (NOK)	33.39	31.10	32.17
38. Share price at end of period (NOK)	45.00	28.70	44.40
39. Price/book value	1.35	0.92	1.38
40. Market capitalisation (NOK billion)	59.5	37.6	58.1

Definitions

8. Profit for the period as a percentage of average equity.
19. Net losses on loans (excluding guarantees) as a percentage of lending after the deduction of specified loan-loss provisions at end of period.
20. Non-performing and doubtful commitments after the deduction of specified loan-loss provisions relative to lending after the deduction of specified loan-loss provisions. Figures at end of period.
21. Accumulated specified and unspecified loan-loss provisions relative to gross lending at end of period.
34. Profit for the period divided by the average number of shares.
39. The last quoted share price on the Oslo Stock Exchange at end of period relative to the book value of equity at end of period.
40. Number of shares multiplied by the share price at end of period.

Note 1 – Accounting principles

The quarterly accounts are based on Norwegian accounting legislation, the accounting regulations issued by Kredittilsynet (the Financial Supervisory Authority of Norway) and Norwegian generally accepted accounting principles. The quarterly accounts comply with NRS 11 – the Norwegian accounting standard for interim reporting. A more detailed description of the DnB NOR Group's accounting principles can be found in the annual report for 2003.

Note 2 – New group structure

Sale of Elcon Finans AS

One of the requirements set by the Norwegian Competition Authority in connection with the merger between DnB Holding ASA and Gjensidige NOR ASA was the sale of Elcon Finans AS. On 30 March 2004, DnB NOR Bank ASA entered into an agreement with Santander Consumer Finance for the sale of Elcon Finans. Because the risk relating to Elcon Finans as well as control of the company were, for the most part, taken over by the buyer during the first quarter of 2004, the transaction was reflected in the accounts for the period. The sales price totalled NOK 3 440 million. In addition, the Group received profits generated by Elcon Finans during the first three months of 2004, which were consolidated in the first-quarter accounts. Additional profits generated by the company up till the transaction is completed will be recorded as an adjustment to the gain on the sale. The transaction is expected to be finalised by the end of June 2004. The capital gain recorded in the first quarter was NOK 977 million. In calculating the gain, the cost price was increased by NOK 159 million, which represents the remaining share of goodwill allocated to Elcon Finans in connection with the DnB NOR merger. Elcon Finans is not consolidated in the Group's balance sheet as at 31 March 2004. See below for profit and loss and balance sheet items in operations required sold in connection with the merger. The Norwegian government's draft tax reform presented on 26 March 2004 proposes tax exemption for companies' income from shares, including capital gains on the sale of shares. As the new rules have not yet been approved, they have not been used in the above calculation. If DnB NOR had taken the proposed amendments into consideration when accounting for the sale of Elcon Finans, payable taxes would have been brought down by around NOK 300 million.

Operations required sold in connection with the merger – discontinuing operations

In addition to the requirement to sell Elcon Finans AS, as mentioned above, DnB NOR was required to sell some companies, including Postbanken Eiendomsmegling AS and Gjensidige NOR Fondsforsikring AS. In the accounts for the merged entity, operations in the companies required to be sold are included. To facilitate analysis of operations in DnB NOR after the planned sales, separate accounts for these companies have been prepared.

Operations in these companies will, in accordance with the Ministry of Finance's regulations for the annual accounts of banks etc., Section 2-5, second paragraph, be included in DnB NOR's accounts until a binding sales agreement has been concluded and all substantial risk has been transferred to the purchaser. The accounts of the companies to be sold as they are included in the DnB NOR Group's accounts are shown below. In note 16, Business areas, these companies are shown separately under the caption "Discontinuing operations". Operations in the 53 branch offices DnB NOR was required to sell are included in the business area accounts as the sale refers only to premises and equipment.

Note 2 – New group structure (continued)**Profit and loss accounts**

	Discontinuing operations ¹⁾		
	1st quarter 2004	Pro forma 1st quarter 2003	Pro forma full year 2003
<i>Amounts in NOK million</i>			
Net interest income and credit commissions	250	186	927
Net profit/(loss) from Life Insurance and Pensions	(2)	0	0
Commissions and fees receivable	17	19	81
Commissions and fees payable	25	9	61
Net gain/(loss) on foreign exchange and financial instruments	(1)	8	6
Sundry ordinary operating income	26	26	118
Gains on the sale of fixed assets	977	0	0
Net other operating income	991	44	144
Salaries and other ordinary personnel expenses	75	71	290
Administrative expenses	28	22	115
Depreciation	6	6	25
Sundry ordinary operating expenses	19	24	97
Other expenses	0	0	2
Total operating expenses	128	124	530
Pre-tax operating profit before losses	1 114	106	541
Net losses on loans etc.	23	37	172
Pre-tax operating profit	1 091	69	369
Taxes	332	28	107
Profit for the period	759	41	262

Balance sheets

	Discontinuing operations ¹⁾		
	31 March 2004	31. Dec. 2003	Pro forma 31 March 2003
<i>Amounts in NOK million</i>			
Assets			
Cash and deposits with central banks	0	0	0
Lending to and deposits with credit institutions	28 714	375	329
Gross lending to customers	0	27 669	24 359
- Specified loan-loss provisions	0	(113)	(74)
- Unspecified loan-loss provisions	0	(180)	(181)
Net lending to customers	0	27 376	24 104
Repossessed assets	0	134	284
Shareholdings etc.	0	40	32
Investments in Life Insurance and Pensions and associated companies	129	0	0
Intangible assets	11	152	339
Fixed assets	2	22	17
Other assets	88	349	72
Prepayments and accrued income	0	89	67
Total assets	28 944	28 537	25 244
Liabilities and equity			
Loans and deposits from credit institutions	27 520	24 507	21 385
Deposits from customers	500	283	379
Other liabilities	4	771	731
Accrued expenses and prepaid revenues	0	174	165
Provisions for commitments	2	23	33
Subordinated loan capital	0	350	375
Total liabilities	28 026	26 108	23 069
Share capital	20	2 043	1 768
Equity reserves	139	386	366
Profit for the period	759	-	41
Total equity	918	2 429	2 175
Total liabilities and equity	28 944	28 537	25 244

1) Includes the accounts of Elcon Finans, Postbanken Eiendomsmegling and Gjensidige NOR Fondsforsikring as included in the accounts of the DnB NOR Group in addition to the capital gain recorded on the sale of Elcon Finans. As from 31 March 2004, Elcon Finans is no longer consolidated in the group accounts.

Note 3 – Net interest income and credit commissions

<i>Amounts in NOK million</i>	DnB NOR Group		
	1st quarter 2004	Pro forma 1st quarter 2003	Pro forma full year 2003
Interest on loans to and deposits with credit institutions	475	961	2 773
Interest and credit commissions on instalment loans	5 166	7 894	26 944
Interest and credit commissions on overdraft and working capital facilities	642	889	3 141
Interest and credit commissions on building loans	64	124	419
Leasing income	341	473	1 599
Factoring income	36	42	185
Front-end fees, back-end fees	231	193	868
Interest on other loans to customers	62	31	181
Total interest income on loans to customers	6 541	9 647	33 336
Interest on commercial paper, bonds, etc.	425	610	2 222
Other interest income	22	20	98
Total interest income	7 462	11 239	38 430
Interest on loans and deposits from credit institutions	521	698	2 362
Interest on demand deposits from customers	969	2 887	8 373
Interest on time deposits from customers	50	135	373
Interest on special-term deposits from customers	290	1 076	2 824
Total interest expenses on deposits from customers	1 308	4 098	11 570
Interest on securities issued	1 021	1 296	4 796
Interest on subordinated loan capital	175	156	662
Contributions to the Savings and Commercial Banks' Guarantee Funds	111	126	499
Other interest expenses	1 027	1 362	4 752
Total interest expenses	4 164	7 736	24 641
Net interest income and credit commissions	3 298	3 503	13 789

Last five quarters

<i>Amounts in NOK million</i>	DnB NOR Group				
	1st quarter 2004	Pro forma 4th quarter 2003	Pro forma 3rd quarter 2003	Pro forma 2nd quarter 2003	Pro forma 1st quarter 2003
Interest on loans to and deposits with credit institutions	475	522	573	717	961
Interest and credit commissions on instalment loans	5 166	5 380	6 439	7 231	7 894
Interest and credit commissions on overdraft and working capital facilities	642	672	735	845	889
Interest and credit commissions on building loans	64	80	97	118	124
Leasing income	341	314	390	422	473
Factoring income	36	57	39	46	42
Front-end fees, back-end fees	231	227	226	223	193
Interest on other loans to customers	62	89	59	3	31
Total interest income on loans to customers	6 541	6 818	7 983	8 888	9 647
Interest on commercial paper, bonds, etc.	425	521	519	572	610
Other interest income	22	56	2	20	20
Total interest income	7 462	7 916	9 077	10 198	11 239
Interest on loans and deposits from credit institutions	521	461	503	700	698
Interest on demand deposits from customers	969	1 186	1 823	2 477	2 887
Interest on time deposits from customers	50	55	74	109	135
Interest on special-term deposits from customers	290	345	591	812	1 076
Total interest expenses on deposits from customers	1 308	1 586	2 489	3 398	4 098
Interest on securities issued	1 021	1 126	1 150	1 225	1 296
Interest on subordinated loan capital	175	171	164	171	156
Contributions to the Savings and Commercial Banks' Guarantee Funds	111	123	129	121	126
Other interest expenses	1 027	1 152	1 134	1 104	1 362
Total interest expenses	4 164	4 618	5 568	6 719	7 736
Net interest income and credit commissions	3 298	3 299	3 509	3 478	3 503

Note 4 – Net other operating income

<i>Amounts in NOK million</i>	DnB NOR Group		
	1st quarter 2004	Pro forma 1st quarter 2003	Pro forma full year 2003
Dividends	14	31	212
Net profit from Life Insurance and Pensions	178	15	760
Money transfer fees receivable	747	717	3 069
Fees on asset management services	274	229	986
Fees on custodial services	41	40	159
Fees on securities broking	144	93	453
Guarantee commissions	96	97	378
Interbank fees	48	52	214
Credit broking commissions	23	25	117
Sales commissions on insurance products	89	53	226
Sundry commissions and fees receivable on banking services	203	168	734
Total commissions and fees receivable on banking services	1 666	1 474	6 335
Money transfer fees payable	280	289	1 166
Interbank fees	60	60	258
Sundry commissions and fees payable on banking services	183	124	632
Total commissions and fees payable on banking services	523	474	2 056
Net gain/(loss) on short-term shareholdings	20	(54)	163
Net gain on commercial paper and bonds	242	197	523
Net gain on trading in foreign exchange and financial derivatives ¹⁾	306	430	1 494
Net (loss) on short-term interest instruments ¹⁾	(114)	(233)	(333)
Net gain on foreign exchange and financial instruments	453	340	1 847
Operating income on real estate	17	15	61
Rental income ²⁾	50	16	63
Fees on real estate broking	146	117	595
Share of profit in associated companies	58	41	159
Remunerations	1	5	21
Miscellaneous operating income ²⁾	139	89	282
Total sundry ordinary operating income	411	283	1 181
Gains on the sale of fixed assets ³⁾	979	2	23
Net other operating income	3 178	1 671	8 302

1) As these activities are managed collectively, the items must be evaluated together and relative to interest income on the same activities.

2) Total external income from operations in Gjensidige NOR Driftspartner and Gjensidige NOR Markedsstøtte are included in these items from the first quarter of 2004.

3) Of which NOK 977 million represented gains on the sale of Elcon Finans in the first quarter of 2004.

Note 4 – Net other operating income (continued)**Last five quarters****DnB NOR Group**

<i>Amounts in NOK million</i>	1st quarter 2004	Pro forma 4th quarter 2003	Pro forma 3rd quarter 2003	Pro forma 2nd quarter 2003	Pro forma 1st quarter 2003
Dividends	14	47	27	107	31
Net profit from Life Insurance and Pensions	178	360	88	297	15
Money transfer fees receivable	747	780	797	775	717
Fees on asset management services	274	276	267	214	229
Fees on custodial services	41	42	37	40	40
Fees on securities broking	144	169	96	95	93
Guarantee commissions	96	96	92	92	97
Interbank fees	48	55	52	55	52
Credit broking commissions	23	33	29	29	25
Sales commissions on insurance products	89	70	62	41	53
Sundry commissions and fees receivable on banking services	203	212	190	164	168
Total commissions and fees receivable on banking services	1 666	1 733	1 623	1 505	1 474
Money transfer fees payable	280	310	282	285	289
Interbank fees	60	66	64	67	60
Sundry commissions and fees payable on banking services	183	200	176	132	124
Total commissions and fees payable on banking services	523	577	521	484	474
Net gain/(loss) on short-term shareholdings	20	86	81	50	(54)
Net gain on commercial paper and bonds	242	4	58	263	197
Net gain on trading in foreign exchange and financial derivatives ¹⁾	306	280	456	329	430
Net gain/(loss) on short-term interest rate instruments ¹⁾	(114)	121	(99)	(122)	(233)
Net gain on foreign exchange and financial instruments	453	492	496	519	340
Operating income on real estate	17	15	15	16	15
Rental income ²⁾	50	16	12	18	16
Fees on real estate broking	146	160	161	157	117
Share of profit in associated companies	58	20	41	56	41
Remunerations	1	11	2	3	5
Miscellaneous operating income ²⁾	139	83	67	43	89
Total sundry ordinary operating income	411	306	298	293	283
Gains on the sale of fixed assets ³⁾	979	13	7	2	2
Net other operating income	3 178	2 374	2 017	2 240	1 671

1) As these activities are managed collectively, the items must be evaluated together and relative to interest income on the same activities.

2) Total external income from operations in Gjensidige NOR Driftspartner and Gjensidige NOR Markedsstøtte are included in these items from the first quarter of 2004.

3) Of which NOK 977 million represented gains on the sale of Elcon Finans in the first quarter of 2004.

Note 5 – Life Insurance and Pensions

Net profit from Life Insurance and Pensions

The business area Life Insurance and Pensions in DnB NOR comprises Vital Forsikring ASA including subsidiaries and the sister company Vital Link AS. Gjensidige NOR Fondsforsikring AS, which is required sold according to the concession terms, is not included in the figures. Engaged in life and unit linked insurance, the business area applies accounting standards which in certain respects deviate from the principles used for the Group's other operations. 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. The item "Net profit from Life Insurance and Pensions" in the group accounts represents the DnB NOR Group's share of profits from the business area less goodwill amortisation. Columns showing figures for Life insurance refer to operations in Vital Forsikring ASA including subsidiaries. Columns showing figures for Life Insurance and Pensions refer to the life insurance company and unit linked operations in Vital Link.

Profit and loss accounts ¹⁾

	Life insurance		
	1st quarter	Pro forma	Pro forma
<i>Amounts in NOK million</i>	2004	1st quarter	full year
		2003	2003
Premium income for own account	6 659	5 275	14 047
Income from financial assets	4 865	5 003	22 864
Other insurance-related income	30	17	122
Insurance settlements for own account	2 583	2 741	10 876
Increase in insurance provisions etc.	5 272	3 608	8 107
Insurance-related operating expenses	315	290	1 215
Expenses related to financial assets	1 431	3 269	9 784
Other insurance-related expenses	39	22	165
Transferred to securities adjustment reserve	1 039	0	2 448
Result of technical profit and loss account before special provisions	875	365	4 438
Transferred to additional allocations	0	0	896
Funds transferred to policyholders	607	303	2 254
Result of technical profit and loss account for life insurance	268	62	1 288
Other expenses	28	35	148
Result of ordinary operations ²⁾	240	27	1 140
Taxes/(tax revenues)	39	(13)	236
Profit for the period	201	40	904

Adjustments in the DnB NOR Group's accounts when accounting for Life Insurance and Pensions

	DnB NOR Group		
	1st quarter	Pro forma	Pro forma
<i>Amounts in NOK million</i>	2004	1st quarter	full year
		2003	2003
Profit for the period from life insurance operations	201	40	904
Goodwill amortisation ³⁾	25	25	101
Net profit from life insurance operations	176	15	803
Net profit(loss) from unit linked activities	4	0	(42)
Net profit(loss) from Life Insurance and Pensions	180	15	760

Balance sheets ¹⁾

	Life insurance		
	31 March	Pro forma	Pro forma
<i>Amounts in NOK million</i>	2004	31 Dec.	31 March
		2003	2003
Financial assets	148 314	140 243	129 996
Accounts receivable	1 662	2 175	4 116
Other assets	3 307	5 283	2 902
Prepaid expenses and accrued income	2 395	2 467	2 347
Total assets	155 678	150 168	139 361
Paid-in capital	2 344	2 343	2 344
Retained earnings	3 713	3 512	3 552
Subordinated and perpetual subordinated loan capital securities	2 616	2 663	3 039
Securities adjustment reserve	3 486	2 448	0
Insurance provisions	141 003	135 135	128 477
Provisions for commitments	756	756	35
Liabilities	1 638	2 792	1 744
Accrued expenses and prepaid income	122	519	170
Total equity and liabilities	155 678	150 168	139 361
Market value above acquisition cost of bonds held to maturity	4 047	2 842	1 614

Note 5 – Life Insurance and Pensions (continued)

1) The profit and loss accounts and balance sheets for life insurance operations have been prepared in conformity with general accounting principles and regulations for the annual accounts of insurance companies issued by Kredittilsynet.

2) Breakdown of profit and loss account

Amounts in NOK million	Life insurance		
	1st quarter 2004	Pro forma 1st quarter 2003	Pro forma full year 2003
Administration result	(25)	(35)	(190)
Interest result	1 061	508	5 472
Risk result before additional provisions for disability	(65)	91	(92)
Total	971	564	5 190
Transferred to security reserve	4	3	17
Additional provisions for disability *)	82	189	811
Result from other activities/other provisions	(38)	(42)	(72)
Profits for distribution **)	847	330	4 290
Transferred to additional allocations	0	0	896
Funds transferred to policyholders	607	303	2 254
Result of ordinary operations	240	27	1 140

*) Life Insurance and Pensions plans to strengthen disability provisions by NOK 220 million in 2004, of which NOK 82 million was charged to the risk result for the first quarter.

***) Specification of profits for distribution	847	330	4 290
Of which profit for operations subject to profit sharing:	884	371	4 351
- funds transferred to policyholders	607	303	2 254
- funds transferred to additional allocations	0	0	896
- profits for allocation to the owner and taxes	277	68	1 200
Of which profit from operations not subject to profit sharing	(37)	(41)	(61)

Profits for allocation to the owner and taxes for life insurance 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

The introduction of a new profit-sharing model in Vital Forsikring ASA as from 2004 is under consideration.

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.

3) Goodwill is amortised over 10 years.

Key figures

Per cent	Life Insurance and Pensions		
	1st quarter 2004	Pro forma 1st quarter 2003	Pro forma full year 2003
Recorded return ¹⁾	1.6	1.3	7.9
Value-adjusted return excl. unrealised gains on long-term securities ^{1) 2)}	9.4	5.2	9.7
Value-adjusted return incl. unrealised gains on long-term securities ^{1) 2)}	12.5	7.3	11.0
Return on equity after taxes ^{2) 3)}	10.6	2.0	11.9
Expenses in per cent of policyholders' funds ^{1) 2) 4)}	0.93	0.94	1.01
Capital adequacy ratio ^{1) 5)}	13.2	15.0	13.8
Core capital ratio ^{1) 5)}	9.3	10.0	9.6
Policyholders' funds, life insurance (NOK billion) ^{5) 6)}	144	128	137
Asset under management, unit linked operations ⁵⁾	9	5	7
Solvency margin capital in per cent of solvency capital requirement ^{1) 5) 7)}	145	152	152

1) Life insurance.

2) Figures are annualised.

3) Calculated on the basis of allocated risk capital.

4) Expenses charged to the administration result.

5) Figures at end of period.

6) Policyholders' funds include insurance provisions and 75 per cent of the securities adjustment reserve.

7) 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 5 – Life Insurance and Pensions (continued)

Solvency capital

The solvency capital consists of profit for the period, the securities adjustment reserve, additional allocations, the security reserve, equity, subordinated loan capital and perpetual subordinated loan capital securities and unrealised gains on long-term securities. All these elements, with the exception of part of the security reserve, can be used to meet the guaranteed rate of return on policyholders' funds.

<i>Amounts in NOK million</i>	Life insurance		
	31 March 2004	Pro forma 31 Dec. 2003	Pro forma 31 March 2003
Profit for the period	847	0	330
Securities adjustment reserve	3 486	2 448	0
Additional allocations	2 067	2 049	1 197
Security reserve	201	197	183
Equity	5 856	5 856	5 856
Subordinated loan capital and perpetual subordinated loan capital securities	2 616	2 663	3 039
Unrealised gains on long-term securities	4 047	2 842	1 614
Total solvency capital	19 120	16 055	12 219
Guaranteed return on policyholders' funds	1 342	4 966	1 211

Note 6 – Operating expenses

<i>Amounts in NOK million</i>	DnB NOR Group		
	1st quarter 2004	Pro forma 1st quarter 2003	Pro forma full year 2003
Ordinary salaries	1 218	1 184	4 836
Employer's national insurance contributions	205	192	712
Pension expenses	182	138	666
Social expenses	74	82	363
Total ordinary salaries and other personnel expenses	1 679	1 597	6 577
Fees	136	133	526
EDP expenses	358	348	1 361
Postage, telecommunications and office supplies	188	174	671
Marketing and public relations	102	108	451
Travel expenses	42	48	194
Reimbursement to Norway Post for transactions executed	125	117	563
Training expenses	13	17	46
Sundry administrative expenses	40	55	169
Total administrative expenses	1 004	1 000	3 982
Goodwill amortisation	140	134	550
Other depreciation	150	166	649
Total depreciation	290	300	1 200
Operating expenses on properties and premises	256	237	878
Operating expenses on machinery, vehicles and office equipment taken to expense	22	25	103
Miscellaneous ordinary operating expenses	97	141	453
Total sundry ordinary operating expenses	374	403	1 433
Allocations to employee funds	-	3	114
Restructuring expenses	930	4	38
Losses on the sale of fixed assets	1	4	28
Write-downs on rental contracts and fixed assets	0	17	40
Total other expenses	931	27	219
Total operating expenses	4 278	3 327	13 410

Note 6 – Operating expenses (continued)

Last five quarters

DnB NOR Group

<i>Amounts in NOK million</i>	1st quarter 2004	Pro forma 4th quarter 2003	Pro forma 3rd quarter 2003	Pro forma 2nd quarter 2003	Pro forma 1st quarter 2003
Ordinary salaries	1 218	1 261	1 222	1 168	1 184
Employer's national insurance contributions	205	149	186	185	192
Pension expenses	182	230	152	146	138
Social expenses	74	122	81	77	82
Total ordinary salaries and other personnel expenses	1 679	1 762	1 642	1 576	1 597
Fees	136	162	88	144	133
EDP expenses	358	294	362	356	348
Postage, telecommunications and office supplies	188	160	165	172	174
Marketing and public relations	102	115	100	128	108
Travel expenses	42	57	39	50	48
Reimbursement to Norway Post for transactions executed	125	180	141	125	117
Training expenses	13	9	10	9	17
Sundry administrative expenses	40	34	37	43	55
Total administrative expenses	1 004	1 012	942	1 028	1 000
Goodwill amortisation	140	140	139	137	134
Other depreciation	150	163	158	162	166
Total depreciation	290	304	297	299	300
Operating expenses on properties and premises	256	187	227	226	237
Operating expenses on machinery, vehicles and office equipment taken to expense	22	37	22	18	25
Miscellaneous ordinary operating expenses	97	79	117	115	141
Total sundry ordinary operating expenses	374	303	366	360	403
Allocations to employee funds	-	85	21	5	3
Restructuring expenses	930	13	8	13	4
Losses on the sale of fixed assets	1	5	2	17	4
Write-downs/(reversals of write-downs) on rental contracts and fixed assets	0	24	4	(5)	17
Total other expenses	931	127	35	30	27
Total operating expenses	4 278	3 508	3 282	3 293	3 327

Note 7 – Restructuring provisions

DnB NOR Group

<i>Amounts in NOK million</i>	31 March 2004	Accrued expenses 1st quarter 2004	New provisions 1st quarter 2004 ¹⁾	31 Dec. 2003
DnB NOR merger ^{*)}	1 626	161	930	856
Other restructuring provisions	86	11	-	97
Total	1 711	172	930	953

*) Of which: IT 47
Staff cuts 99
Other 15

1) In March 2004, the Board of Directors of DnB NOR ASA approved a restructuring plan for the integration of DnB NOR. The figure represents 50 per cent of total restructuring provisions in the DnB NOR merger.

Note 8 – Number of employees/full-time positions ^{1) 2)}

	1st quarter 2004	DnB NOR Group	
		Pro forma 1st quarter 2003	Pro forma full year 2003
Number of employees at end of period	10 832	12 082	11 678
Number of employees calculated on a full-time basis at end of period	10 478	11 477	11 044
Average number of employees	11 472	12 151	11 950
Average number of employees calculated on a full-time basis	10 986	11 546	11 341

1) The 2003 figures include 458 full-time positions in Elcon Finans, Gjensidige NOR Fondsforsikring and Postbanken Eiendomsmegling. According to the concession terms, the DnB NOR Group is required to sell these companies.

2) Elcon Finans was sold on 30 March 2004, representing 464 employees, which corresponds to 441 full-time positions.

Note 9 – Net losses/(reversals) on loans, guarantees etc.

Amounts in NOK million	1st quarter 2004	DnB NOR Group	
		Pro forma 1st quarter 2003	Pro forma full year 2003
Specification of net losses/(reversals)			
Write-offs ^{a)}	216	303	725
Increase in specified loan-loss provisions ^{b)}	152	72	288
New specified loan-loss provisions ^{c)}	228	244	1 657
Total new specified provisions	595	619	2 671
Reassessed specified provisions ^{d)}	398	116	509
Total specified provisions	198	502	2 162
Recoveries on commitments previously written off ^{e)}	62	66	276
Increase in unspecified provisions during the period ^{f)}	0	12	5
Net losses on loans, guarantees etc. ¹⁾	135	449	1 891
Specification of changes			
Increase in/(reversals on) specified provisions ^{b) and c) minus d) og g)}	(157)	(4)	773
+ Increase in unspecified provisions ^{f)}	0	12	5
+ Write-offs covered by specified provisions made in previous years ^{g)}	138	204	664
+ Write-offs not covered by specified provisions made in previous years ^{a)}	216	303	725
- Recoveries on commitments previously written off ^{e)}	62	66	276
Net losses on loans, guarantees etc. ¹⁾	135	449	1 891
1) Of which net losses/(reversals) on guarantees	(3)	(8)	(7)
a)-g) Show connections between the items.			

Note 10 – Net losses/(reversals) on loans, guarantees etc. for principal sectors

<i>Amounts in NOK million</i>	DnB NOR Group		
	1st quarter 2004	Pro forma 1st quarter 2003	Pro forma full year 2003
Retail customers	20	65	271
International shipping	0	(12)	(60)
Real estate	(14)	2	67
Manufacturing	61	56	342
Services and management	(216)	22	319
Trade	32	35	141
Oil and gas	(4)	(5)	(3)
Transportation and communication	12	22	69
Building and construction	47	7	156
Power and water supply	(2)	0	0
Fishing	45	22	128
Other sectors	154	232	452
Total customers	135	446	1 881
Credit institutions	0	0	5
Increase in unspecified provisions	0	3	5
Total net losses on loans, guarantees etc.	135	449	1 891

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 11 – Lending to principal sectors ¹⁾

<i>Amounts in NOK million</i>	DnB NOR Group		
	31 March 2004	31 Dec. 2003	Pro forma 31 March 2003
Retail customers	303 468	301 579	266 801
International shipping	32 964	31 167	27 664
Real estate	81 445	82 155	80 342
Manufacturing	21 474	24 758	27 654
Services and management	31 977	36 613	37 543
Trade	22 081	23 849	25 027
Oil and gas	3 824	4 238	4 117
Transportation and communication	12 285	14 026	15 470
Building and construction	5 645	8 428	8 388
Power and water supply	5 729	6 276	8 501
Fishing	9 739	10 440	10 128
Hotels and restaurants	3 903	4 113	3 832
Agriculture and forestry	3 696	4 749	4 249
Central and local government	2 245	2 094	2 609
Other sectors	7 225	6 731	10 382
Total lending to customers	547 699	561 217	532 706

1) Loans after specified provisions.

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 12 – Non-performing and doubtful commitments

Amounts in NOK million	Retail customers			Corporate customers			DnB NOR Group		
	31 March 2004	31 Dec. 2003	Pro forma	31 March 2004	31 Dec. 2003	Pro forma	31 March 2004	31 Dec. 2003	Pro forma
			31 March 2003			31 March 2003			31 March 2003
Non-performing commitments									
Before specified provisions	2 676	3 064	2 788	6 928	6 989	7 186	9 604	10 053	9 975
After specified provisions ¹⁾	1 829	2 143	1 894	4 464	4 388	4 239	6 293	6 531	6 133
Doubtful commitments									
Before specified provisions	593	436	667	2 372	2 366	3 902	2 964	2 802	4 569
After specified provisions ¹⁾	451	317	439	1 641	1 553	2 508	2 092	1 870	2 947

1) Includes provisions for losses on lending to credit institutions.

Note 13 – Intangible assets

Amounts in NOK million	DnB NOR Group		
	31 March 2004	31 Dec. 2003	Pro forma 31 March 2003
Goodwill	5 231	5 601	5 806
Systems development	110	172	156
Postbanken brand name	59	62	71
Deferred tax assets	1 138	642	1 363
Other intangible assets	1	7	25
Total intangible assets	6 541	6 484	7 421

Note 14 – Equity

Amounts in NOK million	DnB NOR Group		
	1st quarter 2004	Full year 2003	Pro forma 1st quarter 2003
Shareholders' equity as at 1 January	42 115	26 117	39 685
Minority interests in Netaxept			(2)
Share issue ¹⁾	424		
Merger between DnB and Gjensidige NOR			
Share issue		13 647	
Issue costs after taxes		144	
Profit in Gjensidige NOR		2 564	
First-year goodwill amortisation		135	
Profit for the period	1 517	3 017	1 021
Dividends		2 919	
Exchange rate movements	81	(32)	7
Shareholders' equity at end of period	44 138	42 115	40 710

1) In accordance with the current subscription rights programme, employees subscribed for 12 929 907 shares at NOK 32.83 per share in the first quarter of 2004.

Note 15 – Capital adequacy

Amounts in NOK million	DnB NOR Group		
	31 March 2004	31 Dec. 2003	Pro forma 31 March 2003
Share capital	13 220	13 090	13 090
Other equity	29 401	29 025	26 599
Total equity	42 621	42 115	39 689
Perpetual subordinated loan capital securities ^{1) 2)}	6 011	5 476	5 390
Reductions			
Pension funds above pension commitments	(1 500)	(1 354)	(959)
Goodwill	(5 353)	(5 728)	(6 430)
Deferred tax assets	(1 157)	(808)	(1 367)
Other intangible assets etc.	(397)	(431)	(427)
Core capital	40 224	39 270	35 896
Perpetual subordinated loan capital ^{1) 2)}	6 849	6 154	7 442
Term subordinated loan capital ²⁾	12 665	11 945	13 258
Subordinated loan capital not eligible ³⁾	0	0	(1 061)
Net supplementary capital	19 514	18 099	19 640
Deductions	975	870	981
Total eligible primary capital ⁴⁾	58 763	56 499	54 555
Total risk-weighted volume	576 656	579 445	555 214
Core capital ratio (per cent)	7.0	6.8	6.5
Capital ratio (per cent)	10.2	9.8	9.8
Including 50 per cent of profit for the period			
Core capital ratio (per cent)	7.1	-	6.6
Capital ratio (per cent)	10.3	-	9.9

1) Perpetual subordinated loan capital securities can represent up to 15 per cent of core capital. The excess will qualify as perpetual supplementary capital.

2) Calculations of capital adequacy include a total of NOK 1 242 million in subordinated loan capital in life insurance operations and associated companies, in addition to subordinated loan capital in the Group's balance sheet.

3) Includes deductions for subordinated loans not approved as supplementary capital. Term subordinated loan capital is reduced proportionally by 20 percentage points per year over the final five years prior to maturity.

4) Primary capital and nominal amounts used in calculating risk-weighted volume deviate from figures in the DnB NOR Group's accounts as a different consolidation method is used in calculating capital adequacy.

All figures are presented in accordance with rules prevailing at the time in question.

Note 16 – Business areas ¹⁾

Profit and loss accounts ²⁾										DnB NOR Group		
	Net interest income		Of which interest on allocated capital		Net other operating income		Operating expenses		Pre-tax operating profit/(loss) before losses		Net losses on loans and long-term securities	
	1st quarter		1st quarter		1st quarter		1st quarter		1st quarter		1st quarter	
Amounts in NOK million	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Corporate Banking	1 399	1 477	102	257	563	509	824	821	1 138	1 165	102	370
Retail Banking	1 661	1 746	40	100	673	567	1 634	1 717	700	596	14	55
DnB NOR Markets	69	151	11	29	586	487	308	299	347	340	(3)	0
Life Insurance and Pensions	0	0			260 ³⁾	45 ³⁾	0	0	260	45	0	0
Asset Management	1	13	5	12	217	196	181	182	37	28	0	0
Discontinuing operations	250	186			991	44	128	124	1 114	106	23	37
Other operations ⁴⁾	(81)	(71)			(112)	(177)	1 204	183	(1 397)	(432)	(15)	(12)
DnB NOR Group	3 298	3 503			3 178	1 671	4 278	3 327	2 199	1 847	121	449

Note 16 – Business areas ¹⁾ (continued)**Main balance sheet items, average balances ²⁾**

Amounts in NOK billion	Net lending to customers 1st quarter		Customer deposits 1st quarter		Assets under management ⁵⁾ 1st quarter		Allocated capital ⁶⁾ 1st quarter	
	2004	2003	2004	2003	2004	2003	2004	2003
Corporate Banking	246.4	244.8	161.5	161.3			18.5	17.2
Retail Banking	286.9	247.8	183.0	176.9			7.3	6.7
DnB NOR Markets	1.2	1.3	8.7	11.5			1.9	1.9
Life Insurance and Pensions					148.3	131.5	8.4	7.6
Asset Management					484.5	396.5	1.0	0.8
Discontinuing operations	28.2	23.6	0.5	0.3				
Other operations ⁴⁾	1.7	2.8	(10.1)	(13.8)	(135.9)	(113.3)	6.0	6.0
DnB NOR Group	564.5	520.3	343.7	336.2	496.9	414.7	43.1	40.2

Key figures

Per cent	Cost/income ratio excl. goodwill amortisation 1st quarter		Ratio of deposits to lending 1st quarter		Return on equity 1st quarter		Full-time positions 31 March 2004 31 Dec.	
	2004	2003	2004	2003	2004	2003	2004	2003
Corporate Banking	41.9	41.3	65.5	65.9	16.2	13.5	1 937	1 951
Retail Banking	69.7	74.0	63.8	71.4	27.1	23.6	4 568	4 660
DnB NOR Markets	47.1	46.9			52.1	51.1	540	610
Life Insurance and Pensions					10.6	2.0	993	1 022
Asset Management	83.0	86.9			11.1	10.1	340	359
Discontinuing operations							14	458
Other operations							2 087	1 984
DnB NOR Group	63.6	61.4	60.9	64.6	14.1	10.2	10 478	11 044

1) Figures for 2003 are pro forma.

2) Figures for the business areas are based on internal management reporting. The figures have been restated in accordance with the Group's current principles for allocating costs and capital between business areas. The management principles applied have been coordinated, thus the figures are not comparable with figures for previous periods for either DnB or Gjensidige NOR. In the first quarter of 2004, the allocation of certain items between the business areas was reconsidered. Historical figures have been adjusted correspondingly.

3) Interest on allocated capital totalled NOK 46 million in the first quarter of 2004 and NOK 114 million in the first quarter of 2003.

4) Other operations:

Amounts in NOK million	Net interest income 1st quarter		Net other operating income 1st quarter		Operating expenses 1st quarter		Pre-tax operating profit/(loss) before losses 1st quarter		Net losses on loans and long-term securities 1st quarter		Pre-tax operating profit/(loss) 1st quarter	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Group Centre	(86)	(84)	204	63	1 292	232	(1 173)	(253)	(15)	(12)	(1 158)	(241)
Double entries	(3)	0	(175)	(170)	0	0	(178)	(170)	0	0	(178)	(170)
Eliminations	8	12	(141)	(70)	(88)	(49)	(46)	(8)	0	0	(46)	(8)
Total	(81)	(71)	(112)	(177)	1 204	183	(1 397)	(432)	(15)	(12)	(1 382)	(419)

Eliminations refer mainly to internal deliveries between the support units Human Resources and Group Services, IT and Payment Services and the business areas. Further, inter-company transactions and possible gains and losses on transactions between companies in the Group are eliminated. The elimination of double entries 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/(loss) in NOK million	1st quarter	
	2004	2003
Restructuring provisions, DnB NOR merger	(930)	-
Goodwill amortisation	(157)	(151)
Ownership-related expenses (costs relating to shareholders, investor relations, strategic planning etc.)	(56)	(55)
Income on equity investments	14	(43)
Income on unallocated capital	33	89
Other	(62)	(81)
Pre-tax operating profit/(loss)	(1 158)	(241)

5) The "other operations" line includes assets managed by Asset Management on behalf of Life Insurance and Pensions, representing NOK 135.7 billion in the first quarter of 2004 and NOK 112.6 billion in the first quarter of 2003.

6) The figures include the average capital requirement for the period. The allocation of capital is based on DnB NOR's internal management model, which includes credit, market, insurance, liquidity and operational risk for each business area. In addition, capital is maintained to comply with statutory requirements, cover uncertainty in risk estimates and serve as a buffer to meet future needs.

Note 17 – Profit and balance sheet trends

Profit and loss accounts

	DnB NOR Group				
	1st quarter 2004	Pro forma 4th quarter 2003	Pro forma 3rd quarter 2003	Pro forma 2nd quarter 2003	Pro forma 1st quarter 2003
<i>Amounts in NOK million</i>					
Net interest income and credit commissions	3 298	3 299	3 509	3 478	3 503
Dividends	14	47	27	107	31
Net profit from Life Insurance and Pensions	178	360	88	297	15
Commissions and fees receivable	1 666	1 733	1 623	1 505	1 474
Commissions and fees payable	523	577	521	484	474
Net gain on foreign exchange and financial instruments	453	492	496	519	340
Sundry ordinary operating income	411	306	298	293	283
Gains on the sale of fixed assets	979	13	7	2	2
Net other operating income	3 178	2 374	2 017	2 240	1 671
Salaries and other ordinary personnel expenses	1 679	1 762	1 642	1 576	1 597
Administrative expenses	1 004	1 012	942	1 028	1 000
Depreciation	290	304	297	299	300
Sundry ordinary operating expenses	374	303	366	360	403
Other expenses	931	127	35	30	27
Total operating expenses	4 278	3 508	3 282	3 293	3 327
Pre-tax operating profit before losses	2 199	2 165	2 244	2 425	1 847
Net losses on loans etc.	135	276	356	811	449
Net gain/(loss) on long-term securities	15	195	(3)	33	(1)
Pre-tax operating profit	2 078	2 083	1 885	1 648	1 397
Taxes	561	513	501	245	377
Profit for the period	1 517	1 570	1 384	1 403	1 021
Earnings per share	1.16	1.20	1.06	1.07	0.78
Diluted earnings per share	1.15	1.19	1.05	1.07	0.78
Average total assets	727 687	689 051	712 670	695 352	691 819

Balance sheets

Balance sheets	DnB NOR Group					
	31 March 2004 ¹⁾	31 Dec. 2003 ²⁾	31 Dec. 2003	Pro forma 30 Sept. 2003	Pro forma 30 June 2003	Pro forma 31 March 2003
<i>Amounts in NOK million</i>						
Assets						
Cash and deposits with central banks	3 284	8 570	8 570	17 103	12 377	31 331
Lending to and deposits with credit institutions	60 336	53 065	28 331	31 771	36 606	30 804
Net lending to customers	544 165	530 296	557 503	546 803	541 174	528 988
Reposessed assets	460	601	576	873	580	848
Commercial paper and bonds	60 147	59 398	59 398	60 172	57 202	52 468
Shareholdings etc.	4 000	4 005	4 011	4 608	4 358	4 874
Investments in Life Insurance and Pensions and associated companies	7 722	7 365	7 365	7 796	7 687	7 260
Other assets	41 498	41 272	39 923	38 261	37 399	36 578
Total assets	721 611	704 572	705 677	707 388	697 383	693 152
Liabilities and equity						
Loans and deposits from credit institutions	75 509	78 672	78 497	82 451	91 543	92 881
Deposits from customers	341 469	335 293	335 576	330 704	336 444	330 973
Securities issued	192 386	181 649	181 649	175 920	164 611	165 546
Other liabilities	43 827	43 134	44 132	50 854	39 192	38 914
Subordinated loan capital	24 283	23 709	23 709	23 989	23 463	24 128
Equity	44 138	42 115	42 115	43 470	42 129	40 710
Total liabilities and equity	721 611	704 572	705 677	707 388	697 383	693 152

1) As from 31 March 2004, Elcon Finans is no longer consolidated in the group accounts.

2) Pro forma excluding Elcon Finans.

Profit and loss accounts DnB NOR ASA

<i>Amounts in NOK million</i>	1st quarter 2004	1st quarter 2003	Full year 2003
Interest income	20	49	169
Interest expenses	87	86	276
Net interest income and credit commissions	(67)	(38)	(107)
Dividends from group companies/group contributions	0	0	3 629
Commissions and fees payable	2	9	4
Net other operating income	(2)	(9)	3 625
Salaries and other ordinary personnel expenses	20	1	19
Administrative expenses	28	19	63
Sundry ordinary operating expenses	1	1	7
Other expenses	7	0	0
Total operating expenses	56	20	89
Pre-tax operating profit/(loss)	(125)	(67)	3 429
Taxes	(35)	(19)	311
Profit/(loss) for the period	(90)	(48)	3 118

Balance sheets DnB NOR ASA

<i>Amounts in NOK million</i>	31 March 2004	31 Dec. 2003	31 March 2003
Assets			
Deposits with DnB NOR Bank ASA	1 740	1 423	2 099
Lending to other group companies	1 794	1 825	1 680
Investments in group companies	46 121	46 121	28 539
Other receivables due from group companies	6 081	6 103	3 514
Other assets	26	30	10
Total assets	55 762	55 502	35 843
Liabilities and equity			
Loans from DnB NOR Bank ASA	6 370	6 370	3 690
Loans from other group companies	2 155	2 319	1 756
Accrued expenses and prepaid revenues	156	102	240
Other liabilities and provisions	2 954	2 919	2 654
Share capital	13 220	13 090	7 696
Equity reserves	30 998	30 703	19 856
Profit for the period	(90)	-	(48)
Total liabilities and equity	55 762	55 502	35 843

