

# Interim Report Gjensidige NOR ASA 31.03.2003

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**Gjensidige  
NOR**

**PROFIT AND LOSS ACCOUNT**

(NOK Million)	Notes	1st quarter 2003	1st quarter 2002	Year end 2002
Interest income	2	4 553	4 397	18 403
Interest expenses	2	3 130	3 030	12 688
<b>Net Interest Income</b>		<b>1 423</b>	<b>1 367</b>	<b>5 715</b>
Dividends	3	38	45	148
Commission income	3	457	444	1 778
Commission expenses	3	125	142	557
Capital gains	3	107	101	162
Additional operating income	3	130	132	461
<b>Other Operating Income, net</b>		<b>607</b>	<b>580</b>	<b>1 992</b>
Net Profit – Gj. NOR Spareforsikring	4	38	21	(157)
<b>Operating Income</b>		<b>2 068</b>	<b>1 968</b>	<b>7 550</b>
Personnel and administrative expenses	5,6	903	902	3 612
Depreciation and write-downs	5	116	109	482
Other operating expenses	5	192	143	674
<b>Operating Expenses</b>		<b>1 211</b>	<b>1 154</b>	<b>4 768</b>
<b>Operating Profit before Losses</b>		<b>857</b>	<b>814</b>	<b>2 782</b>
Losses on loans and guarantees	7,8	81	55	546
Losses (gains) on long-term financial assets		0	(1)	2
<b>Operating Profit</b>	11,12	<b>776</b>	<b>760</b>	<b>2 234</b>
Taxes		207	211	733
<b>Net Profit</b>		<b>569</b>	<b>549</b>	<b>1 501</b>

**RATIOS/YIELDS** (% p.a. of average total assets)

Net interest income	2.20	2.34	2.35
Other operating income, net	0.99	1.03	0.75
Operating expenses	1.87	1.98	1.96
Operating profit before losses	1.32	1.39	1.14
Losses	0.12	0.09	0.22
Operating profit	1.20	1.30	0.92
Taxes	0.32	0.36	0.30
Net profit	0.88	0.94	0.62
Earnings per share (NOK)	6.54	6.31	17.25
Return on equity (net profit as % p.a. of average equity)	13.8	13.7	9.1

**BALANCE SHEET** (NOK million)

Assets	31.03.03	31.12.02	30.09.02	30.06.02	31.03.02
Cash and deposits with Central Bank of Norway	1 739	3 857	1 889	754	3 630
Deposits with and loans to credit institutions	6 648	6 220	10 375	18 212	8 350
<b>Gross loans to customers</b>	<b>218 657</b>	<b>211 928</b>	<b>206 998</b>	<b>204 691</b>	<b>199 625</b>
Specified loan loss provisions	1 044	1 087	992	950	932
Unspecified loan loss provisions	1 399	1 386	1 381	1 377	1 393
<b>Net loans to customers</b>	<b>216 214</b>	<b>209 455</b>	<b>204 625</b>	<b>202 364</b>	<b>197 300</b>
Reposessed assets	298	252	253	97	71
Certificates and bonds	18 402	18 955	21 005	18 035	18 297
Shares and equity interests	1 699	1 672	1 519	1 526	1 564
Associated companies/joint ventures	541	531	544	544	544
Owner interest, Spareforsikring	4	2 880	2 569	2 641	2 760
Intangible assets	13	870	885	874	891
Real estate	1 238	1 223	1 249	1 273	1 266
Fixed assets	839	907	938	940	894
Other assets	7 347	6 890	4 871	2 688	2 844
<b>Total Assets</b>	<b>258 715</b>	<b>253 690</b>	<b>250 687</b>	<b>249 948</b>	<b>238 411</b>
<b>Liabilities and Equity</b>					
Loans and deposits from credit institutions	33 064	31 243	30 334	30 984	31 486
Deposits from customers	123 073	122 797	114 580	114 341	112 745
Certificates and bond loans	65 269	64 798	70 557	69 062	64 880
Other liabilities, accruals and allocations	10 168	10 262	12 154	11 981	6 758
Subordinated loan capital	10 335	8 355	6 105	6 997	6 293
Share capital	8 700	8 700	8 700	8 700	8 700
Other equity	14	8 106	8 257	7 883	7 549
<b>Total Liabilities and Equity</b>	<b>258 715</b>	<b>253 690</b>	<b>250 687</b>	<b>249 948</b>	<b>238 411</b>

# Report for the first quarter 2003

## INTRODUCTION

Gjensidige NOR ASA recorded a first quarter pre-tax result of NOK 776 million compared with NOK 760 million in 2002. Operating profit before losses came to NOK 857 million compared with NOK 814 million the previous year.

The post-tax profit of NOK 569 million produced a return on equity of 13.8 per cent. Earnings per share came to NOK 6.54 compared with NOK 6.31 in 2002. Excluding goodwill, the return on equity was 15 per cent and earnings per share NOK 7.14. First quarter losses totalled NOK 81 million compared with NOK 55 million in 2002.

## STRUCTURAL ISSUES

In January, after completion of a wide-ranging strategy process, the Board of Directors of Gjensidige NOR ASA concluded that the best long-term solution for the Group would be to merge with DnB. This conclusion was based on the trend in the financial industry where competitiveness is increasingly dependent on a strong presence in capital markets, effective and efficient operations and optimal customer relationships.

The Board believes that a merger with DnB will provide the greatest opportunities for cost reductions, the best customer base and the best product and service offering. The Board also believes that establishing what will unquestionably be the leading financial entity in Norway will provide staff with the most interesting jobs.

After the Board meeting in January an initiative was taken towards negotiations with DnB with a view to a merger. Although the initiative was unsuccessful in the first instance, negotiations were subsequently resumed and the two Boards of Directors recommended a merger on 18 March.

The Boards of Directors of DnB Holding ASA and Gjensidige NOR ASA have adopted a merger plan and a merger prospectus. The merger is one of equal partners who will be represented on a 50-50 basis on the merged entity's governing bodies – the board of directors, committee of representatives, control committee and election committee. Key brands of both partners will be preserved in the new group. While DnB will be the acquiring company at the group level, Gjensidige NOR will be the acquiring bank, such that the banking arm of the new group will be a limited liability savings bank.

Olav Hytta will be the new group's executive chairman and Svein Aaser will be CEO.

Based on the agreed merger exchange ratio, Gjensidige NOR's shareholders will receive 6.2 DnB shares for each Gjensidige NOR share plus a cash payment of NOK 43 after disbursement of dividends for 2002.

At end-2002 the share price was NOK 227, prior to publication of the merger plan NOK 187.50, and on 29 April (the day prior to the ex dividend date) NOK 248.

## INCOME TREND

A high krone exchange rate, high interest rates and a costly wage settlement in 2002 impaired business sector competitiveness, resulting in growing unemployment. These factors together with an uncertain political and economic outlook in the international arena have dampened economic activity thus far in 2003.

Concurrently the majority of Norwegian households remain in an excellent financial position. Hence businesses that primarily cater to Norwegian households are for the most part still earning well. Norges Bank has lowered its key rates by 2 percentage points since November. This has resulted in lower interest rates and a somewhat weaker domestic currency.

Net interest income has risen from NOK 1,367 million in the first quarter of 2002 to NOK 1,423 million in the current year. Gjensidige NOR ASA has shown a buoyant market trend throughout. Overall lending growth stands at 9.5 per cent (retail market 11.1 per cent and the business market 7.8 per cent) while deposits have risen by 9.2 per cent overall.

The lending margin has been stable, while falling interest rates have made it difficult to maintain the customer spread on deposit accounts carrying low interest. All in all the customer spread fell over the quarter from 2.8 to 2.7 per cent. The interest rate fall also diminished interest earned on equity by NOK 40 million in the first quarter compared with the same period last year.

Earnings on money transfer services total NOK 183 million so far this year, the same as in last year's first quarter. The growing popularity of self-service payment solutions have caused money transfer incomes to level off despite substantial volume growth. Income from these services can be expected to remain stable in the period ahead.

## OPERATING EXPENSES

Costs are well under control, showing 2 per cent growth on a comparable basis. In the fourth quarter of 2002 Gjensidige NOR established a restructuring provision for costs associated with staff reductions of 200 FTEs in 2003. The aim is to reduce costs by NOK 100 million annually with full effect as from 2004. Substantial staff cutbacks have been implemented at Gjensidige NOR Equities and Avanse as well as in the Savings Bank business area after last autumn's reorganisation. The restructuring has so far reduced staff by 111 FTEs. The annual cost reduction is estimated at NOK 55 million.

Irreversible costs of NOK 25 million have been expensed on the merger process with DnB.

## LOSSES

Gross loan losses came to NOK 135 million in the first quarter compared with NOK 101 million in the same period last year, while net losses totalled NOK 81 and 55 million respectively. Gross losses measure 0.25 per cent of total loans compared with 0.20 per cent in the first quarter of 2002.

NOK 39 million refers to losses on business segment commitments. No losses were recorded on customer commitments above NOK 10 million. Elcon recorded a first quarter loss of NOK 37 million.

NOK 30 million refers to the retail customer market where losses on the Cresco's credit card operation total NOK 23 million, down from NOK 33 million recorded in the first quarter of 2002. First-quarter loss and default figures show that steps taken early in 2002 to curb the losses on the credit card operation have borne fruit. Net defaults on the Cresco portfolio were reduced in the first quarter by NOK 16 million

to NOK 340 million, and now measure 3.3 per cent of loans compared with 3.6 per cent at year-end.

Despite their losses both Elcon and Cresco continue to deliver excellent earnings.

Defaults on a group basis are rising at a slower rate than in 2002.

Risk diversification is sound in terms of customer sector, branch of industry and number of customers. No single customer is in receipt of credits in excess of 10 per cent of the bank's capital base, which amounts to NOK 2.1 billion.

## PROPERTY FINANCING

Based on end-year figures, property financing totals NOK 41.7 billion or just over 19 per cent of total loans. Property financing includes loans to housebuilding cooperatives, housing associations, development and sale of property, purchase and sale of property, property renting and property management.

Loans to customers whose main business is renting of property and whose loans from the bank total NOK 5 million or more amount to NOK 29.5 billion. 85 per cent of this loan volume is secured by mortgages of up to 60 per cent of property valuation and 3.4 per cent by mortgages beyond 80 per cent of valuation. NOK 10.8 billion is secured by mortgages on office buildings, of which Oslo accounts for NOK 6.6 billion. Of these office buildings in Oslo NOK 677 million is secured by mortgages in excess of 60 per cent of property valuation, including NOK 42 million by mortgages in excess of 80 per cent. As regards customers who are classified as high risk and whose vacancy rate exceeds 10 per cent, the bank's exposure over and above 80 per cent of property valuation comes to NOK 189 million.

This customer group's ability to pay is considered satisfactory in the current situation, as are collateral values. Risk and losses in this segment are expected to increase if the negative trend in vacancy rate and rental prices persists. No increase in losses on property financing is expected in the short term.

## CAPITAL ADEQUACY

At the end of the first quarter Gjensidige NOR's capital adequacy ratio was 12.2 per cent, with core capital at 8.2 per cent. Thanks to its solidity the group has substantial financial freedom.

## OTHER MATTERS

In the first quarter an agreement was signed with TietoEnator for delivery of new core systems for the bank. The systems will be in place in the course of 2005.

The ordinary general meeting was held on 29 April. The general meeting approved the financial statements and directors' report for 2002 proposed by the board of directors. Dividend was fixed at NOK 11 per share, and will be paid on 15 May. The general meeting authorised the board to repurchase up to 10 per cent of outstanding shares. The authorisation is valid from 1 July until the next ordinary general meeting, but not beyond 30 June 2004.

## REPORTS FROM THE BUSINESS UNITS

### SAVINGS BANK

Savings Bank services retail customers and local business and industry. Improved earnings

and reduced costs increased first-quarter operating profit from NOK 400 million in 2002 to NOK 436 million in the current year.

Savings Bank's overall income growth came to NOK 43 million. More consistent pricing of services such as arrangement of new loans, and higher commissions on sales of group products such as credit cards, added NOK 20 million.

The customer spread narrowed from 2.95 per cent in the first quarter of 2002 to 2.83 per cent in the same period of the current year. The reduction is due to falling interest rates and changes in the composition of the deposit portfolio. Overall lending growth totals NOK 9 billion (7 per cent). Lending growth in the retail market came to 11 per cent in the 12 months to end-March.

Demand for fixed interest loans has risen markedly. Since the end of the first quarter of 2002 fixed interest lending has risen from NOK 11 billion to NOK 21 billion. Fixed interest loans now make up 17.1 per cent of Savings Bank's aggregate loan portfolio.

Deposit growth over the 12 months to end-March was NOK 8 billion (9 per cent). There was a slight reduction in balances on salary and company accounts, whereas accounts related to long-term saving showed 15 per cent growth.

Savings Bank achieved a cost reduction of 3 per cent (NOK 15 million) on the same period of last year. Staff reductions over the past three months total 62 FTEs.

First-quarter losses totalled NOK 30 million compared with NOK 8 million in the same period of 2002. Gross defaults totalled NOK 1,525 million at the end of the first quarter, equivalent to 1.1 per cent of the total loan volume.

#### CORPORATE CUSTOMERS

Corporate Customers services bank customers among the largest private and public sector enterprises and organisations in the country. Corporate Customers' pre-loss profit at the end of the first quarter was NOK 104 million, NOK 13 million better than in the same period of last year.

Interest income is down from NOK 98 million to NOK 93 million as a result of fewer up front fees in a market affected by lower demand for credit.

Other income, NOK 13 million higher than in the previous year, shows a good trend. This is mainly due to higher commission earnings.

Corporate Customers has reduced its operating expenses by NOK 3 million. Staffing was cut by 14 FTEs in the 12 months to end-March.

Loss provisions of NOK 23 million were recovered in the first quarter. Gross defaults at quarter-end totalled NOK 197 million.

Lending rose by approximately NOK 2.5 billion, or 10 per cent, in the first quarter. About NOK 1 billion of the increase refers to new customers, while existing customers increased their short-term drawings by about NOK 1.5 billion. The customer spread in the first quarter was relatively stable.

#### CAPITAL MARKETS

Capital Markets delivers services in the areas of stockbroking, mutual funds management, discretionary asset management and fixed income and foreign exchange products, as well as banking services to Norwegian and foreign banks.

Capital Markets' income came to NOK 208 million in the first quarter of 2003, down from NOK 232 million last year. Pre-tax profit totalled NOK 67 million at end-March compared with NOK 55 million last year.

In the first quarter currency and mixed income markets were affected by interest rate changes from Norges Bank and financial turbulence resulting from the war in Iraq. The krone depreciated and interest rates fell, prompting high activity among customers. Markets' customer activity has shown a stable, buoyant trend for some time. Markets has further developed structured products geared to the individual customer's risk management needs. Work on improving products in the fixed income and currency field continues.

The Financial Institutions Section delivered sound earnings in all business areas in the first quarter. A targeted customer effort produced increased business volume which is expected to generate buoyant earnings for this section in 2003.

Gjensidige NOR Equities implemented substantial cost reductions prior to New Year. Despite a continued sluggish equity market, profit performance is improving.

As at end-March 2003 Gjensidige NOR Kapitalforvaltning had assets totalling NOK 107.2 billion under management, of which NOK 30.3 billion refers to customers outside the Gjensidige NOR Group. The company took over management of Avanse Forvaltning's own funds as from 1 February. The business of the company's Irish subsidiary, which totalled NOK 6.2 billion at quarter-end, is being continually developed by the introduction of new funds and by attracting new customers to existing products. The latest addition is a global macro hedge fund under the subsidiary's own management.

Avanse's cost level has been adjusted to the market trend. Staffing has been reduced by 13 FTEs over the last two quarters. At end-March the company managed assets of NOK 21.2 billion and its market share was 20.1 per cent. Higher sales of bond and money market funds in the first quarter compensated for a lower volume of equity management. The reduction in equity fund management impairs earnings and further steps have been taken to improve the company's profit performance.

#### LIFE INSURANCE AND PENSIONS

Gjensidige NOR Spareforsikring's results improved from NOK 17 million in the first quarter of 2002 to NOK 38 million in the same period of the current year. Net financial income rose by almost 50 per cent to NOK 989 million. The improvement is essentially due to a decreased

equity component and increased investments in fixed income instruments. Value adjusted and book return was 6.2 per cent on an annualised basis. When the change in value of long-term securities holdings is taken into account, value adjusted return came to 7.3 per cent.

Financial strategy for 2003 is oriented towards ensuring a return over and above the guaranteed interest with a view to building new buffer capital. This entails continued low exposure to the equity market and high exposure to asset classes that are not exposed to price risk. The portion of assets invested in the money market was cut back in the first quarter to curb reinvestment risk in a falling fixed income market. At quarter-end equity exposure stood at 7.7 per cent and capital adequacy at 16.1 per cent.

Gjensidige NOR Spareforsikring strengthened its market position in 2002, and its share of the group pensions market in terms of customer assets rose from 10.2 per cent to 11.6 per cent. Sales of group pensions remained buoyant in the first quarter. Cancellations resulting from completion of the conversion to limited liability status are lower than expected. Although the company's share of the retail market rose from 32.6 per cent to 33.2 per cent, market conditions resulted in weaker-than-expected sales to this market. Premiums due were 5 per cent higher than the previous year. Gjensidige NOR Spareforsikring's assets under management rose by NOK 1.6 billion in the first quarter to their current level of NOK 67.7 billion.

#### OUTLOOK FOR THE FUTURE

Uncertain prospects for the national and international economy have slowed the pace of economic activity. Despite the krone's depreciation and lower interest rates, both remain high which is resulting in competitive disadvantages for substantial sections of Norwegian business and industry along with growing unemployment.

Gjensidige NOR is well positioned in the market and remains on a sound volume trend within its core areas. The Group's funding situation and financial position are excellent.

The Group operates at low risk. The bank has a sound credit portfolio with the emphasis on well-secured home mortgage loans. The Group's exposure to equity markets is low. However, in view of weak business conditions the Group still anticipates somewhat higher losses in 2003 than in 2002.

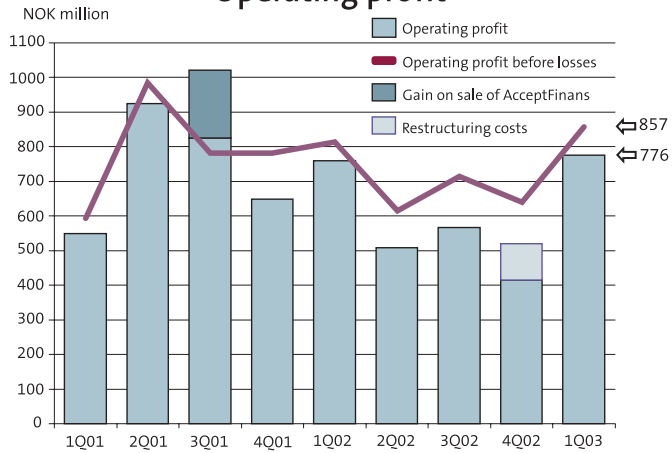
The Group expects low growth in costs in 2003. Buoyant overall results are expected from the banking business, but continued weak results in the capital markets area.

The proposed merger of Gjensidige NOR ASA and DnB Holding ASA will be considered at extraordinary general meetings at DnB and Gjensidige NOR on 19 May. Assuming that the general meetings endorse the proposal, a licence application will be sent to the authorities immediately. Processing the application is expected to be finalised in the course of the fourth quarter.

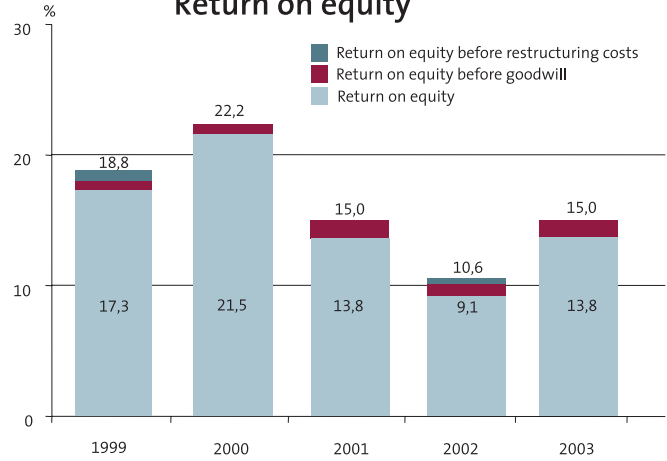
Oslo, 5 May 2003

The Board of Directors of Gjensidige NOR ASA

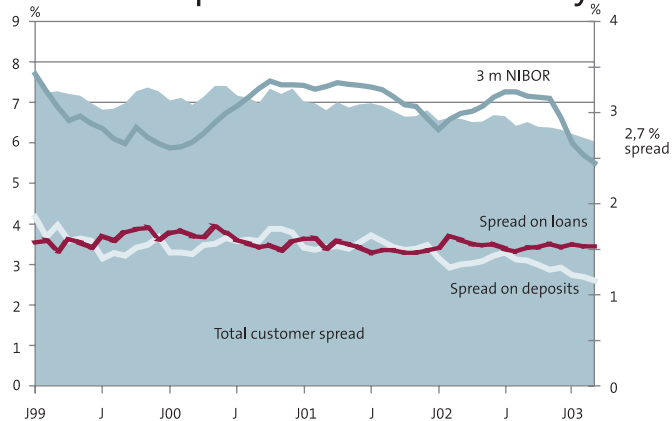
### Operating profit



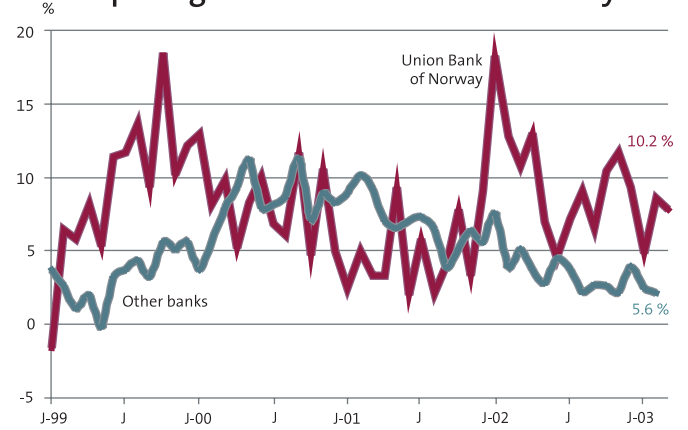
### Return on equity



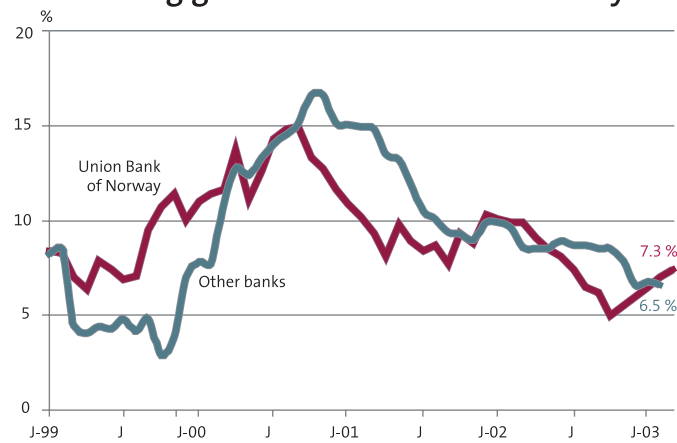
### Customer spread Union Bank of Norway



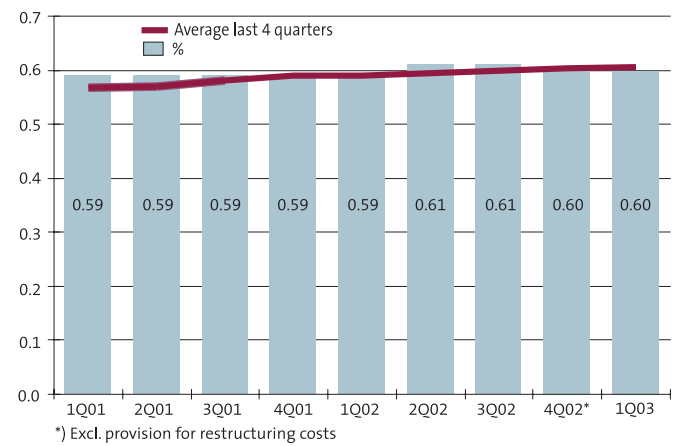
### Deposit growth Union Bank of Norway



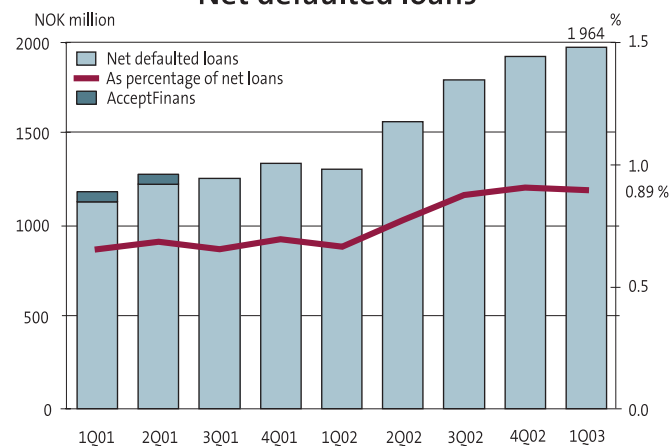
### Lending growth Union Bank of Norway



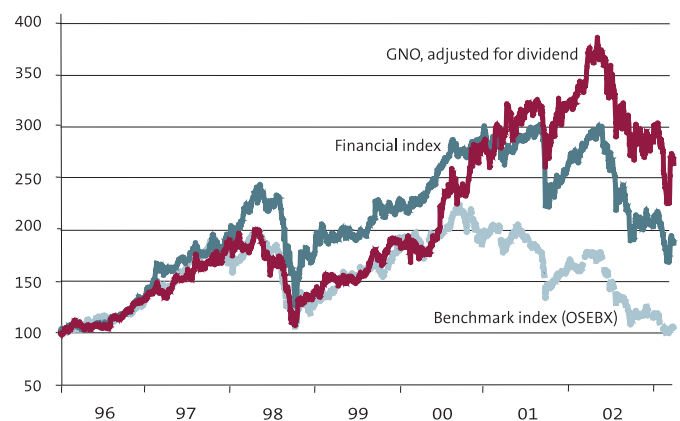
### Cost/income ratio



### Net defaulted loans



### Market price GNO



# Key figures from the past 9 quarters

Amounts in NOK million		1Q2003	4Q2002	3Q2002	2Q2002	1Q2002	4Q2001*	3Q2001*	2Q2001*	1Q2001*
<b>Profit and loss account</b>										
Net interest income		1 423	1 492	1 447	1 409	1 367	1 430	1 395	1 385	1 317
Capital gains		107	(12)	55	18	101	106	46	66	54
Other operating income		500	424	449	478	479	549	405	525	438
Net profit – Gj. NOR Spareforsikring		38	(11)	(47)	(120)	21	(73)	17	167	(143)
Operating income		2 068	1 893	1 904	1 785	1 968	2 012	1 863	2 143	1 666
Operating expenses		1 211	1 253	1 191	1 170	1 154	1 230	1 081	1 159	1 074
Operating profit before losses		857	640	713	615	814	782	782	984	592
Losses on loans		81	223	163	105	55	143	153	87	43
Losses (gains) on long-term financial assets		0	2	0	1	(1)	(9)	(196)	(27)	0
Operating profit		776	415	550	509	760	648	825	924	549
Taxes		207	159	187	176	211	174	229	222	192
Net profit		569	256	363	333	549	474	596	702	357
<b>Balance sheet</b>										
Loans, retail customers		116 192	113 446	111 195	107 890	104 605	102 545	99 281	95 581	91 825
Loans, corporate customers		102 465	98 482	95 803	96 801	95 020	94 165	93 770	93 955	91 175
Specified loan loss provisions		1 044	1 087	992	950	932	906	734	924	891
Unspecified loan loss provisions		1 399	1 386	1 381	1 377	1 393	1 386	1 375	1 421	1 400
Customer deposits		123 073	122 797	114 580	114 341	112 745	109 405	105 887	106 962	101 825
Total assets at end of quarter		258 715	253 690	250 687	249 948	238 411	233 883	240 205	235 147	231 387
Average total assets	(ATA)	259 100	248 900	247 600	241 100	236 400	235 600	229 000	232 300	213 800
Average equity		16 139	16 991	16 891	16 416	15 979	16 264	15 725	15 076	14 554
Total assets under management		377 700	366 400	370 700	369 300	359 900	351 200	351 700	352 600	346 100
Share capital		8 700	8 700	8 700	8 700	8 700	8 700	8 700	8 700	8 700
Other equity		8 106	7 535	8 257	7 883	7 549	7 008	7 323	6 727	6 024
Total equity		16 806	16 235	16 957	16 583	16 249	15 708	16 023	15 427	14 724
<b>Operations and profitability</b>										
Interest income	(in % of ATA)	7.0%	7.8%	7.6%	7.4%	7.4%	7.8%	8.0%	8.1%	8.3%
Interest expenses	(in % of ATA)	4.8%	5.4%	5.3%	5.1%	5.1%	5.4%	5.6%	5.7%	5.8%
Interest margin	(in % of ATA)	2.2%	2.4%	2.3%	2.3%	2.3%	2.4%	2.4%	2.4%	2.5%
Operating income	(in % of ATA)	3.2%	3.0%	3.1%	3.0%	3.3%	3.4%	3.3%	3.7%	3.1%
Operating income – change (**)		5.0%	(0.1%)	1.8%	(14.9%)	15.8%	(0.3%)	(4.2%)		
Cost ratio	(in % of ATA)	1.9%	2.0%	1.9%	1.9%	2.0%	2.1%	1.9%	2.0%	2.0%
Costs per NOK earned	(1)	0.60	0.66	0.61	0.61	0.59	0.59	0.59	0.59	0.59
Costs per NOK earned (exclusive of capital gains)		0.63	0.65	0.63	0.62	0.63	0.62	0.60	0.61	0.61
Operating profit before losses/write-downs	(in % of ATA)	1.3%	1.0%	1.2%	1.0%	1.4%	1.3%	1.4%	1.7%	1.1%
Return on total assets	(in % of ATA)	0.9%	0.4%	0.6%	0.6%	0.9%	0.8%	1.0%	1.2%	0.7%
Return on equity	(2)	13.8%	6.0%	8.6%	8.1%	13.7%	11.7%	15.2%	18.6%	9.8%
Return on equity exclusive of goodwill depreciation		15.0%	7.2%	9.7%	9.2%	14.9%	12.7%	16.2%	19.7%	10.7%
<b>Pro forma key figures, shares (***)</b>										
Market price end of quarter (NOK)		209.50	227	226.50	278	298	272	235	265.50	250
Book value per share (NOK) – including dividend allocated		204	198	195	191	187	190	184	177	169
Price/book value – including dividend allocated		1.0	1.1	1.2	1.5	1.6	1.4	1.3	1.5	1.5
Price/earnings		8.0	19.3	13.6	18.2	11.8	12.5	8.6	8.2	15.2
Earnings per share (NOK)		6.54	2.94	4.17	3.83	6.31	5.45	6.85	8.07	4.10
Earnings per share exclusive of goodwill depreciation		7.14	3.55	4.78	4.41	6.91	5.98	7.31	8.67	4.56
Earnings per share (NOK)	(3)	(7.7%)	(10.3%)	(10.5%)	8.5%	15.8%	12.5%	(1.9%)	9.9%	3.9%
<b>Balance sheet development</b>										
12 months loan growth		9.5%	7.7%	7.1%	8.0%	9.1%	9.5%	7.0%	8.5%	7.3%
12 months deposit growth		9.2%	12.2%	8.2%	6.9%	10.7%	9.4%	5.3%	5.6%	5.4%
Deposit coverage	(4)	56%	58%	55%	56%	56%	56%	55%	56%	56%
12 months growth in total assets		8.5%	8.5%	4.4%	6.3%	3.0%	11.6%	11.2%	12.8%	16.6%
<b>Defaults, provisions and loan losses</b>										
Defaults, gross		1.3%	1.3%	1.2%	1.1%	1.0%	1.0%	0.9%	1.1%	1.0%
Defaults, net		0.9%	0.9%	0.9%	0.8%	0.7%	0.7%	0.7%	0.7%	0.7%
Provision ratio on defaulted loans		29%	30%	30%	32%	33%	31%	31%	37%	38%
Unspecified loan loss provisions	(in % of gross lending)	0.6%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.8%
Losses on loans and guarantees	(in % of gross lending)	0.15%	0.42%	0.31%	0.21%	0.11%	0.29%	0.32%	0.18%	0.09%
Net defaulted and doubtful loans	(in % of gross lending)	1.1%	1.1%	1.0%	0.9%	0.8%	0.9%	0.8%	0.8%	0.8%
<b>Capital adequacy</b>										
Capital base		25 571	23 923	20 942	21 450	20 908	21 058	19 867	20 059	19 652
Calculation base		209 927	204 343	205 746	208 339	206 963	205 813	199 035	200 141	200 117
Capital ratio		12.2%	11.7%	10.2%	10.3%	10.1%	10.2%	10.0%	10.0%	9.8%
Of which Core capital		8.2%	8.4%	6.8%	6.6%	6.7%	6.7%	6.5%	6.4%	6.3%
<b>Total FTP-equivalents at end of quarter</b>		<b>4 154</b>	<b>4 210</b>	<b>4 202</b>	<b>4 255</b>	<b>4 345</b>	<b>4 351</b>	<b>4 235</b>	<b>4 321</b>	<b>4 346</b>

(\*) Pro forma

(\*\*) Measured against same quarter last year.

(\*\*\*) Until third quarter 2002 Primary Capital Certificates were Union Bank of Norways equity instrument.

(1) Ratio of operating expenses to operating income.

(2) After-tax operating profit as % of quarterly reported average equity (incl. minority interests).

(3) Dividend paid plus change in market price from 1 Jan to end of period, as % of market price on 1 Jan.

(4) Customer deposits as % of gross loans to customers at end of quarter.

# Notes

## 1 ACCOUNTING POLICY – CREATION OF THE GROUP

The consolidated accounts for Gjensidige NOR ASA include Union Bank of Norway ASA, Gjensidige NOR Spareforsikring ASA and Gjensidige NOR Fondsforsikring AS with subsidiaries and associated companies. The accounts for the Gjensidige NOR ASA Group have been compiled in accordance with the principles described in the annual accounts for 2002. All accounting data for periods prior to 2002 are pro forma.

All amounts are shown in NOK million.

## 2 INTEREST INCOME AND EXPENSES

	1st quarter 2003	1st quarter 2002	Year-end 2002
Interest on deposits with and loans to credit institutions	257	329	1 281
Interest on loans to customers	4 063	3 828	16 121
Net interest income on loans previously written off	13	13	43
Interest on CDs and bonds	220	227	958
<b>Interest income</b>	<b>4 553</b>	<b>4 397</b>	<b>18 403</b>
Interest on loans from credit institutions	654	698	2 741
Interest on customer deposits	1 677	1 557	6 586
Interest on CDs and bond loans	671	685	2 981
Interest on subordinated loan capital	80	49	218
Levy to Savings Banks' Guarantee Fund	48	41	162
<b>Interest expenses</b>	<b>3 130</b>	<b>3 030</b>	<b>12 688</b>
<b>Net interest income</b>	<b>1 423</b>	<b>1 367</b>	<b>5 715</b>

## 3 OTHER OPERATING INCOME, NET

	1st quarter 2003	1st quarter 2002	Year-end 2002
Share dividends	4	14	27
Income from money market funds	22	18	82
Income from ownership interests in associated companies/joint ventures	12	13	39
<b>Dividends</b>	<b>38</b>	<b>45</b>	<b>148</b>
Guarantee commissions	25	23	87
Interbank fees	19	12	74
Money transfer fees	183	183	797
Mutual funds management fees	52	70	241
Discretionary asset management	35	21	91
Securities broking activities	27	41	123
Life insurance (Gjensidige NOR Spareforsikring)	21	20	85
Miscellaneous commissions and fees	95	74	280
<b>Commission income</b>	<b>457</b>	<b>444</b>	<b>1 778</b>
Interbank fees	20	15	90
Money transfer fees, external costs	48	59	239
Other commissions and fees	57	68	228
<b>Commission expenses</b>	<b>125</b>	<b>142</b>	<b>557</b>
Capital gains on bonds and CDs	95	13	168
Capital gains (losses) on shares and PCC's	( 6)	5	( 58)
Foreign currency gains	61	71	254
Gains (losses) on financial derivatives	( 43)	12	( 202)
<b>Capital gains</b>	<b>107</b>	<b>101</b>	<b>162</b>
Operating income, real estate	8	8	34
Gains on disposals of fixed assets	0	0	4
Real estate agency commissions	64	60	283
Additional operating income	58	64	140
<b>Miscellaneous operating income</b>	<b>130</b>	<b>132</b>	<b>461</b>
<b>Other operating income, net</b>	<b>607</b>	<b>580</b>	<b>1 992</b>

**3 OTHER OPERATING INCOME, NET (cont.)**

<b>PAST FIVE QUARTERS</b>	<b>1Q2003</b>	<b>4Q2002</b>	<b>3Q2002</b>	<b>2Q2002</b>	<b>1Q2002</b>
Share dividends	4	1	2	10	14
Income from money market funds	22	21	22	21	18
Income from ownership interests in associated comp./joint ventures	12	2	12	12	13
<b>Dividends</b>	<b>38</b>	<b>24</b>	<b>36</b>	<b>43</b>	<b>45</b>
Guarantee commissions	25	22	20	22	23
Interbank fees	19	21	21	20	12
Money transfer fees	183	197	214	203	183
Mutual funds management fees	52	49	54	68	70
Discretionary asset management	35	23	22	25	21
Securities broking activities	27	23	31	28	41
Life insurance (Gjensidige NOR Spareforsikring)	21	27	19	19	20
Miscellaneous commissions and fees	95	65	64	77	74
<b>Commission income</b>	<b>457</b>	<b>427</b>	<b>445</b>	<b>462</b>	<b>444</b>
Interbank fees	20	26	24	25	15
Money transfer fees, external costs	48	56	63	61	59
Other commissions and fees	57	48	51	61	68
<b>Commission expenses</b>	<b>125</b>	<b>130</b>	<b>138</b>	<b>147</b>	<b>142</b>
Capital gains on bonds and CDs	95	26	123	6	13
Capital gains (losses) on shares and PCC's	( 6)	( 11)	( 29)	( 23)	5
Foreign currency gains	61	54	51	78	71
Gains (losses) on financial derivatives	( 43)	( 81)	( 90)	( 43)	12
<b>Capital gains (losses)</b>	<b>107</b>	<b>( 12)</b>	<b>55</b>	<b>18</b>	<b>101</b>
Operating income, real estate	8	8	10	8	8
Gains on disposals of fixed assets	0	1	2	1	0
Real estate agency commissions	64	60	71	92	60
Additional operating income	58	34	23	19	64
<b>Miscellaneous operating income</b>	<b>130</b>	<b>103</b>	<b>106</b>	<b>120</b>	<b>132</b>
<b>Other operating income, net</b>	<b>607</b>	<b>412</b>	<b>504</b>	<b>496</b>	<b>580</b>



#### 4 GJENSIDIGE NOR SPAREFORSIKRING ASA

	1st quarter 2003	1st quarter 2002	Year-end 2002
<b>PROFIT AND LOSS ACCOUNT</b>			
Premium income	2 112	2 769	8 618
Income from financial assets etc., (net)	1 001	661	1 125
Claims and transfers (premium reserves)	(1 529)	( 883)	(4 124)
Change in technical reserves	(1 129)	(2 348)	(6 407)
Operating expenses related to underwriting	( 134)	( 130)	( 515)
Other income/expenses	( 27)	( 14)	(111)
<b>Unallocated profit</b>	<b>294</b>	<b>55</b>	<b>(1 414)</b>
From/to supplementary reserves	0	0	1 146
Customer allocation	( 252)	( 36)	( 30)
<b>Pre-tax profit (loss)</b>	<b>42</b>	<b>19</b>	<b>( 298)</b>
Tax charge	( 4)	( 2)	141
<b>Net profit (loss)</b>	<b>38</b>	<b>17</b>	<b>(157)</b>

<b>BALANCE SHEET</b>	<b>31.03.03</b>	<b>31.12.02</b>	<b>30.09.02</b>	<b>30.06.02</b>	<b>31.03.02</b>
<b>Assets</b>					
Buildings and real estate	8 419	8 324	8 171	7 863	7 735
Shares and interests, domestic	2 343	2 175	2 051	3 270	5 979
Shares and interests, foreign	2 900	2 333	4 289	3 797	7 640
Mortgage loans	3 086	3 180	3 234	3 080	3 131
Other financial assets	47 204	46 568	43 580	41 288	35 740
Other assets	4 042	3 583	2 988	2 704	2 437
<b>Total assets</b>	<b>67 994</b>	<b>66 163</b>	<b>64 313</b>	<b>62 002</b>	<b>62 662</b>
<b>Equity and Liabilities</b>					
Equity	2 880	2 842	2 569	2 470	2 592
Subordinated loan capital	1 516	1 478	1 533	1 544	1 346
Hybrid capital	225	225	0	0	0
Unrealised gains	0	0	0	0	63
Additional provisions	477	484	70	406	1 711
Technical provisions for own account	61 891	60 598	59 290	57 093	56 568
Other liabilities	1 005	536	851	489	382
<b>Total equity and liabilities</b>	<b>67 994</b>	<b>66 163</b>	<b>64 313</b>	<b>62 002</b>	<b>62 662</b>

	1st quarter 2003	1st quarter 2002	Year-end 2002
<b>PROFIT ANALYSIS</b>			
Interest result	398	122	(1 148)
Risk result	( 21)	( 10)	6
Increase of disability provision	( 42)	( 26)	(64)
Administration result	( 27)	( 30)	(104)
Other allocations to reserves	( 14)	0	(104)
<b>Unallocated profit</b>	<b>294</b>	<b>56</b>	<b>(1 414)</b>

#### KEY RATIOS

Book return (*)	6.2%	4.5%	1.9%
Value adjusted return (*)	7.3%	4.0%	2.3%
Expenses as % of customer funds (*)	0.96%	1.02%	0.97%
Return on equity, after tax (*)	5.3%	2.7%	(5.8%)
Customer funds (NOK billion)	62.4	58.2	61.0
Capital adequacy	16.1%	10.1%	15.9%
Core capital	9.9%	6.1%	9.8%
Solvency margin in % of requirements (**)	151.6%	151.0%	153.3%

(\*) Quarterly figures have been annualised.

(\*\*) The solvency margin requirement is an expression of risks attached to technical commitments (interest guarantee and death/disability), and is computed on the basis of the size of the life insurance fund and the sum of risk insurance premiums. The solvency margin capital includes the eligible capital base, 50% of supplementary reserves and that part of the contingency reserve that exceeds 55% of the minimum required contingency reserve. Total solvency margin capital must at a minimum cover the solvency margin requirement.

<b>BUFFER CAPITAL</b>	<b>31.03.2003</b>		<b>31.03.2002</b>		<b>31.12.2002</b>	
Equity	2 842	4.6%	2 573	4.6%	2 842	4.7%
Unallocated profit	294	0.5%	56	0.1%	0	0.0%
Subordinated loan capital	1 516	2.5%	1 346	2.4%	1 478	2.4%
Hybrid capital	225	0.4%	225	0.4%	225	0.4%
Supplementary reserves	477	0.8%	1 711	3.0%	484	0.8%
Contingency reserve	77	0.1%	63	0.1%	75	0.1%
Unrealised gains	0	0.0%	63	0.1%	0	0.0%
Additional value, fixed assets	596	1.0%	56	0.1%	418	0.7%
<b>Total buffer capital (*)</b>	<b>6 027</b>	<b>9.8%</b>	<b>6 093</b>	<b>10.8%</b>	<b>5 522</b>	<b>9.1%</b>

(\*) Buffer capital as per cent of technical provisions exclusive of supplementary reserves and contingency reserve.

**5 OPERATING EXPENSES**

	1st quarter 2003	1st quarter 2002	Year-end 2002
Salaries	410	405	1 596
Pensions	66	54	243
Other benefits	102	102	356
Restructuring expenses	0	0	73
Allocation to employee fund	3	11	5
<b>Personnel expenses</b>	<b>581</b>	<b>572</b>	<b>2 273</b>
IT and development costs	98	85	360
Office supplies	12	13	61
Telecommunications, postage	50	56	193
Fees, substitute personnel, other services	74	80	317
Travel, staff training	29	30	121
Marketing	59	66	287
<b>Administrative expenses</b>	<b>322</b>	<b>330</b>	<b>1 339</b>
Personnel and administrative expenses	903	902	3 612
Amortised goodwill	46	46	187
Ordinary depreciation	70	63	268
Write-downs	0	0	27
<b>Depreciation and write-downs</b>	<b>116</b>	<b>109</b>	<b>482</b>
Operating expenses, real estate	12	12	50
Rental and operating expenses, rented premises	84	81	341
<b>Properties and premises</b>	<b>96</b>	<b>93</b>	<b>391</b>
Operating assets, expensed	8	6	30
Expenses – secondary offering of shares upon conversion			34
Restructuring expenses	0	0	32
Merger expenses	25		
Miscellaneous operating expenses	63	44	187
<b>Additional operating expenses</b>	<b>96</b>	<b>50</b>	<b>283</b>
<b>Other operating expenses</b>	<b>192</b>	<b>143</b>	<b>674</b>
<b>Operating expenses</b>	<b>1 211</b>	<b>1 154</b>	<b>4 768</b>

<b>PAST FIVE QUARTERS</b>	<b>1Q2003</b>	<b>4Q2002</b>	<b>3Q2002</b>	<b>2Q2002</b>	<b>1Q2002</b>
Salaries	410	387	412	392	405
Pensions	66	76	60	53	54
Other benefits	102	81	83	90	102
Restructuring expenses	0	73	0	0	0
Allocation to employee fund	3	( 11)	2	3	11
<b>Personnel expenses</b>	<b>581</b>	<b>606</b>	<b>557</b>	<b>538</b>	<b>572</b>
IT and development costs	98	92	88	95	85
Office supplies	12	18	13	17	13
Telecommunications, postage	50	43	46	48	56
Fees, substitute personnel, other services	74	69	85	83	80
Travel, staff training	29	41	20	30	30
Marketing	59	79	62	80	66
<b>Administrative expenses</b>	<b>322</b>	<b>342</b>	<b>314</b>	<b>353</b>	<b>330</b>
<b>Personnel and administrative expenses</b>	<b>903</b>	<b>948</b>	<b>871</b>	<b>891</b>	<b>902</b>
Amortised goodwill	46	48	47	46	46
Ordinary depreciation	70	71	69	65	63
Write-downs	0	13	7	7	0
<b>Depreciation and write-downs</b>	<b>116</b>	<b>132</b>	<b>123</b>	<b>118</b>	<b>109</b>
Operating expenses, real estate	12	15	13	10	12
Rental and operating expenses, rented premises	84	83	94	83	81
Properties and premises	96	98	107	93	93
Operating assets, expensed	8	2	5	17	6
Expenses - secondary offering of shares upon conversion		1	33		
Restructuring expenses	0	32	0	0	0
Merger expenses	25				
Miscellaneous operating expenses	63	40	52	51	44
<b>Additional operating expenses</b>	<b>96</b>	<b>75</b>	<b>90</b>	<b>68</b>	<b>50</b>
<b>Other operating expenses</b>	<b>192</b>	<b>173</b>	<b>197</b>	<b>161</b>	<b>143</b>
<b>Operating expenses</b>	<b>1 211</b>	<b>1 253</b>	<b>1 191</b>	<b>1 170</b>	<b>1 154</b>

## 6 STAFFING

Full-time position equivalents	31.03.03	31.12.02	Change
Savings Bank	1 615	1 677	( 62)
Corporate Customers	80	86	( 6)
Capital Markets	248	262	( 14)
Of which: Gjensidige NOR Equities	60	56	4
Gjensidige NOR Kapitalforvaltning (1)	83	68	15
Avanse Forvaltning (1)	34	63	( 29)
Capital Markets, other	71	75	( 4)
Life Insurance and Pensions	437	445	( 8)
Other businesses:			
Other, Bank (2)	947	947	0
Elcon Finans	436	437	( 1)
Gjensidige NOR Eiendomsmegling	252	254	( 2)
Hafjell Alpinsenter	77	41	36
UBNI Luxembourg	33	33	0
Sparebankkreditt	29	28	1
<b>Total full-time position equivalents</b>	<b>4 154</b>	<b>4 210</b>	<b>( 56)</b>

(1) 16 FTP equivalents were transferred from Avanse Forvaltning to Gjensidige NOR Kapitalforvaltning.

(2) Includes Cresco, Banking Products, Group Finance, Group Staff and Corporate Communications.

## 7 LOSSES ON LOANS AND GUARANTEES

	1st quarter 2003	1st quarter 2002	Year-end 2002
Realised losses exceeding previous years' specified loss provisions	51	24	237
Increase in specified loss provisions	15	37	103
New, specified loss provisions	69	40	424
<b>Gross losses</b>	<b>135</b>	<b>101</b>	<b>764</b>
Reduction in specified loss provisions due to reduced risk	9	7	26
Reversal of specified loss provisions due to reclassification	33	22	87
<b>Reductions in and reversals of specified loan loss provisions</b>	<b>42</b>	<b>29</b>	<b>113</b>
Recovered on previously realised loan losses	24	24	105
Increase in unspecified loss provisions	12	7	0
<b>Losses on loans and guarantees</b>	<b>81</b>	<b>55</b>	<b>546</b>
<b>Realised losses (additional) covered by specified provisions from previous years</b>	<b>103</b>	<b>24</b>	<b>228</b>

## 8 LOANS AND LOSSES (RECOVERIES) BY CUSTOMER SECTOR

Sector/Industry	31.03.03			31.03.02		
	Loans	Share	Losse	Loans	Share	Losses
Retail market	116 192	52.7%	30	104 605	51.6%	32
Public administration	876	0.4%	1	811	0.4%	0
Agriculture, forestry and fishing	4 330	2.0%	2	4 266	2.1%	0
Manufacturing	9 259	4.2%	7	8 804	4.3%	2
Construction, power and water supply	6 333	2.8%	5	6 147	3.0%	1
Retailing, hotel and restaurant trade	10 184	4.6%	12	10 476	5.2%	0
Shipping	3 458	1.6%	1	3 391	1.7%	0
Real estate management	42 393	19.2%	10	40 264	19.9%	1
Transportation and other services	8 173	3.7%	3	8 179	4.0%	8
Other customer categories	8 863	4.0%	0	6 789	3.4%	6
Foreign	8 596	3.9%	8	5 893	2.9%	( 1)
<b>Gross loans to customers</b>	<b>218 657</b>	<b>99.1%</b>	<b>79</b>	<b>199 625</b>	<b>98.5%</b>	<b>49</b>
Credit institutions, domestic	965	0.4%		1 845	0.9%	0
Credit institutions, foreign	981	0.5%		1 160	0.6%	0
<b>Total loans</b>	<b>220 603</b>	<b>100.0%</b>	<b>79</b>	<b>202 630</b>	<b>100.0%</b>	<b>49</b>
Increase in unspecified loan loss provisions			12			7
Guarantee losses (recoveries)			(10)			( 1)
<b>Losses on loans and guarantees</b>			<b>81</b>			<b>55</b>

## 9 DEFAULTED, DOUBTFUL AND NON-ACCRUAL LOANS

DEFAULTED LOANS	31.03.03	31.12.02	30.09.02	30.06.02	31.03.02
<i>Retail market</i>					
Gross defaulted loans	1 360	1 378	1 309	1 253	1 201
Specified loss provisions	413	421	395	383	357
<b>Net defaults, retail market</b>	<b>947</b>	<b>957</b>	<b>914</b>	<b>870</b>	<b>844</b>
<b>Level of provisions, retail market</b>	<b>30%</b>	<b>31%</b>	<b>30%</b>	<b>31%</b>	<b>30%</b>
<i>Corporate market</i>					
Gross defaulted loans	1 392	1 366	1 235	1 029	733
Specified loss provisions	375	408	363	338	276
<b>Net defaults, corporate market</b>	<b>1 017</b>	<b>958</b>	<b>872</b>	<b>691</b>	<b>457</b>
<b>Level of provisions, corporate market</b>	<b>27%</b>	<b>30%</b>	<b>29%</b>	<b>33%</b>	<b>38%</b>
<i>All loans</i>					
Gross defaulted loans	2 752	2 744	2 544	2 282	1 934
Specified loss provisions	788	829	758	721	633
<b>Net defaults</b>	<b>1 964</b>	<b>1 915</b>	<b>1 786</b>	<b>1 561</b>	<b>1 301</b>
<b>Level of provisions, all loans</b>	<b>29%</b>	<b>30%</b>	<b>30%</b>	<b>32%</b>	<b>33%</b>
<b>DOUBTFUL LOANS</b>					
Doubtful loans with loss provisions	662	637	598	545	651
Specified loss provisions	256	258	234	229	299
<b>Net doubtful loans</b>	<b>406</b>	<b>379</b>	<b>364</b>	<b>316</b>	<b>352</b>
<b>Level of provisions</b>	<b>39%</b>	<b>41%</b>	<b>39%</b>	<b>42%</b>	<b>46%</b>
<b>NON-ACCRUAL LOANS</b>					
Net non-accrual retail loans	374	434	390	325	319
Net non-accrual corporate loans	616	479	364	322	269
<b>Net non-accrual loans</b>	<b>990</b>	<b>913</b>	<b>754</b>	<b>647</b>	<b>588</b>
<b>Gross non-accrual loans</b>	<b>1 788</b>	<b>1 754</b>	<b>1 583</b>	<b>1 463</b>	<b>1 226</b>

## 10 CAPITAL ADEQUACY

GJENSIDIGE NOR ASA GROUP	31.03.03		31.12.02	
Equity	16 237	7.7%	16 235	7.9%
Minority interests	( 2)	(0.0%)	( 2)	(0.0%)
Hybrid capital, Union Bank of Norway (*)	2 489	1.2%	2 434	1.2%
Hybrid capital, Eksportfinans	90	0.0%	142	0.1%
Excess funding of pension commitments	( 184)	(0.1%)	( 175)	(0.1%)
Goodwill	( 610)	(0.3%)	( 662)	(0.4%)
Deferred tax benefit	( 533)	(0.2%)	( 513)	(0.3%)
Other intangible assets	( 292)	(0.1%)	( 287)	(0.1%)
<b>Core capital</b>	<b>17 195</b>	<b>8.2%</b>	<b>17 172</b>	<b>8.4%</b>
Hybrid capital, Union Bank of Norway (*)	72	0.0%	119	0.1%
Additional capital (Upper Tier 2)	3 082	1.5%	3 091	1.5%
Supplementary capital (Lower Tier 2)	5 371	2.6%	3 689	1.8%
Other items, net	( 149)	(0.1%)	( 148)	(0.1%)
<b>Capital base</b>	<b>25 571</b>	<b>12.2%</b>	<b>23 923</b>	<b>11.7%</b>
<b>Calculation base</b>	<b>210 071</b>		<b>204 434</b>	

(\*) Hybrid capital may account for up to 15% of core capital, additional hybrid capital is recorded as Upper Tier 2.

UNION BANK OF NORWAY GROUP	31.03.03		31.12.02	
Equity	13 349	7.2%	13 347	7.4%
Minority interests	( 2)	(0.0%)	( 2)	(0.0%)
Hybrid capital, Union Bank of Norway	2 101	1.1%	2 047	1.1%
Hybrid capital, Eksportfinans	90	0.0%	142	0.1%
Excess funding of pension commitments	( 86)	(0.0%)	( 79)	(0.0%)
Goodwill	( 470)	(0.3%)	( 515)	(0.3%)
Deferred tax benefit	( 258)	(0.1%)	( 245)	(0.1%)
Other intangible assets	( 114)	(0.1%)	( 103)	(0.1%)
<b>Core capital</b>	<b>14 610</b>	<b>7.8%</b>	<b>14 592</b>	<b>8.1%</b>
Hybrid capital, Union Bank of Norway	460	0.3%	506	0.3%
Additional capital (Upper Tier 2)	3 082	1.7%	3 090	1.7%
Supplementary capital (Lower Tier 2)	4 537	2.4%	2 892	1.6%
Other items, net (*)	( 1 017)	(0.6%)	( 1 011)	(0.6%)
<b>Capital base</b>	<b>21 672</b>	<b>11.6%</b>	<b>20 069</b>	<b>11.1%</b>
<b>Calculation base</b>	<b>186 685</b>		<b>181 102</b>	

(\*) Of which, perpetual subordinated loans and other subordinated loans to Gjensidige NOR Spareforsikring account for NOK 906 million.

## 11 SELECTED ACCOUNTING FIGURES FOR BUSINESS AREAS

SUMMARIES OF PROFIT AND LOSS ACCOUNTS	Net interest-income		Other operating income		Operating expenses		Operating income before losses and taxes		Net loss loans and longterm securities		Operating profit before taxes	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Amounts in NOK million												
Savings Bank	821	800	176	154	531	546	466	408	30	8	436	400
Corporate Customers	93	98	49	36	38	41	104	93	(23)	(1)	127	94
Capital Markets	19	15	168	178	120	137	67	56	0	0	67	56
Life Insurance and Pensions (*)	2	0	44	21	9	0	37	21			37	21
Other	488	454	208	212	512	430	184	236	74	47	110	189
Eliminations					1		(1)	0			(1)	0
<b>Gjensidige NOR ASA Group</b>	<b>1 423</b>	<b>1 367</b>	<b>645</b>	<b>601</b>	<b>1 211</b>	<b>1 154</b>	<b>857</b>	<b>814</b>	<b>81</b>	<b>54</b>	<b>776</b>	<b>760</b>

(\*) Net profit after taxes.

### BALANCE SHEETS/KEY FIGURES

	Net loans to customers		Customer deposits/ managed funds		Managed assets		Net loss in % gross lending		Cost ratio		Return on equity, after taxes	
	31.03. 2003	31.12. 2002	31.03. 2003	31.12. 2002	31.03. 2003	31.12. 2002	1st qrt. 2003	Year-end 2002	1st qrt. 2003	Year-end 2002	1st qrt. 2003	Year-end 2002
Amounts in NOK billion												
Savings Bank	132.2	130.4	94.1	93.7	134.3	132.6	0.09	0.17	53	57	18.1	16.0
Corporate Customers	27.1	23.6	25.3	25.5	27.6	26.1	(0.34)	0.37	27	31	18.1	13.1
Capital Markets	0.6	0.5	105.8	102.4	109.6	106.2			64	71		
Life Insurance and Pensions					72.7	70.9						
Øvrig	57.0	55.6	0.7	1.2	138.1	142.4	0.26	0.42	74	65		
Eliminations	(0.7)	(0.6)	(0.4)		(104.6)	(111.8)						
<b>Gjensidige NOR ASA Group</b>	<b>216.2</b>	<b>209.5</b>	<b>225.5</b>	<b>222.8</b>	<b>377.7</b>	<b>366.4</b>	<b>0.15</b>	<b>0.26</b>	<b>59</b>	<b>58</b>	<b>13.8</b>	<b>9.1</b>

The accounting figures above are based on internal accounting reports. Figures from 2002 are made comparable with 2003 figures.

## 12 SELECTED ACCOUNTING FIGURES FOR INTRA-GROUP COMPANIES

SUMMARIES OF PROFIT AND LOSS ACCOUNTS	Net interest-income		Other operating income		Operating expenses		Operating income before losses and taxes		Net loss loans and longterm securities		Operating profit before taxes	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Amounts in NOK million												
Gj. NOR Sparebank	1 157	1 140	367	352	857	845	667	647	40	40	627	607
Elcon Finans	217	179	30	20	109	100	138	99	37	12	101	87
Sparebankkreditt	59	55	0		9	9	50	46	4	2	46	44
UBNI Luxembourg	14	13	12	9	9	9	17	13			17	13
Avanse forvaltning	2	2	26	35	27	45	1	(8)			1	(8)
Gj. NOR Kapitalforvaltning	0	1	35	22	32	25	3	(2)			3	(2)
Gj. NOR Equities	(1)	(3)	20	25	21	28	(2)	(6)			(2)	(6)
Gj. NOR Eiendomsmegling	1	2	64	60	68	63	(3)	(1)			(3)	(1)
Assoc.companies / joint ventures			11	13			11	13			11	13
Other group companies	(18)	(22)	36	44	34	30	(16)	(8)			(16)	(8)
<b>Banking Group</b>	<b>1 431</b>	<b>1 367</b>	<b>601</b>	<b>580</b>	<b>1 166</b>	<b>1 154</b>	<b>866</b>	<b>793</b>	<b>81</b>	<b>54</b>	<b>785</b>	<b>739</b>
Gj. NOR Spareforsikring (*)			38	21			38	21			38	21
Gj. NOR Fondsforsikring	2		6		9		(1)				(1)	
Gj. NOR ASA	(10)		0		35		(45)				(45)	
Eliminations					1		(1)				(1)	
<b>Gjensidige NOR ASA Group</b>	<b>1 423</b>	<b>1 367</b>	<b>645</b>	<b>601</b>	<b>1 211</b>	<b>1 154</b>	<b>857</b>	<b>814</b>	<b>81</b>	<b>54</b>	<b>776</b>	<b>760</b>

(\*) Net profit after taxes.

### BALANCE SHEETS/KEY FIGURES

	Net loans to customers		Customer deposits/ managed funds		Managed assets		Net loss in % gross lending		Cost ratio		Return on equity, after taxes	
	31.03. 2003	31.12. 2002	31.03. 2003	31.12. 2002	31.03. 2003	31.12. 2002	1st qrt. 2003	Year-end 2002	1st qrt. 2003	Year-end 2002	1st qrt. 2003	Year-end 2002
Amounts in NOK billion												
Gj. NOR Sparebank	170.4	165.0	122.6	122.5	238.5	235.0	0.09	0.10	56	57	14.1	13.2
Elcon Finans	24.1	23.3	0.4	0.3	25.0	24.3	0.61	0.20	44	50	14.2	15.7
Sparebankkreditt	17.7	17.7			18.0	18.2	0.10	0.04	15	16	10.8	10.5
UBNI Luxembourg	5.5	5.0	0.5	0.5	8.7	8.0			35	41	24.2	23.4
Avanse forvaltning			21.2	21.5	21.2	21.5			96	122	6.5	(47.4)
Gj. NOR Kapitalforvaltning			107.2	78.2	107.2	78.2			91	109	10.3	(15.2)
Gj. NOR Equities			0.0	0.3	0.3	0.3			111	127	(13.9)	(38.7)
Gj. NOR Eiendomsmegling					0.2				105	102	(28.2)	(8.8)
Other group companies	(0.8)	(0.8)	(26.2)	(0.2)	(63.0)	(39.7)					(neg.)	(neg.)
<b>Banking Group</b>	<b>216.9</b>	<b>210.2</b>	<b>225.7</b>	<b>223.1</b>	<b>356.1</b>	<b>345.8</b>	<b>0.15</b>	<b>0.11</b>	<b>57</b>	<b>59</b>	<b>16.6</b>	<b>15.1</b>
Gj. NOR Spareforsikring					68.0	66.2					5.3	2.7
Other, Spareforsikring Group					2.9	3.0						
<b>Spareforsikring Group</b>					<b>70.9</b>	<b>69.2</b>						
Gj. NOR Fondsforsikring					1.8	1.7						
Gj. NOR ASA					20.3	20.4						
Eliminations	(0.7)	(0.7)	(0.2)	(0.3)	(71.4)	(70.6)						
<b>Gjensidige NOR ASA Group</b>	<b>216.2</b>	<b>209.5</b>	<b>225.5</b>	<b>222.8</b>	<b>377.7</b>	<b>366.4</b>	<b>0.26</b>	<b>0.22</b>	<b>1</b>	<b>0</b>	<b>13.8</b>	<b>13.7</b>

### 13 GOODWILL AND OTHER INTANGIBLE ASSETS

#### GOODWILL

	Credit card portfolio Cresco	Gj. NOR Spare- forsikrings- portfolio	Branches Bø and Vinje	Avanse Forvaltning	GN Kapital- forvaltning	Gjensidige NOR Equities	Other	Total goodwill
Original goodwill at 01.01.2003	307	55	32	279	148	209	17	<b>1 047</b>
Total depreciation at 01.01.2003	144	26	7	174	76	94	9	<b>530</b>
Book value at 01.01.2003	163	29	25	105	72	115	8	<b>517</b>
Additions								<b>0</b>
Ordinary depreciation	9	4	2	14	7	9	1	<b>46</b>
Book value at 31.03.2003	154	25	23	91	65	106	7	<b>471</b>
Depreciation plan	8 år	4 år	5 år	5 år	5 år	5 år		

Goodwill on credit card- and other customer portfolios is amortised over the portfolios' expected economic lifetime at the time of acquisition. Goodwill on the portfolio from Spareforsikring is amortised over the same period as the duration of the commission agreement.

INTANGIBLE ASSETS	31.03.03	31.12.02	30.09.02	30.06.02	31.03.02
Goodwill	<b>471</b>	517	564	602	644
Deferred tax benefit	<b>282</b>	257	181	166	152
Other intangible assets	<b>117</b>	111	105	106	95
Total intangible assets	<b>870</b>	885	850	874	891

Other intangible assets consist of application software. This is amortised over estimated longevity – maximum five years.

In addition, the following intangible assets are on Gjensidige NOR Spareforsikring's balance sheet, which company has – in the Group's figures – been accounted for according to the equity method.

INTANGIBLE ASSETS GJENSIDIGE NOR SPAREFORSIKRING	31.03.03	31.12.02	30.09.02	30.06.02	31.03.02
Goodwill	<b>134</b>	139	145	150	156
Deferred tax benefit	<b>251</b>	256	738	545	545
Other intangible assets	<b>169</b>	175	0	0	0
Total intangible assets	<b>554</b>	570	883	695	701

### 14 EQUITY

	Share capital	Other equity capital	Total equity
Equity as at 31.12.2002	8 700	7 535	16 235
Net profit		569	569
Change in currency exchange rate		2	2
<b>Equity as at 31.03.2003</b>	<b>8 700</b>	<b>8 106</b>	<b>16 806</b>

# Gjensidige NOR ASA

## PROFIT AND LOSS ACCOUNT

(NOK Million)	1st quarter 2003	Year-end 2002
Interest income	2	4
Interest expenses	12	15
<b>Net Interest Income</b>	<b>(10)</b>	<b>(11)</b>
Group contribution	0	2 390
<b>Other Operating Income, net</b>	<b>0</b>	<b>2 390</b>
Personnel expenses	1	0
Merger expenses (1)	30	0
Expenses - secondary offering of shares upon conversion	0	52
Other, operating expenses	3	0
<b>Operating Expenses</b>	<b>34</b>	<b>52</b>
<b>Operating Profit</b>	<b>(44)</b>	<b>2 327</b>
Taxes	(12)	652
<b>Net profit</b>	<b>(32)</b>	<b>1 675</b>

## BALANCE SHEET (NOK million)

	31.03.03	31.12.02	30.09.02
<i>Assets</i>			
Deposits in and loans to credit institutions (group companies)	143	193	190
Owner interests in group companies	16 907	16 907	16 575
Deferred tax benefit	12		12
Other assets (group companies)	3 267	3 278	0
<b>Total assets</b>	<b>20 329</b>	<b>20 378</b>	<b>16 777</b>
<i>Liabilities and Equity</i>			
Loans and deposits from credit institutions (group companies)	680	680	680
Other liabilities (group companies)	1 675	1 675	0
Other liabilities	1 140	1 140	0
Accrued expenses and pre-paid income	32	49	13
Share capital	8 700	8 700	8 700
Other equity	8 102	8 134	7 384
<b>Total liabilities and equity</b>	<b>20 329</b>	<b>20 378</b>	<b>16 777</b>

The company presented its first interim financial statement on 30 September 2002.

### (1) Merger expenses

In connection with the proposed merger with Den norske Bank, irreversible accrued expenses amounting to NOK 30 million on financial advisers have been expensed. If the merger is carried out, total costs on financial advisers and translation, printing and distribution of the prospectus and other relevant information to Gjensidige NOR's shareholders are expected to amount to NOK 114-150 million, depending on the size of discretionary additional fees to financial advisers. The remaining costs on financial advisers will be expensed once final approval has been given to carry out the merger.

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**Gjensidige  
NOR**