Q4

DnB NOR QUARTERLY REPORT 2009

(preliminary and unaudited)

DnB NOR

Financial highlights

Fourth quarter 2009

- Pre-tax operating profits before write-downs were NOK 4.1 billion (5.2)
- Profit for the period was NOK 1.7 billion (1.6)
- Profit after minority interests was NOK 2.1 billion (2.0)
- Earnings per share were NOK 1.58 (1.52)
- Return on equity was 10.1 per cent (10.7)
- The cost/income ratio, excluding impairment losses for goodwill, was 49.3 per cent (42.2)
- The core capital ratio was 9.3 per cent (6.7)

Full year 2009

- Pre-tax operating profits before write-downs were NOK 18.7 billion (15.6)
- Profit for the year was NOK 7.0 billion (8.9)
- Profit after minority interests was NOK 8.6 billion (9.2)
- Earnings per share were NOK 6.43 (6.91)
- Return on equity was 10.6 per cent (12.4)
- The cost/income ratio, excluding impairment losses for goodwill, was 48.3 per cent (51.4)
- The proposed divided per share is NOK 1.75 (0)

Comparable figures for 2008 in parentheses.

There has been no full or partial audit of the quarterly report and accounts, though the report has been reviewed by DnB NOR's Group Audit. The report has also been reviewed by the Audit Committee.

Fourth quarter and full year report 2009

Fourth quarter 2009

Introduction

DnB NOR recorded profits of NOK 1 689 million in the fourth quarter of 2009, up from NOK 1 629 million in the year-earlier period. Pre-tax operating profits before write-downs came to NOK 4 109 million, compared with NOK 5 176 million in the fourth quarter of 2008. The figures for 2008 were particularly influenced by the positive profit effects of mark-to-market assessments of liability items.

Write-downs totalled NOK 1 517 million in the fourth quarter of 2009, which was significantly lower than in the two preceding quarters. NOK 845 million of the write-downs related to operations in DnB NORD, and the Group's financial performance is thus still materially affected by the recession in the Baltic States and Poland. Write-downs for the full year 2009 totalled NOK 7.7 billion, which was lower than previous write-down estimates of NOK 8-10 billion. DnB NORD accounted for 51 per cent of total write-downs in the DnB NOR Group for the full year 2009.

Return on equity was 10.1 per cent, compared with 10.7 per cent in the October through December period in 2008. Earnings per share were NOK 1.58 and NOK 1.52, respectively, during the same periods.

Net interest income totalled NOK 5 606 million, compared with NOK 6 179 million for the previous year. The reduction reflected lower interest rate levels, which caused a NOK 576 million decline in interest income on equity and non-interest-bearing items, and negative effects of exchange rate movements. Due to the strengthening of the Norwegian krone and the economic downturn, there was a NOK 30 billion reduction in average lending volumes from the fourth quarter of 2008. Adjusted for exchange rate movements, lending volumes declined by NOK 9 billion.

Relative to the 3-month money market rate, average lending spreads increased by 27 basis points from the fourth quarter of 2008, while average deposit spreads contracted by 45 basis points. During 2009, the Group adjusted lending spreads to absorb higher funding costs. The decline in income from the fourth quarter of 2008 also reflected a lag in price adjustments, but primarily effects of lower interest rate levels.

Other operating income declined by NOK 1 455 million from the fourth quarter of 2008, to NOK 3 160 million. Mark-to-market assessments of liability items were the main factor behind the fall in income. Such income was positive in 2008, but negative in 2009. Operating income from ordinary banking operations was higher than in the fourth quarter of 2008, while income from Vital was reduced by NOK 307 million.

In consequence of the recessionary climate and changes in market conditions, impairment losses for goodwill of NOK 338 million were recorded on investments in Sweden and in DnB NORD.

Ordinary operating expenses, excluding impairment losses for goodwill, declined by NOK 241 million from the fourth quarter of 2008. The cost programme, other streamlining measures and adjustments to the prevailing market situation had pronounced effects for the Group which more than compensated for wage and price inflation during this period.

The Group's funding operations were largely normalised during the second half of 2009, though funding costs were higher than before the onset of the financial crisis. Covered bonds issued by DnB NOR Boligkreditt remained an important funding source in the fourth quarter.

Like a number of other financial services groups, DnB NOR experienced a ratings downgrade by Moody's and Standard & Poor's during the fourth quarter of 2009. At year-end 2009, the ratings were Aa3 from Moody's and A+ from Standard and Poor's, both with a stable outlook. This has had a minimal effect on funding prices and volumes.

Towards the end of 2009, DnB NOR's equity was strengthened by a net NOK 13.9 billion through an issue of ordinary shares with pre-emptive subscription rights for existing shareholders. The capital increase will make the Group better positioned for stricter capital adequacy requirements, while the transaction will enhance the Group's ability to meet customers' future financing needs and to pursue profitable business opportunities as part of its future growth strategy.

As a result of the financial turmoil, the market and the authorities presented stricter capitalisation requirements for the financial services industry. The capital increase helped raise the core capital ratio from 6.7 per cent at year-end 2008 to 9.3 per cent at end-December 2009, based on new capital adequacy regulations. The Board of Directors considers the Group to be adequately capitalised in relation to regulatory requirements and its Nordic competitors.

Along with healthy profits in 2009, the capital increase will enable a swifter return to the Group's long-term dividend policy. The Board of Directors will propose a dividend of NOK 1.75 per share for 2009, with the intention to distribute dividends approximating 50 per cent of normalised annual profits from the 2010 accounting year, provided that capital adequacy is at a satisfactory level.

At the end of 2009, the Board of Directors of DnB NOR decided to initiate an evaluation of the shareholder agreement with NORD/LB with respect to a possible acquisition of NORD/LB's 49 per cent ownership interest in DnB NORD.

DnB NOR is strongly committed to offering customers good products and services at competitive terms. Towards the end of 2009, Postbanken and DnB NOR were ranked as the best and the fourth best bank, respectively, by the magazine Norsk Familieøkonomi. In addition, DnB NOR was named Norwegian champion in the category 'housing loans above NOK 2 million' by the magazine Dine Penger. Efforts to increase customer satisfaction levels will be further strengthened in 2010. DnB NOR's vision is to create value through the art of serving the customer, and new core values have been defined to support the vision.

At year-end 2009, DnB NOR was the third largest company listed on Oslo Børs, with a market capitalisation of NOK 102 billion.

Income statement

Net interest income

Amounts in NOK million	4th quarter 2009	Change	4th quarter 2008
Net interest income	5 606	(573)	6 179
Lending and deposit spreads		121	
Lending and deposit volumes		79	
Equity and non-interest-bearing items		(576)	
Long-term funding and interbank operations		(165)	
Guarantee fund levy		(106)	
Amortisation effects in the liquidity portfolio		16	
Other net interest income		57	

Net interest income declined by 9.3 per cent from the fourth quarter of 2008, reflecting a reduction in lending volume through 2009 and low interest rate levels. The average lending volume was down NOK 30 billion from the year-earlier period. Due to the strengthening of the Norwegian krone, the value of loans and deposits was reduced when converted to Norwegian kroner. The decline in lending volumes was also a consequence of more sluggish credit demand in the corporate market due to the recession. However, there was continued lending growth in the retail market.

Relative to the 3-month money market rate, average lending spreads increased by 27 basis points from the fourth quarter of 2008. Spreads levelled off from the third to the fourth quarter of 2009 due to fierce competition and stable interest rate levels.

There was continued intense competition for deposits, and deposit spreads narrowed by 45 basis points compared with the fourth quarter of 2008.

The low interest rate levels caused a NOK 576 million reduction in interest income on equity and non-interest-bearing balance sheet items compared with the year-earlier period.

Net other operating income

Amounts in NOK million	4th quarter 2009	Change	4th quarter 2008
Net other operating income	3 160	(1 455)	4 615
Stock market-related income		829	
Income from real estate broking		77	
Other operating income		50	
Net financial and risk result from Vital [1)]		(307)	
Net gains on foreign exchange and interest rate instruments [2)]		(854)	
Profits from associated companies [3)]		(1 250)	

1) *Excluding guaranteed returns and allocations to policyholders.*
2) *Excluding guarantees.*
3) *Wider credit margins caused sizeable unrealised gains on funding in Eksportfinans in the fourth quarter of 2008.*

Net other operating income declined by 31.5 per cent from the fourth quarter of 2008. There was an extraordinarily high level of income related to mark-to-market assessments of financial instruments and great financial market volatility in the fourth quarter of 2008. The situation at year-end 2009 was much more normal. In addition, there were significant reversals on previous mark-to-market adjustments in the fourth quarter of 2009.

There were also large unrealised gains on funding in Eksportfinans in the fourth quarter of 2008 and no such income in the corresponding period in 2009.

Stock market related income from banking operations increased compared with the fourth quarter of 2008, while there was a decline in income from Vital.

Operating expenses

The Group's total expenses were reduced by NOK 960 million from the fourth quarter of 2008. However, total expenses include impairment losses for goodwill. See the description of the full year results for a review of total impairment losses for goodwill.

The table below shows expenses for DnB NOR's ordinary operations.

Amounts in NOK million	4th quarter 2009	Change	4th quarter 2008
Total ordinary operating expenses	4 319	(241)	4 559
Cost programme		(126)	
Restructuring expenses, cost programme		20	
IT expenses		(190)	
Marketing expenses		(52)	
Fees		(35)	
Wage and price inflation		109	
Operational leasing		49	
Other operating expenses		(14)	

Ordinary operating expenses were reduced by 5.3 per cent from the fourth quarter of 2008. The Group's cost programme was a major contributory factor behind the positive cost trend. The most significant effects during this period can be ascribed to the streamlining of the branch network and production processes, IT rationalisation, coordination of key group functions and reduced procurement costs.

The transition from financial to operational leasing gave an increase in costs compared with the fourth quarter of 2008, as did the transfer of financial consultants from Norway Post, representing a total of 163 full-time positions. IT expenses decreased during the fourth quarter as a result of reduced system development activity relative to original plans.

Write-downs on commitments

Excluding DnB NORD, individual write-downs totalled NOK 534 million in the fourth quarter of 2009, down NOK 258 million from the fourth quarter of 2008. Individual write-downs in DnB NORD came to NOK 768 million in the September through December period in 2009, a NOK 139 milllion reduction from 2008. The effect of collective write-downs on the income statement was NOK 216 million in the fourth quarter of 2009, down from NOK 615 million in the year-earlier period. Write-downs were reduced by a total of NOK 797 million from the fourth quarter of 2008.

Business areas

With effect from 1 July 2009, activities in DnB NOR have been organised in the business areas Retail Banking, Large Corporates and International, DnB NOR Markets and Life and Asset Management. The business areas operate as independent profit centres and have responsibility for serving all of the Group's customers and for the total range of products. DnB NORD is regarded as a separate profit centre.

Retail Banking

Retail Banking is responsible for serving private individuals and small and medium-sized corporate customers in the regional network in Norway. Coordinated services in local markets will strengthen the bank's customer relationships and increase customer satisfaction.

Income statement in NOK million	4th quarter 2009	4th quarter 2008	Change
Net interest income	3 615	3 674	(59)
Other operating income	963	806	157
Total income	4 578	4 480	98
Operating expenses	2 496	2 557	(61)
Pre-tax operating profit before write-downs	2 082	1 923	158
Net gains on fixed assets	0	(1)	2
Net write-downs on loans	344	643	(298)
Pre-tax operating profit	1 738	1 279	458
Average balance sheet items in NOK billion			
Net lending to customers	723.8	682.9	40.9
Deposits from customers	370.6	360.6	9.9
Key figures in per cent			
Return on allocated capital [1)]	25.3	18.3	
Cost/income ratio [2)]	52.3	54.8	
Ratio of deposits to lending	51.2	52.8	

1) *Calculated on the basis of allocated risk-adjusted capital.*
2) *Cost/income ratio adjusted for impairment losses for goodwill.*

Retail Banking delivered a sound financial performance in the fourth quarter of 2009, with stable income and expenses and reduced write-downs on loans compared with the year-earlier period. Net write-downs on loans represented 0.19 per cent of average lending, down from 0.37 per cent in the fourth quarter of 2008. Net lending to customers rose by 6.0 per cent, and the increase was primarily in loans to private individuals. The quality of the loan portfolio was sound.

Large Corporates and International

Large Corporates and International is responsible for serving large Norwegian companies and for the Group's entire international banking operations. Relationship management based on long experience and a broad range of expertise will build strong, long-term and profitable customer relationships both in the domestic market and internationally within the Group's strategic priority areas.

Income statement in NOK million	4th quarter 2009	4th quarter 2008	Change
Net interest income	1 425	1 866	(441)
Other operating income	586	687	(100)
Total income	2 011	2 553	(542)
Operating expenses	405	534	(129)
Pre-tax operating profit before write-downs	1 606	2 018	(413)
Net gains on fixed assets	0	0	0
Net write-downs on loans	189	127	62
Pre-tax operating profit	1 417	1 892	(475)
Average balance sheet items in NOK billion			
Net lending to customers	341.3	388.0	(46.6)
Deposits from customers	219.5	222.1	(2.6)
Key figures in per cent			
Return on allocated capital [1)]	13.3	17.4	
Cost/income ratio	20.2	20.9	
Ratio of deposits to lending	64.3	57.2	

1) Calculated on the basis of allocated risk-adjusted capital.

Reduced activity, lower money market rates and a stronger Norwegian krone relative to key currencies entailed lower income than in the year-earlier period. Average net lending to customers declined by 12.0 per cent from the fourth quarter of 2008, with the effects of exchange rate movements accounting for 3.7 percentage points. Net write-downs on loans showed a moderate increase, but were at a relatively low level in the fourth quarter of 2009. Relative to average lending, write-downs amounted to 0.22 per cent, compared with 0.13 per cent in 2008.

DnB NOR Markets

DnB NOR Markets is Norway's largest investment bank and serves customers from DnB NOR's head office in Oslo, 13 regional sales desks in Norway, six international offices and through electronic channels.

Income statement in NOK million	4th quarter 2009	4th quarter 2008	Change
FX, interest rate and commodity derivatives	311	724	(412)
Investment products	135	176	(41)
Corporate finance	130	142	(12)
Securities services	58	73	(16)
Total customer revenues	634	1 115	(481)
Net income liquidity portfolio incl. changes in credit spreads	230	259	(29)
Other market making/trading revenues	367	1 042	(675)
Total trading revenues	597	1 301	(704)
Interest income on allocated capital	28	109	(81)
Total income	1 259	2 525	(1 266)
Operating expenses	459	527	(68)
Pre-tax operating profit before write-downs	800	1 998	(1 198)
Net gains on fixed assets	0	0	0
Net write-downs on loans	0	1	0
Pre-tax operating profit	800	1 997	(1 197)
Key figures in per cent			
Return on allocated capital [1)]	41.5	80.3	
Cost/income ratio	36.5	20.9	

1) Calculated on the basis of allocated risk-adjusted capital.

DnB NOR Markets' financial performance in the fourth quarter of 2009 was characterised by lower activity levels in the economy, which resulted in reduced income from customer and proprietary trading. The cyclical downturn resulted in a reduction in investment, financing, export and import activity among customers and a downturn in demand for hedging products. Compared with the fourth quarter of 2008, a normalisation of the financial markets, with less volatility, led to reduced margins.

Life and Asset Management

Life and Asset Management consists of Vital and DnB NOR Asset Management and is responsible for life insurance, pension savings and asset management.

Vital

Income statement in NOK million	4th quarter 2009	4th quarter 2008	Change
Interest result	1 353	2 432	(1 080)
- of which property revaluations	*5*	*(1 232)*	*1 237*
Application of additional allocations	(173)	(1 727)	1 555
Risk result	(71)	(135)	64
Administration result	2	(34)	35
Profit on risk and guaranteed rate of return	112	116	(4)
Transferred from security reserve	(12)	(61)	49
Profit for distribution in Vital	1 212	592	620
Allocations to policyholders	908	(4)	912
Net profit in Vital	304	596	(292)
Tax charge	(771)	427	(1 198)
Profit from Vital	1 075	170	906
Balances in NOK billion (end of period)			
Assets under management	232.5	224.1	8.3
Key figures in per cent			
Return on allocated capital [1)]	50.8	7.9	

1) Calculated on the basis of allocated risk-adjusted capital.

The decline in pre-tax operating profits in Vital reflected the fact that figures for the fourth quarter of 2008 were influenced by reversals from previous quarters. The significant reduction in Vital's tax charge in the fourth quarter of 2009 was partly attributable to the realisation of gains on shares which are exempt from tax in accordance with the tax exemption model and a reassessment of corresponding tax positions in the company. There were signs of recovery in the property market in the fourth quarter of 2009, and property values were adjusted slightly upwards during the quarter. In the corresponding period in 2008, property values were reduced by NOK 1 232 million.

The recorded return on the common portfolio was 1.5 per cent in the fourth quarter of 2009, compared with 1.7 per cent in the year-earlier period. The value-adjusted return was 1.8 per cent in the fourth quarter of 2009. The return on the corporate portfolio declined from 2.6 per cent in the fourth quarter of 2008 to 1.1 per cent in the corresponding period of 2009.

DnB NOR Asset Management

Income statement in NOK million	4th quarter 2009	4th quarter 2008	Change
Net interest income	6	7	(1)
Commission income			
- from retail customers	73	37	36
- from institutional clients	131	143	(12)
Other income	0	14	(14)
Total income	210	200	9
Operating expenses	143	108	34
Pre-tax operating profit before write-downs	67	92	(25)
Net gains on fixed assets	0	0	0
Pre-tax operating profit	67	92	(25)
Balances in NOK billion (end of period)			
Asset under management	441.3	478.3	(37.1)
Key figures in per cent			
Return on allocated capital [1)]	29.7	41.1	
Cost/income ratio	68.0	54.0	

1) Calculated on the basis of allocated risk-adjusted capital.

Strong asset management performance in DnB NOR Asset Management helped maintain income on a level with the year-earlier period, despite a reduction in assets under management which was primarily due to a renegotiated agreement with Skandia Liv. The new agreement entails lower volumes, but also the possibility for higher fees based on strong asset management performance and reduced costs through the closing down of international offices.

DnB NORD

DnB NOR has a 51 per cent ownership interest in DnB NORD. The majority of DnB NORD's operations are in the Baltic States and Poland. The operations in the Baltic States have been particularly hard hit by the cyclical downturn.

Income statement in NOK million	4th quarter 2009	4th quarter 2008	Change
Net interest income	369	479	(111)
Other operating income	182	276	(94)
Total income	551	755	(204)
Operating expenses	768	543	225
Pre-tax operating profit before write-downs	(217)	213	(430)
Net gains on fixed assets	(15)	3	(18)
Net write-downs on loans	845	1 053	(208)
Pre-tax operating profit	(1 078)	(837)	(241)
Average balance sheet items in NOK billion			
Net lending to customers	75.9	87.8	(11.8)
Deposits from customers	20.0	23.1	(3.1)
Key figures in per cent			
Return on allocated capital [1)]	(28.9)	(28.4)	
Cost/income ratio [2)]	72.6	54.2	
Ratio of deposits to lending	26.4	26.4	

1) Calculated on the basis of allocated risk-adjusted capital.

2) Cost/income ratio adjusted for impairment losses for goodwill.

A net operating loss before write-downs was recorded in the fourth quarter of 2009 due to impairment losses for goodwill totalling NOK 368 million. Net lending was down 13.5 per cent from the year-earlier period. Net write-downs relative to average lending declined from 4.77 per cent in the fourth quarter of 2008 to 4.44 per cent in the fourth quarter of 2009. DnB NORD is in the process of winding down its activities in Denmark and Finland, and will centre its operations on the subsidiary banks in the Baltic States and Poland. As part of this process, 50 per cent of the Danish and Finnish portfolios was sold to DnB NOR late in 2009. DnB NORD expects the level of write-downs on loans to remain relatively high in 2010. The company will seek to consolidate its operations, reduce write-downs and improve cost-effectiveness.

Full year results 2009

Income statement

2009 was a turbulent and demanding year for DnB NOR, characterised by financial turmoil and a period of contraction both in Norway and internationally. However, the economic situation gradually improved during the second half of the year. In spite of the challenging situation, the Group recorded net profits during all four quarters in 2009.

Pre-tax operating profits before write-downs rose by 19.8 per cent from 2008, to NOK 18 717 million. Profits for the year came to NOK 7 026 million, compared with NOK 8 918 million in 2008. Profits after minority interests were NOK 8 585 million and NOK 9 211 million, respectively, for the two years. The large differential was due to the net loss in DnB NORD, where the minority shareholders were charged with their respective shares.

Net interest income

Amounts in NOK million	2009	Change	2008
Net interest income	22 633	723	21 910
Lending and deposit spreads		1 856	
Lending and deposit volumes		943	
Exchange rate movements		569	
Equity and non-interest-bearing items		(1 940)	
Long-term funding costs		(853)	
Guarantee fund levy		(430)	
Interbank funding and interest rate instruments		(206)	
Amortisation effects in the liquidity portfolio		397	
Other net interest income		387	

Net interest income rose by 3.3 per cent compared with 2008. There was a significant increase in lending volumes through 2008, which boosted interest income in 2009. Lending volumes declined quarter by quarter through 2009 due to exchange rate movements and lower credit demand. Adjusted for exchange rate movements, the average lending volume increased by 5.2 per cent from 2008 to 2009.

Relative to the 3-month money market rate, average lending spreads widened from 1.01 per cent in 2008 to 1.61 per cent in 2009. However, the actual costs for new long-term funding in 2009 were significantly higher than money market rates. The lending spread should cover both rising funding costs, higher guarantee fund levies and higher credit risk. During 2009, there was a repricing of corporate loans to compensate for the rise in such costs. The portfolio of housing loans to personal customers was less affected by the rising funding costs. These loans were largely financed through covered bonds issued by DnB NOR Boligkreditt, which thus far have generated lower costs than other funding sources.

Deposit growth averaged NOK 42.9 billion or 7.7 per cent. The competition for deposits remained strong during 2009, contributing to a decline in the average deposit spread from 1.08 per cent in 2008 to 0.29 per cent in 2009. The low interest rate level also led to increased pressure on deposit spreads.

Net other operating income

Amounts in NOK million	2009	Change	2008
Net other operating income	14 994	2 556	12 438
Stock market-related income including financial instruments		1 379	
Unrealised losses in the liquidity portfolio		1 333	
Net financial and risk result from Vital [1)]		379	
Real estate broking		115	
Net gains on foreign exchange and interest rate instruments [2)]		9	
Net other commissions and fees		(13)	
Other operating income		(107)	
Profits from associated companies		(539)	

1) *Excluding guaranteed returns and allocations to policyholders.*
2) *Excluding guarantees and unrealised losses in the liquidity portfolio.*

Net other operating income increased by 20.6 per cent from 2008. The great uncertainty in financial markets gave a considerable boost in demand for hedging products from DnB NOR Markets, especially in the first half of 2009. The financial turmoil also caused greater differences between ask and bid prices, resulting in increased income from foreign exchange and interest rate products. The rise in income can be viewed in light of other negative profit effects arising from the financial turmoil. The rise in income reflects DnB NOR's broad income base, which enables the Group to maintain a sound level of profits even when the financial markets are weak.

During the first half of 2008, NOK 1 333 million in unrealised losses in the liquidity portfolio in DnB NOR Markets was recorded. With effect from the second half of 2008, these bonds were reclassified to the held-to-maturity category, and the Group thus recorded no such mark-to-market losses in 2009.

The rise in income from Vital reflects the company's sizeable losses and write-downs on equity and property investments in 2008. The company has significantly reduced its equity exposure and recorded healthy income on investments in fixed-income securities in 2009. During the year, Vital started to gradually increase its equity exposure.

Recorded changes in the value of special balance sheet items carried at fair value represented a net cost of NOK 230 million in 2009 and net income of NOK 489 million in 2008. Such items reflect mark-to-market adjustments of credit margins on the Group's liabilities, mainly in Eksportfinans, and value assessments of currency swap agreements for the exchange of group liabilities.

In the second half of 2009, there was a rise in income from, among other things, payment services and real estate broking due to the introduction of new products and a stronger economy.

Operating expenses

Operating expenses increased by NOK 191 million from 2008 to 2009, to NOK 18 911 million. However, total expenses include impairment losses for goodwill. The table below shows expenses for DnB NOR's ordinary operations.

Amounts in NOK million	2009	Change	2008
Total ordinary operating expenses	18 180	518	17 662
Cost programme		(470)	
Restructuring expenses, cost programme		38	
Marketing expenses		(152)	
Wage and price inflation		537	
Operational leasing		230	
IT expenses		139	
Other operating expenses		196	

Ordinary operating expenses rose by 2.9 per cent from 2008 to 2009. The increase primarily reflected the acquisition and establishment of new operations in Norway and internationally during 2008, which was fully reflected in the income statement in 2009. A number of the specific measures which caused a rise in costs had a direct corresponding effect on income. This applies, among other things, to the take-over of financial advisers from Norway Post and the increase in operational leasing. In addition, there was considerable investment in IT. The number of full-time positions in the Group was reduced by 740 from year-end 2008 to end-December 2009.

The Group's cost programme counteracted the effects of both expansionary measures and ordinary wage and price inflation. The measures implemented up till the end of 2009 reduced recorded costs by NOK 470 million compared with 2008. Restructuring costs totalled NOK 210 million in 2009, up NOK 38 million compared with 2008.

The cost programme was ahead of schedule, and considerable efforts were made to achieve cost savings. Cost reductions recorded since the programme started up untll year-end 2009 had a full-year effect corresponding to NOK 954 million. The most extensive measures relate to the streamlining of the branch network, reduced procurement costs, the shift to electronic customer communication and streamlining measures in connection with restructuring processes to achieve greater coordination within the Group. At the Capital Markets Day in spring 2009, the cost programme target was adjusted upwards to annual cost savings of NOK 2 billion by the end of 2012.

Based on the Group's profit performance in 2009, the Board of Directors has decided to reserve NOK 131 million for allocations to all employees.

Impairment losses for goodwill

Each quarter, recorded goodwill and intangible assets in the Group's balance sheet are reviewed with respect to a possible decline in value. Total impairment losses for goodwill of NOK 730 million were recorded in 2009.

As a result of macroeconomic developments and weak profits in DnB NORD, impairment losses for goodwill of NOK 941 million were recorded in DnB NORD. DnB NOR recorded total impairment losses of NOK 529 million related to DnB NORD. Impairment losses for goodwill of NOK 99 million relating to Svensk Fastighetsförmedling in Sweden were recorded in consequence of a new strategic direction for these operations. Due to changes in the market outlook, impairment losses for goodwill of NOK 102 million relating to SalusAnsvar in Sweden were recorded.

Write-downs on commitments

Excluding DnB NORD, individual write-downs totalled NOK 2 719 million in 2009, up NOK 1 218 million from 2008. The level of write-downs was relatively stable through 2009.

Individual write-downs in DnB NORD came to NOK 3 346 million in 2009, an increase of NOK 2 168 million from 2008. The write-downs can be ascribed to the difficult economic situation in DnB NORD's markets, most particularly in Latvia and Lithuania.

Due to the serious international economic downturn, there was a rise in collective write-downs in 2009. The effect of collective write-downs on the income statement was NOK 1 645 million in 2009, up from NOK 830 million in 2008. The primary factor behind the increase was reduced shipping freight rates.

Total write-downs in DnB NORD represented 4.7 per cent of DnB NORD's average loan portfolio in 2009, compared with 1.9 per cent in 2008. The corresponding figures for the rest of the DnB NOR Group were 0.33 per cent and 0.22 per cent, respectively.

Commitments which are subject to individual write-downs, net impaired commitments, totalled NOK 12.1 billion in 2009, up NOK 3.3 billion from 2008. Net impaired commitments represented 1.08 per cent of lending volume as at 31 December 2009, an increase from 0.73 per cent at year-end 2008. Non-performing commitments not subject to write-downs represented NOK 7.0 billion as at 31 December 2009, up NOK 3.9 billion from a year earlier. Non-performing commitments not subject to write-downs represented 0.63 per cent of lending volume at year-end 2009, compared with 0.26 per cent a year earlier.

Taxes

The DnB NOR Group's total tax charge for 2009 was NOK 4 086 million, a rise of NOK 834 million from 2008. Relative to pre-tax operating profits, the tax charge increased from 26.7 to 37.0 per cent from 2008 to 2009. Impairment losses for goodwill, which give no tax deduction, have resulted in a higher relative tax charge. Adjusted for this factor, the tax charge was 24.6 per cent and 34.7 per cent in 2008 and 2009, respectively. The tax charge in 2009 was particularly high due to developments in DnB NORD, exchange rates and interest rate levels.

Balance sheet and liquidity

At end-December 2009, total combined assets in the DnB NOR Group were NOK 2 076 billion, a reduction of NOK 65 billion or 3 per cent from a year earlier. Total assets in the Group's balance sheet were NOK 1 823 billion at year-end 2009 and NOK 1 832 billion a year earlier. Total assets in Vital were NOK 232 billion and NOK 224 billion, respectively, on the same dates.

Measured in Norwegian kroner, net lending to customers declined by NOK 77 billion or 6.4 per cent from year-end 2008 to end-December 2009. The reduction was mainly due to exchange rate movements. Adjusted for these effects, there was a 1.1 per cent reduction in lending. More sluggish credit demand in the corporate sector affected lending figures. Customer deposits declined by NOK 6.5 billion or 1.1 per cent during the corresponding period. After adjusting for exchange rate movements, there was a 2.7 per cent increase in deposits. The Group's ratio of customer deposits to net lending to customers increased somewhat, from 50.1 per cent at end-December 2008 to 53.0 per cent a year later. During the same period, the ratio of deposits to lending in the bank increased from 69.2 to 92.7 per cent, partly due to the transfer of loans from the bank to DnB NOR Boligkreditt to enable securities market funding. The Group's future strategy is to increase the ratio of deposits to lending.

In order to keep the Group's liquidity risk at a low level, the majority of loans are financed through customer deposits, long-term securities, subordinated loan capital and equity. The Group has a self-imposed limit whereby such long-term or stable funding limit must represent 90 per cent of lending to the general public. This limit remained unchanged through 2009. With respect to short-term funding, conservative limits have been set for refunding requirements. The Group stayed well within the established liquidity limits through 2009.

Following extensive market turmoil in 2008, the market for short-term liquidity showed a clearly improved trend at the start of 2009. However, at times, large international banks reported new, sizeable and unexpected losses, followed by measures initiated by the authorities to curb the resulting effects. The turmoil led to occasional setbacks where the markets functioned less satisfactorily and the maturities of available liquid funds again became shorter. Later in the year, the markets gradually improved, and the situation was stable and sound in the second half of 2009. Volumes and maturities practically returned to normalised levels, and the pricing of very short-term funding virtually corresponded to the levels before the financial turmoil. Nevertheless, investors still showed little risk willingness, and strong emphasis continued to be placed on borrowers' credit ratings.

In the fourth quarter of 2008, the Norwegian authorities introduced a scheme to ensure long-term funding for the banks through the exchange of Treasury bills for covered bonds backed by mortgage loans issued by the banks. The scheme was instrumental in stabilising the liquidity situation during a turbulent period. It was phased out during the autumn of 2009.

Following a substantial reduction in the Group's long-term funding costs during the summer of 2009, the situation was more stable towards the end of the year. However, funding costs remained at a markedly higher level than before the financial crisis.

Risk and capital adequacy

DnB NOR quantifies risk by measuring risk-adjusted capital, which is a guiding factor for the Group's capital requirement. Net risk-adjusted capital declined by NOK 6 billion to NOK 62.1 billion from year-end 2008 to end-December 2009. The figures were somewhat affected by the upgrading and improvement of internal risk models, but nevertheless reflected the general trend. Due to a marked strengthening of the Norwegian krone, there was a reduction in credit volumes in the corporate market in 2009, which explains the decline in risk-adjusted capital for credit. A higher equity exposure in Vital's investment portfolio gave an increase in life insurance risk, especially towards the end of 2009.

Amounts in NOK billion	31 Dec. 2009	30 Sept. 2009	30 June 2009	31 Dec. 2008
Credit risk	50.9	55.7	57.6	59.2
Market risk	3.7	3.5	4.4	4.2
Market and insurance risk in life insurance	10.5	8.0	6.5	7.1
Non-life insurance risk	0.5	0.5		
Operational risk	7.2	7.2	6.7	6.7
Business risk	4.1	4.1	4.0	3.7
Gross risk-adjusted capital requirement	76.9	78.9	79.2	81.0
Diversification effect [1)]	(14.8)	(14.8)	(11.9)	(12.9)
Net risk-adjusted capital requirement	62.1	64.1	67.3	68.1
Diversification effect in per cent of gross risk-adjusted capital requirement [1)]	19.3	18.7	15.0	15.9

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

Credit growth in the corporate market in 2009 reflected weak demand and a decline in lending volumes. In the retail market, lending volumes expanded due to the improved situation in the housing market, with an estimated increase in housing prices in Norway of 2.9 per cent from 2008 to 2009 and brisk sales activity.

There was stable credit quality and a relatively low level of non-performing loans in the part of the portfolio which depends on developments in the Norwegian economy, primarily loans to private individuals and small and medium-sized businesses in Norway.

There was a negative trend within shipping in 2009, though freight rates remained at a higher level than expected within key segments such as dry bulk and oil tankers. The container segment showed the poorest performance. In spite of a large number of cancellations of newbuilding orders, the fleet is still expected to increase within most segments, which will contribute to keeping rates low for a long period in the future. On the positive side, the large, leading shipping companies strengthened their equity through capital market issues.

The Baltic States experienced a stronger recession than most other countries in 2009. Consequently, extensive write-downs on loans were recorded, and future developments remain highly uncertain. This is reinforced by the countries' short history of market economy, newly established institutions and legislative framework. Towards the end of the year, however, there were indications that the situation was stabilising somewhat, and the increase in non-performing loans abated.

In the Nordic portfolio, credit risk increased primarily within acquisition finance in 2009. There are mixed experiences with private equity funds, though the funds generally seem to follow up their investments in a responsible manner.

Market risk varied during the year due to changes in the Group's equity positions. The exposure to Eksportfinans changed after the Group issued a guarantee for parts of the company's bond investments in 2008. The unutilised part of the guarantee is recorded as an equity investment. DnB NOR Boligkreditt increased its business volume considerably in 2009, which required an increase in interest risk limits. Due to large fluctuations in money market rates and in the relative margins between various currencies, there have been significant changes in the value of derivative positions relative to the Group's funding when one currency is used to fund another currency. However, these changes in value are generally of a temporary nature and will be reversed over time.

There was a rise in market risk in Vital during the year due to a rise in the share of equities in the company's investment portfolio from 3.1 per cent to 12.1 per cent from year-end 2008 to end-December 2009. The equity exposure grew more rapidly than the corresponding increase in solvency capital, which is used to meet the guaranteed rate of return on policyholders' funds, which resulted in higher risk-adjusted capital. At year-end 2009, the securities adjustment reserve totalled NOK 1.2 billion, up from nil in 2008. Additional allocations rose by NOK 0.1 billion to NOK 4.9 billion. There was a positive risk result due to lower disability insurance payments, though developments through 2009 indicate that life expectancy will increase more rapidly than the assumptions which have thus far been used in Vital's tariff rates. Vital has applied to Finanstilsynet for permission to use a ten-year escalation period to strengthen allocations for higher life expectancy.

A total of 456 operational loss events were registered during 2009, causing an overall net loss of NOK 200 million. In addition, there were operational errors in connection with credit losses. The operational stability of the Group's Internet banks and other IT systems improved in 2009. The average operational time in the Group's Internet banks was 99.7 per cent.

Liquidity risk is not quantified when calculating risk-adjusted capital. The Group tightened its liquidity risk limits at the beginning of 2009 and was well within these limits through the year. The exchange scheme in Norges Bank continued to function well in 2009. The scheme gave DnB NOR access to Norwegian Treasury bills in exchange for covered bonds issued by DnB NOR Boligkreditt and backed by well-secured housing loans. At year-end 2009, a total of NOK 118 billion had been used in this scheme. The Treasury bills were used primarily as liquidity reserves and enabled the Group to make use of ample short-term funding from private sources without increasing overall liquidity risk. Low lending growth, combined with a significant increase in customer deposits, gave a rise in the Group's ratio of deposits to lending from 50.1 per cent at year-end 2008 to 53.0 per cent at end-December 2009. At the end of 2009, long-term stable funding of the Group's lending volume represented 102 per cent, compared with 93 per cent the previous year.

Risk-weighted volume included in the calculation of the formal capital adequacy requirement was NOK 1 052.8 billion at end-December 2009, down 12.3 per cent from 2008. The reduction mainly reflected lower lending volumes in consequence of the stronger Norwegian krone, whereby currency loans had a lower value measured in Norwegian kroner. Calculations of risk-weighted volume according to Basel II gave a reduction in the capital requirement relative to Basel I of 10.9 per cent. The transitional rules which apply until year-end 2011 allow a maximum reduction of 20 per cent. In 2009, the Group applied to Finanstilsynet (the Financial Supervisory Authority of Norway) for permission to use the IRB approach to measure credit portfolios for large corporate clients, which could give a significant reduction in risk-weighted volume in 2010. The transitional floor is then expected to apply. The core capital ratio was 9.3 per cent at end-December 2009 and 6.7 per cent at year-end 2008, while the capital adequacy ratio was 12.1 per cent at year-end 2009.

In December 2009, the Basel Committee and the EU presented a number of proposals to tighten capital adequacy regulations, along with new requirements for liquidity buffers and the funding structure of financial institutions. The measures are scheduled to be implemented once the ongoing financial crisis is over and will make the financial sector more robust. The most important proposals have yet to be approved, and changes must be expected following the 2010 consultation round. Following the net NOK 13.9 billion increase in the Group's equity in December 2009, DnB NOR is well positioned to meet the anticipated new capitalisation requirements. Due to the ample access to Treasury bills through the exchange scheme with Norges Bank, the Group also has more than adequate liquidity reserves. The main challenge lies in the funding structure requirements, as the Basel Committee's proposal requires a considerably higher share of long-term funding than the share held by DnB NOR at year-end 2009.

Macroeconomic developments

In 2009, the international economy was strongly influenced by the crisis in the financial markets and its spill-over effects. The financial crisis had an unusually sudden effect on the real economy and led to the most dramatic downturn in the international economy since the Second World War. In many countries, manufacturing output fell by 20-30 per cent over a few quarters. There was also a sharp fall in total GDP growth, and unemployment rose steeply. Governments launched a number of measures to stimulate economic activity. The central banks lowered their key interest rates to historically low levels and injected liquidity to help the money markets function as normally as possible. Authorities across the world also initiated various measures to make the banking system function in an optimal manner. Fiscal policy was used actively to curb the economic downturn, and the fall in manufacturing production gradually levelled off. In the second half of 2009, there were increasing signs of a hesitant economic recovery.

The Baltic States have been among those countries most severely affected by the financial crisis. GDP in Estonia and Lithuania fell by approximately 15 per cent in 2009, whereas GDP in Latvia fell by 17-18 per cent. In spite of more hopeful prospects worldwide, there continue to be only modest signs of new growth in the Baltic States. According to Consensus Forecasts, the Baltic economies will experience a further downturn in 2010, with a fall in GDP of approximately 1-3 per cent. The International Monetary Fund, which operates with more long-term prognoses, estimates a moderate growth in GDP of 1.5-3.5 per cent for 2011 and 2012, respectively. The Norwegian economy was influenced by the global economic downturn, both through its international trade and through the international financial markets. Parts of the export industry and the building and construction industry were particularly affected.

In spite of a pronounced economic contraction, there was only a slight rise in unemployment levels in Norway. One reason is that counter-cyclical policy was stronger in Norway than in most other countries. The oil industry also helped stabilise the Norwegian economy as investment within the sector remained at a high level. Many labour immigrants on short-term contracts returned home when the downturn reached the Norwegian economy. Higher education became more attractive, reducing the pool of workers and hence also unemployment figures.

The financial crisis rapidly resulted in a weakening of the Norwegian krone against both the euro and the US dollar, which eased the pressure on Norway's export industries. The weakening of the krone was partially reversed during 2009 as Norwegian interest rates were raised at a faster rate than in most other countries.

At the end of 2009, the Norwegian economy was still in a recession, but showed clear signs of improvement. In particular, private and public sector consumption and public investments made a positive contribution, though exports of traditional goods also started to increase. Housing investments and investments in the business sector remained low in 2009, but escalating housing prices will probably cause a rise in housebuilding activity.

DnB NOR's company survey conducted in December 2009, where 2 100 business managers were interviewed on their expectations for 2010, showed that approximately fifty per cent believed in higher turnover in 2010, which could indicate that Norwegian companies are starting to emerge from the financial crisis. There were considerable sectoral variations in the survey, but only 12 per cent of the business mangers feared a fall in profits in 2010.

Household debt, in per cent of disposable income, reached a high level at the end of 2009, partly on account of low interest rates and rising housing prices. Nevertheless, the general financial situation for Norwegian households was positive.

Future prospects

At the end of 2009, the global economy showed several signs of recovery, but it remains uncertain whether the positive trend will continue. The Norwegian economy has weathered the crisis better than many other economies, yet due to its open economy, Norway is strongly influenced by international developments. The same is true for DnB NOR through DnB NORD's commitments in the Baltic States and in Poland, the Group's shipping commitments, Norwegian customers who operate internationally and local commitments at DnB NOR's international offices. Another important factor for DnB NOR is the performance of Norway's export industry.

Nevertheless, about 80 per cent of DnB NOR's operations are based in Norway, and developments in Norway will thus be of key importance to DnB NOR. The Group expects that Norway will slowly recover from the cyclical downturn of the last two years.

To ensure long-term growth and profitability, the Group will further increase its customer focus. The aim is that all customers will feel that their needs are met when they are in contact with DnB NOR. To strengthen the Group's strategy, a new vision has been defined focusing on long-term value creation and customer orientation: "creating value through the art of serving the customer", supported by the following core values: helpful, professional and show initiative. The vision and core values should distinguish the Group as a whole and be reflected in the conduct of its employees.

The capital increase gives the Group a greater capacity for growth based on profitability and acceptable risk. Combined with even stronger customer orientation, the capital increase is expected to further strengthen DnB NOR's position in the Norwegian and international markets over the next few years. DnB NOR will, as Norway's leading banking group, have a strong presence in all financial markets in Norway and ensure customers a competitive total product offering.

In 2009, write-downs in the Baltic States were considerably higher than normal, whereas write-downs in Norwegian-related operations remained lower than expected. The future development of write-downs in both Norwegian-related and international operations is uncertain. However, write-downs in 2010 are expected to be roughly on a level with 2009.

Funding costs are anticipated to remain high compared with pre-crisis levels. As the Group has a sound position and enjoys confidence in the capital markets, it is expected to have continued access to short and long-term funding at competitive prices.

The financial turmoil in 2008 and 2009 resulted in a higher level of other operating income due to extensive hedging activity in the markets. A stabilisation of the markets will entail a reduction in such sources of income.

The Group will retain its tight control on expenditure, including following up its cost programme. DnB NOR has not departed from its goal to implement cost-cutting measures which will result in annual cost reductions of minimum NOK 2 billion in the period 2008 through 2012. The cost-cutting measures include streamlining the bank's branch network and IT systems, reducing procurement costs and centralising staff and support functions. The measures contribute to counteracting inflationary effects and other cost increases and will be followed up closely.

The Group's tax charge in 2009 was particularly high due to developments in DnB NORD, share prices and exchange rates. A lower tax level is expected in 2010.

The Board of Directors of DnB NOR decided at the end of 2009 to initiate an evaluation of the shareholder agreement with NORD/LB regarding a possible purchase of their 49 per cent ownership interest in DnB NORD. The process is expected to be finalised in the course of 2010.

It is likely that proposals from the Basel Committee and the EU to tighten capital adequacy regulations and implement new liquidity buffer and funding structure requirements will increase the Group's long-term funding requirements. In addition, it is probable that there will be changes in the requirements relating to capital structure, with greater emphasis on pure equity and less emphasis on various forms of hybrid capital and subordinated loans. A parallel process is looking at how to change the accounting rules governing financial instruments, including write-downs on loans. The changes will be discussed in consultative processes in 2010. The financial industry and the real economy could be materially affected by these regulatory changes. DnB NOR has a relatively sound platform, enabling it to adapt to the changes. The Group wishes to participate in analysing the impact of the changes and promote the implementation of a balanced regulatory framework.

DnB NOR's economic forecast for 2010 is greater competition and moderate growth in the first part of the year, with a gradual recovery in activity during the year.

The Group is not departing from its goal to achieve pre-tax operating profits before write-downs of NOK 20 billion in 2010. However, macroeconomic developments have made this target more challenging to reach. Write-downs on loans in 2010 are expected to be roughly on a level with 2009. Other updated financial targets will be presented at the Capital Markets Day on 18 March 2010.

Oslo, 10 February 2010
The Board of Directors of DnB NOR ASA

Anne Carine Tanum
(chairman)

Bjørn Sund
(vice-chairman)

Gunilla Berg

Per Hoffmann

Jørn O. Kvilhaug

Bent Pedersen

Tore Olaf Rimmereid

Ingjerd Skjeldrum

Siri Pettersen Strandenes

Rune Bjerke
(group chief executive)

Contents – quarterly accounts

Income statement

Amounts in NOK million	Note	4th quarter 2009	4th quarter 2008	Full year 2009	Full year 2008
				DnB NOR Group	
Total interest income	7	12 667	22 675	58 363	81 953
Total interest expenses	7	7 061	16 496	35 730	60 044
Net interest income	7	**5 606**	**6 179**	**22 633**	**21 910**
Commissions and fees receivable etc.	8	2 137	2 151	8 724	9 207
Commissions and fees payable etc.	8	521	597	2 069	2 313
Net gains on financial instruments at fair value	9	1 066	1 059	6 286	3 339
Net gains on assets in Vital	8	4 107	2 320	13 462	(701)
Guaranteed returns and allocations to policyholders in Vital	8	3 798	1 641	12 712	(1 027)
Premium income etc. included in the risk result in Vital		1 169	1 177	4 705	4 543
Insurance claims etc. included in the risk result in Vital		1 240	1 312	4 613	4 407
Premium income non-life insurance	6	221	-	593	-
Insurance claims etc. non-life insurance	6	201	-	538	-
Profit from companies accounted for by the equity method	8	(49)	1 201	93	632
Other income	8	268	257	1 063	1 111
Net other operating income	8	**3 160**	**4 615**	**14 994**	**12 438**
Total income		**8 766**	**10 794**	**37 627**	**34 347**
Salaries and other personnel expenses	10	2 493	2 416	9 917	9 463
Other expenses	10	1 446	1 802	6 784	7 040
Depreciation and write-downs of fixed and intangible assets	10	718	1 400	2 210	2 217
Total operating expenses	10	**4 657**	**5 618**	**18 911**	**18 721**
Net gains on fixed and intangible assets		19	5	26	52
Write-downs on loans and guarantees	13	1 517	2 314	7 710	3 509
Pre-tax operating profit		**2 610**	**2 868**	**11 032**	**12 170**
Taxes	12	1 001	1 240	4 086	3 252
Profit from operations and non-current assets held for sale, after taxes		80	0	80	0
Profit for the period		**1 689**	**1 629**	**7 026**	**8 918**
Profit attributable to shareholders		2 122	2 030	8 585	9 211
Profit attributable to minority interests		(433)	(402)	(1 559)	(293)
Earnings/diluted earnings per share (NOK)		1.58	1.52	6.43	6.91
Earnings per share excluding operations held for sale (NOK)		1.52	1.52	6.37	6.91

Comprehensive income statement according to IAS 1

Amounts in NOK million	4th quarter 2009	4th quarter 2008	Full year 2009	Full year 2008
			DnB NOR Group	
Profit for the period	1 689	1 629	7 026	8 918
Exchange differences arising from the translation of foreign operations	(4)	686	(1 096)	957
Comprehensive income for the period	1 685	2 315	5 930	9 875
Comprehensive income attributable to shareholders	2 170	2 290	8 076	9 616
Comprehensive income attributable to minority interests	(485)	25	(2 147)	259

Balance sheet

Amounts in NOK million	Note	DnB NOR Group 31 Dec. 2009	DnB NOR Group 31 Dec. 2008
Assets			
Cash and deposits with central banks		31 859	51 147
Lending to and deposits with credit institutions		62 317	59 717
Lending to customers	14, 15	1 114 886	1 191 635
Commercial paper and bonds	16	225 415	125 571
Shareholdings	17	58 227	36 839
Financial assets, customers bearing the risk		21 337	16 454
Financial derivatives		70 072	136 552
Commercial paper and bonds, held to maturity	16	179 832	155 156
Investment property	18	33 381	32 558
Investments in associated companies		2 521	2 517
Intangible assets	19	7 644	8 480
Deferred tax assets		246	263
Fixed assets		5 482	5 326
Operations and non-current assets held for sale		1 255	246
Other assets		8 979	9 236
Total assets		**1 823 453**	**1 831 699**
Liabilities and equity			
Loans and deposits from credit institutions		302 669	178 822
Deposits from customers		590 745	597 242
Financial derivatives		53 019	95 498
Debt securities issued	20	493 732	606 222
Insurance liabilities, customers bearing the risk		21 337	16 454
Liabilities to life insurance policyholders		193 556	184 791
Insurance liabilities, non-life insurance		704	-
Payable taxes		9 093	384
Deferred taxes		525	5 457
Other liabilities		12 331	15 410
Operations held for sale		366	0
Provisions		4 923	4 918
Subordinated loan capital	20	39 051	45 225
Total liabilities		**1 722 050**	**1 750 424**
Minority interests		2 755	4 211
Share capital		16 231	13 327
Share premium reserve		22 609	11 697
Other equity		59 808	52 041
Total equity		**101 403**	**81 275**
Total liabilities and equity		**1 823 453**	**1 831 699**
Off-balance sheet transactions and contingencies	24		

Statement of changes in equity

DnB NOR Group

Amounts in NOK million	Minority interests	Share capital	Share premium reserve	Other equity	Total equity
Balance sheet as at 31 December 2007 1)	**2 662**	**13 327**	**11 697**	**48 290**	**75 976**
Comprehensive income for the period 1)	259			9 616	9 875
Dividends 2007				(5 997)	(5 997)
Minority interests DnB NORD 2)	1 305				1 305
Other minority interests	(15)				(15)
New regulations for the life insurance industry				130	130
Balance sheet as at 31 December 2008 1)	**4 211**	**13 327**	**11 697**	**52 041**	**81 275**
Comprehensive income for the period 1)	(2 147)			8 076	5 930
Issue of share capital		2 961	10 912		13 874
Puchase of treasury shares		(57)		(309)	(366)
Minority interests DnB NORD 2)	693				693
Other minority interests	(2)				(2)
Balance sheet as at 31 December 2009 1)	**2 755**	**16 231**	**22 609**	**59 808**	**101 403**

1) Of which currency translation reserve :

	Minority interests	Share capital	Share premium reserve	Other equity	Total equity
Balance sheet as at 31 December 2007	*(28)*			*(275)*	*(303)*
Adjustment to currency translation reserve DnB NORD				*20*	*20*
Comprehensive income for the period	*552*			*405*	*957*
Balance sheet as at 31 December 2008	*524*			*150*	*674*
Comprehensive income for the period	*(587)*			*(509)*	*(1 096)*
Balance sheet as at 31 December 2009	*(63)*			*(359)*	*(422)*

2) Minority interests DnB NORD :

NORD/LB's share of capital increase in DnB NORD Denmark	*1 199*
Other movements	*106*
Movements 2008	*1 305*
NORD/LB's share of capital increase in DnB NORD Denmark	*814*
Purchase of minority shares in Lithuania	*(121)*
Movements 2009	*693*

The share capital increase pertaining to the rights issue in DnB NOR ASA, adopted by the general meeting on 19 November 2009, was completed during December, and the registration of the capital increase in the Norwegian Register of Business Enterprises was announced on 21 December 2009.

In consequence of the rights issue, DnB NOR received NOK 14 007 670 135.80 before the deduction of transaction costs.

The company's share capital was thus increased by NOK 2 961 452 460 through the issue of 296 145 246 new shares. The new share capital of DnB NOR ASA is NOK 16 287 988 610 divided into 1 628 798 861 shares, each with a nominal value of NOK 10.

Cash flow statement

	DnB NOR Group	
Amounts in NOK million	Full year 2009	Full year 2008
Operations		
Net payments on loans to customers	7 015	(147 274)
Net receipts on deposits from customers	15 999	36 919
Interest received from customers	47 321	71 011
Interest paid to customers	(12 294)	(24 850)
Net receipts/payments on the sale/acquisition of financial assets for investment or trading	(114 096)	(7 563)
Net receipts on commissions and fees	6 597	6 896
Payments to operations	(17 808)	(14 005)
Taxes paid	(1 070)	(928)
Receipts on premiums	16 326	14 482
Net receipts/payments on premium reserve transfers	(345)	(629)
Payments of insurance settlements	(12 069)	(18 959)
Other receipts	1 068	1 108
Net cash flow relating to operations	**(63 356)**	**(83 793)**
Investment activity		
Net payments on the acquisition of fixed assets	(1 118)	(3 544)
Receipts on the sale of long-term investments in shares	0	139
Payments on the acquisition of long-term investments in shares	0	(2 724)
Dividends received on long-term investments in shares	136	147
Net cash flow relating to investment activity	**(982)**	**(5 981)**
Funding activity		
Net receipts on loans to/from credit institutions	124 259	19 497
Net receipts/payments on other short-term liabilities	(4 604)	(977)
Receipts on issued bonds and commercial paper	219 172	539 827
Payments on the redeemed bonds and commercial paper	(286 177)	(395 791)
Issue of subordinated loan capital	0	8 747
Redemptions of subordinated loan capital	0	(3 196)
Repurchase of own shares/ share issue	13 732	0
Dividend payments	0	(5 997)
Interest receipts on funding activity	2 879	3 637
Interest payments on funding activity	(21 882)	(36 614)
Net cash flow from funding activity	**47 380**	**129 133**
Effects of exchange rate changes on cash and cash equivalents	**(3 771)**	**1 895**
Net cash flow	**(20 730)**	**41 253**
Cash as at 1 January	57 188	15 935
Net receipts/payments of cash	(20 730)	41 253
Cash at end of period *)	36 458	57 188
**) Of which: Cash and deposits with central banks*	*31 859*	*51 147*
Deposits with credit institutions with no agreed period of notice 1)	*4 599*	*6 040*

1) Recorded under "Lending to and deposits with credit institutions" in the balance sheet.

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

Note 1 Accounting principles

The fourth quarter accounts 2009 have been prepared according to IAS 34 Interim Financial Reporting. A description of the accounting principles applied by the Group is found in the annual report for 2008. The annual and interim accounts are prepared according to IFRS principles as approved by the EU. The Group's accounting principles and calculation methods are essentially the same as those used in the annual report for 2008. New or amended standards which have an impact on the accounts of the DnB NOR Group as from 1 January 2009 are described below.

IFRS 7 – Financial Instruments: Disclosures
Financial instruments recorded at fair value should be grouped in three levels according to the type of information used in the valuation: quoted prices, observable market data from active markets and factors other than observable market data. If financial instruments are measured using a valuation method based on factors other than observable market data, extended disclosure requirements apply. In line with the transitional rules, no corresponding data has been given for the comparison period. Amendments to IFRS 7 also require additional disclosures about liquidity risk. The new requirements apply with effect from the 2009 annual accounts.

IAS 1 – Presentation of Financial Statements (revised)
The Group has applied the revised IAS 1 with effect from 1 January 2009. According to the revised standard, the statement of changes in equity shall only show details on transactions with owners. Other transactions which were previously recognised in equity should be included in comprehensive income for the period.

Note 2 Important accounting estimates and discretionary assessments

When preparing the consolidated accounts, management makes estimates and discretionary assessments and prepares assumptions that influence the effect of the accounting principles applied and thus the recorded values of assets and liabilities, income and expenses. A more detailed account of important estimates and assumptions is presented in note 2 Important accounting estimates and discretionary assessments in the annual report for 2008.

Fair value of margin-based loans
When calculating the fair value of margin-based loans in Norwegian kroner, the registered portfolio margin is measured against an estimated margin requirement at the end of the period. The difference between the estimated margin requirement and the registered margin represents a change in fair value, which is calculated by discounting the estimated margin loss. The discount period represents the expected time to the repricing of the portfolio. With effect from the first quarter of 2009, the margin requirement is calculated based on the bank's product profitability system. The margin requirement represents the bank's actual marginal funding costs, estimated operating expenses and risk costs (normalised losses and the cost of capital) based on the Group's total risk model.

Estimated impairment of goodwill
Goodwill is subject to impairment testing on an annual basis or if there are indications of impairment. Assessments are based on the value in use of the cash-generating units. The value in use represents the sum total of the estimated present value of anticipated cash flows for the plan period and projected cash flows after the plan period. Cash flows are estimated during the plan period, which in most cases is three years, and are based on budgets and plans approved by management. Budgets and plans must be realistic in view of historical results in the unit. Beyond the plan period, projections are based on the general expected economic growth rate, provided that there are no strong arguments for a different growth rate. In the medium term, up until 2019, the annual growth rate has been stipulated at 5 per cent, which corresponds to the expected long-term nominal GDP growth rate. An annual growth rate of 2.5 per cent has been estimated after 2019, which corresponds to the expected long-term inflation rate.

The results of the impairment tests depend on estimated required rates of return. The discount rate is based on an assessment of the market's required rate of return for the type of activity performed in the cash-generating unit. This required rate of return reflects the risk of operations. See note 19 Intangible assets for more information regarding goodwill.

Fair value of PE-funds in Vital
When determining the fair value of Private Equity, PE, funds, the industry's recognised guidelines for PE valuations are used. The industry standard has been prepared by the European Private Equity & Venture Capital Association, EVCA. The method is considered to represent the best basis for the best estimate of fair values for investments in not very liquid equity instruments. On the balance sheet date, the Group will normally not have access to valuations of PE funds as at 31 December 2009. Valuations in the consolidated accounts are thus based on valuations received for previous periods, adjusted for time lags in the reporting from the funds. The time lags are assessed based on a weighted index consisting of stock market parameters, using MSCI World as reference index, along with parameters for anticipated long-term returns on PE investments. If developments in the weighted quarterly index are within a determined reliability interval, the portfolio value is adjusted by the parameter for anticipated long-term returns. If developments in the weighted quarterly index fall outside the reliability interval, a full valuation must be made relative to the weighted index. The method has been tested on historical data and is considered to have good prediction ability.

Note 2 Important accounting estimates and discretionary assessments (continued)

Norwegian government's stimulus package

The interest rate paid by the banks in the swap scheme with Norges Bank is determined through auctions. In the opinion of DnB NOR, the market price of Treasury bills in the latest auctions have been influenced by factors and limitations which are specific to the various auction participants. In order to assess the fair value of the Group's existing funding through the swap scheme with Norges Bank, it is necessary to calculate the anticipated long-term yield on Treasury bills. The Group has thus made an assessment of the normal spread between the Treasury bill yield and NIBOR, based on developments in the interest rate market, which has been used when estimating the value of the funding as at 31 December 2009.

DnB NORD – evaluation of shareholder agreement

The shareholder agreement in DnB NORD entitles the parties to require an evaluation of the joint venture. In December 2009, the Board of Directors of DnB NOR decided to initiate the evaluation period of the shareholder agreement with effect from 31 January 2010. During the evaluation period, DnB NOR will consider the ownership structure, including the option to acquire NORD/LB's ownership interest in DnB NORD. In accordance with the shareholder agreement, the evaluation period will end on 31 July 2010. If DnB NOR does not avail itself of the right to acquire NORD/LB's ownership interest in DnB NORD, NORD/LB will be entitled to transfer its ownership interest in DnB NORD to DnB NOR or to take over the ownership interest of DnB NOR. The initiation of the evaluation period is not considered to be an absolute signal of an ultimate take-over of DnB NORD, as various outcomes of the process are possible. The accounting treatment of DnB NORD will be subject to ongoing assessment throughout the evaluation period.

Note 3 Changes in group structure

DnB NOR Skadeforsikring

DnB NOR Skadeforsikring is owned by DnB NOR ASA and included in the Retail Banking business area. The company, which delivers non-life insurance products to the retail market, was established in 2008 and initiated operations on 1 January 2009. The products are primarily distributed through other group companies and the Internet. The company bases its operations on ten years of experience within non-life insurance gained by the insurance agent Vital Skade and has taken over more than 100 000 policyholders from this company in the course of 2009. Vital Skade was merged into DnB NOR Skadeforsikring in December 2009.

Svensk Fastighetsförmedling

The acquisition of Svensk Fastighetsförmedling was made with accounting effect from 30 June 2007. The agreement included a proviso regarding increased payment for the company if 40 per cent or more of negotiated sales result in loan applications to DnB NOR during the first two years after the agreement was entered into. At the time of acquisition, this was not considered to be a likely outcome based on experience from similar operations in Norway. However, the target was reached one year after the agreement date, resulting in an additional payment of SEK 43 million in July 2008. A corresponding assessment in July 2009 resulted in additional payments to former shareholders of SEK 29 million.

Nordisk Tekstil Holding Group

On 26 August 2009, DnB NOR Bank ASA took over the shares in Nordisk Tekstil Holding AS as part of the restructuring of the bank's commitment with the company. Nordisk Tekstil Holding AS owns 100 per cent of Kid Interiør AS and Kid Logistikk AS and 50 per cent of Kid Skeidar AS. Kid Interiør has a dominant position in the Norwegian home textile market and had a total turnover of just over NOK 860 million in 2008. The Nordisk Tekstil Holding Group was taken over at the price of NOK 1.

According to the DnB NOR Group's strategy, ownership resulting from non-performing loans should as a rule have a short-term perspective, normally no longer than one year. Plans for the sale of the Nordisk Tekstil Holding Group have been worked out, and the sales process has been initiated. The Nordisk Tekstil Holding Group is classified under operations held for sale in the accounts.

Operations in the Nordisk Tekstil Holding Group, after the elimination of internal items with other units in the DnB NOR Group, are presented under "Profits from operations and non-current assets held for sale" in the income statement, and under "Operations and non-current assets held for sale" and "Operations held for sale" in the balance sheet. Profits from operations in the Nordisk Tekstil Holding Group after tax were NOK 58 million for the September through December period in 2009. In the segment reporting, these operations are included under "Group Centre".

DnB NOR Næringskreditt

DnB NOR Næringskreditt is 100 per cent owned by DnB NOR Bank ASA. The mortgage institution was established to issue covered bonds secured by a cover pool comprising commercial property and is instrumental in the bank's asset and liability management as a source of short and long-term funding. The bonds will be used in swap schemes with the Norwegian government, as collateral for central banks loans or sold in the market.

The company started operations in the third quarter of 2009, and in 2009 loans with a total value of NOK 11.5 billion were transferred from DnB NOR Bank ASA to the company. The transfers are made in agreement with the customers. The portfolio is diversified with respect to property types, sizes and locations. Like DnB NOR Boligkreditt, DnB NOR Næringskreditt will purchase management and administrative services from DnB NOR Bank ASA.

Note 4 Segments

Business areas

The operational structure of DnB NOR includes four business areas and four staff and support units. In addition, DnB NORD is reported as a separate profit centre. DnB NOR's business areas are independent profit centres carrying responsibility for customer segments served by the Group and the product offered. DnB NOR's business areas comprised Retail Banking, Large Corporates and International, DnB NOR Markets and Life and Asset Management. As of 1 July 2009, operations were reorganised, whereby private individuals and small and medium-sized companies in Norway will be served by the same business area, Retail Banking, while the largest corporate clients in Norway and international clients will be served by the business area Large Corporates and International. Figures for previous periods have been restated. The other business areas were not directly affected by the change. In addition, DnB NORD, in which DnB NOR has a 51 per cent ownership interest, is regarded as a separate profit centre.

Retail Banking	- offers a broad range of financial products and services through several brands and a wide distribution network. In cooperation with several of the Group's product areas, customers are offered various financing and leasing, deposit and investment alternatives, as well as insurance, real estate broking and financial advisory services. In addition, extensive everyday banking services are provided through the Internet bank, mobile banking, SMS services, branch offices, in-store banking outlets, in-store postal outlets and Norway Post.
Large Corporates and International	- offers a broad range of financial products and services to large Norwegian and international corporates in cooperation with several of the Group's product areas, including various types of financing solutions, deposits and investments, insurance, e-commerce products, commercial property brokerage, foreign currency, interest rate products, trade finance and corporate finance services.
DnB NOR Markets	- the key products include foreign exchange, interest rate and commodity products, securities and other investment products, debt and equity financing in capital markets, research and advisory services, as well as custodial and other securities services.
Life and Asset Management	- is responsible for life insurance, pension savings and asset management.
DnB NORD	- provides a broad range of products to both the retail and corporate markets.

The income statement and balance sheet for the business areas have been prepared on the basis of internal financial reporting for the functional organisation of the DnB NOR Group into business areas. Figures for the business areas are based on DnB NOR's management model and the Group's accounting principles. The figures have been restated in accordance with the Group's current principles for allocating costs and capital between business areas and are based on a number of assumptions, estimates and discretionary distribution. Internal transfer rates used between the business areas are determined based on observable market rates, e.g. NIBOR. Additional costs relating to the Group's long-term funding are charged to the business areas. According to the Group's liquidity management policy, 90 per cent of lending is financed through stable deposits and long-term funding. The additional costs related to long-term funding are charged to the business areas.

Income statement, fourth quarter

DnB NOR Group

	Retail Banking		Large Corporates and International		DnB NOR Markets		Life and Asset Management		DnB NORD		Other operations/ eliminations [1]		DnB NOR Group	
	4th quarter		4th quarter		4th quarter		4th quarter		4th quarter		4th quarter		4th quarter	
Amounts in NOK million	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Net interest income - ordinary operations	3 515	3 371	1 271	1 394	288	289	(46)	(136)	354	394	223	867	5 606	6 179
Interest on allocated capital [2]	100	303	153	472	28	109	46	128	14	86	(341)	(1 097)		
Net interest income	3 615	3 674	1 425	1 866	315	398	0	(9)	369	479	(118)	(230)	5 606	6 179
Net other operating income	963	806	586	687	943	2 127	923	1 127	182	276	(438)	(407)	3 160	4 615
Total income	4 578	4 480	2 011	2 553	1 259	2 525	923	1 118	551	755	(556)	(637)	8 766	10 794
Operating expenses	2 496	2 557	405	534	459	527	558	445	768	543	(29)	1 012	4 657	5 618
Pre-tax operating profit before write-downs	2 082	1 923	1 606	2 018	800	1 998	365	673	(217)	213	(527)	(1 650)	4 109	5 176
Net gains on fixed and intangible assets	0	(1)	0	0	0	0	0	0	(15)	3	34	4	19	5
Write-downs on loans and guarantees [3]	344	643	189	127	0	1	0	0	845	1 053	139	491	1 517	2 314
Pre-tax operating profit	1 738	1 279	1 417	1 892	800	1 997	365	673	(1 078)	(837)	(632)	(2 136)	2 610	2 868

Note 4 Segments (continued)

1) Other operations/ eliminations:

Amounts in NOK million	*Elimination of double entries 4th quarter 2009*	*2008*	*Other eliminations 4th quarter 2009*	*2008*	*Group Centre 4th quarter 2009*	*2008*	*Total 4th quarter 2009*	*2008*
Net interest income - ordinary operations	*0*	*0*	*(3)*	*(30)*	*227*	*898*	*223*	*867*
Interest on allocated capital					*(341)*	*(1 097)*	*(341)*	*(1 097)*
Net interest income	*0*	*0*	*(3)*	*(30)*	*(114)*	*(199)*	*(118)*	*(230)*
Net other operating income	*(292)*	*(625)*	*(160)*	*(111)*	*14*	*329*	*(438)*	*(407)*
Total income	*(292)*	*(625)*	*(164)*	*(142)*	*(101)*	*130*	*(556)*	*(637)*
Operating expenses	*0*	*0*	*(164)*	*(134)*	*135*	*1 147*	*(29)*	*1 012*
Pre-tax operating profit before write-downs	*(292)*	*(625)*	*0*	*(9)*	*(236)*	*(1 017)*	*(527)*	*(1 650)*
Net gains on fixed and intangible assets	*0*	*0*	*0*	*9*	*34*	*(5)*	*34*	*4*
Write-downs on loans and guarantees	*0*	*0*	*0*	*0*	*139*	*491*	*139*	*491*
Pre-tax operating profit	*(292)*	*(625)*	*0*	*0*	*(341)*	*(1 512)*	*(632)*	*(2 136)*

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

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

2) The interest is calculated on the basis of internal measurement of risk-adjusted capital. Figures for previous periods have been restated.
3) See note 13 Write-downs on loans and guarantees.

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

Amounts in NOK billion	Retail Banking 4th quarter 2009	2008	Large Corporates and International 4th quarter 2009	2008	DnB NOR Markets 4th quarter 2009	2008	Life and Asset Management 4th quarter 2009	2008	DnB NORD 4th quarter 2009	2008	Other operations/ eliminations 4th quarter 2009	2008	DnB NOR Group 4th quarter 2009	2008
Net lending to customers 1)	723.8	682.9	341.3	388.0	6.4	7.2	2.8	2.5	75.9	87.8	(19.9)	(6.8)	1 130.3	1 161.6
Deposits from customers 1)	370.6	360.6	219.5	222.1	28.0	21.3			20.0	23.1	(18.0)	(18.6)	620.0	608.5
Assets under management 2)	0.1						480.0	531.7			(0.1)		480.0	531.7

Key figures — **DnB NOR Group**

Per cent	Retail Banking 4th quarter 2009	2008	Large Corporates and International 4th quarter 2009	2008	DnB NOR Markets 4th quarter 2009	2008	Life and Asset Management 4th quarter 2009	2008	DnB NORD 4th quarter 2009	2008	Other operations 4th quarter 2009	2008	DnB NOR Group 4th quarter 2009	2008
Cost/income ratio 3)	52.3	54.8	20.2	20.9	36.5	20.9	60.4	39.8	72.6	54.2			49.3	42.2
Ratio of deposits to lending 1) 4)	51.2	52.8	64.3	57.2					26.4	26.4			54.9	52.4
Return on allocated capital, annualised 5)	25.3	18.3	13.3	17.4	41.5	80.3	49.3	10.4	(28.9)	(28.4)			12.9	11.7
Number of full-time positions as at 31 Dec. 6)	5 090	5 241	1 061	1 115	647	655	961	1 169	3 174	3 597	2 385	2 280	13 317	14 057

1) Based on nominal values and includes lending to and deposits from credit institutions.
2) The figures includes total assets in Vital and was NOK 232.5 billion as at 31 December 2009 and NOK 224.1 billion as at 31 December 2008.
3) Total operating expenses relative to total income. Expenses exclude impairment losses for goodwill.
4) Deposits from customers relative to net lending to customers.
5) The return is calculated on the basis of internal measurement of risk-adjusted capital.
6) Due to changes in the agreement with Norway Post, 162.6 full-time positions were transferred from Norway Post on 1 May 2009. Costs and corresponding head-count figures were included with effect from the first quarter of 2009. In 2009, some 200 full-time positions were transferred to the IT unit from other units in the Group in connection with the centralisation of IT functions.

Comments to the income statement for the fourth quarter

Retail Banking

Retail Banking delivered a sound financial performance in the fourth quarter of 2009, with stable income and expenses and reduced write-downs on loans compared with the year-earlier period. Net write-downs on loans represented 0.19 per cent of average lending, down from 0.37 per cent in the fourth quarter of 2008. Net lending to customers rose by 6.0 per cent, and the increase was primarily in loans to private individuals. The quality of the loan portfolio was sound.

Large Corporates and International

Reduced activity, lower money market rates and a stronger Norwegian krone relative to key currencies entailed lower income than in the year-earlier period. Average net lending to customers declined by 12.0 per cent from the fourth quarter of 2008, with the effects of exchange rate movements accounting for 3.7 percentage points. Net write-downs on loans showed a moderate increase, but were at a relatively low level in the fourth quarter of 2009. Relative to average lending, write-downs amounted to 0.22 per cent, compared with 0.13 per cent in 2008.

Note 4 Segments (continued)

DnB NOR Markets

DnB NOR Markets' financial performance in the fourth quarter of 2009 was characterised by lower activity levels in the economy, which resulted in reduced income from customer and proprietary trading. The cyclical downturn resulted in a reduction in investment, financing, export and import activity among customers and a downturn in demand for hedging products. Compared with the fourth quarter of 2008, a normalisation of the financial markets, with less volatility, led to reduced margins.

Life and Asset Management

Vital:

The decline in pre-tax operating profits in Vital reflected the fact that figures for the fourth quarter of 2008 were influenced by reversals from previous quarters. The significant reduction in Vital's tax charge in the fourth quarter of 2009 was partly attributable to the realisation of gains on shares which are exempt from tax in accordance with the tax exemption model and a reassessment of corresponding tax positions in the company. There were signs of recovery in the property market in the fourth quarter of 2009, and property values were adjusted slightly upwards during the quarter. In the corresponding period in 2008, property values were reduced by NOK 1 232 million. The recorded return on the common portfolio was 1.5 per cent in the fourth quarter of 2009, compared with 1.7 per cent in the year-earlier period. The value-adjusted return was 1.8 per cent in the fourth quarter of 2009. The return on the corporate portfolio declined from 2.6 per cent in the fourth quarter of 2008 to 1.1 per cent in the corresponding period of 2009.

DnB NOR Kapitalforvaltning:

Strong asset management performance in DnB NOR Asset Management helped maintain income on a level with the year-earlier period, despite a reduction in assets under management which was primarily due to a renegotiated agreement with Skandia Liv. The new agreement entails lower volumes, but also the possibility for higher fees based on strong asset management performance and reduced costs through the closing down of international offices.

DnB NORD

A net operating loss before write-downs was recorded in the fourth quarter of 2009 due to impairment losses for goodwill totalling NOK 368 million. Net lending was down 13.5 per cent from the year-earlier period. Net write-downs relative to average lending declined from 4.77 per cent in the fourth quarter of 2008 to 4.44 per cent in the fourth quarter of 2009. DnB NORD is in the process of winding down its activities in Denmark and Finland, and will centre its operations on the subsidiary banks in the Baltic States and Poland. As part of this process, 50 per cent of the Danish and Finnish portfolios was sold to DnB NOR late in 2009. DnB NORD expects the level of write-downs on loans to remain relatively high in 2010. The company will seek to consolidate its operations, reduce write-downs and improve cost-effectiveness.

Income statement, full year

DnB NOR Group

	Retail Banking		Large Corporates and International		DnB NOR Markets		Life and Asset Management		DnB NORD		Other operations/ eliminations		DnB NOR Group	
	Full year		Full year		Full year		Full year		Full year		Full year		Full year	
Amounts in NOK million	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Net interest income - ordinary operations	14 495	12 347	5 273	4 492	1 100	708	(251)	(588)	1 462	1 411	554	3 539	22 633	21 910
Interest on allocated capital [1]	503	1 224	793	1 606	144	305	231	502	96	303	(1 767)	(3 939)		
Net interest income	14 998	13 571	6 066	6 097	1 244	1 014	(20)	(86)	1 559	1 714	(1 213)	(400)	22 633	21 910
Net other operating income	3 756	3 717	2 525	2 334	5 999	4 671	3 582	2 988	684	754	(1 552)	(2 027)	14 994	12 438
Total income	18 753	17 288	8 591	8 431	7 243	5 685	3 562	2 902	2 242	2 468	(2 765)	(2 427)	37 627	34 347
Operating expenses	10 185	9 620	1 806	2 021	1 913	1 749	2 211	2 153	2 589	1 704	207	1 473	18 911	18 721
Pre-tax operating profit before write-downs	8 569	7 669	6 785	6 410	5 331	3 936	1 351	748	(347)	764	(2 972)	(3 900)	18 717	15 627
Net gains on fixed and intangible assets	1	0	0	17	0	0	0	0	(13)	19	38	16	26	52
Write-downs on loans and guarantees [2]	1 586	1 267	1 128	212	0	1	0	0	3 929	1 388	1 067	641	7 710	3 509
Pre-tax operating profit	6 984	6 402	5 657	6 216	5 331	3 935	1 351	748	(4 289)	(605)	(4 001)	(4 525)	11 032	12 170

1) *The interest is calculated on the basis of internal measurement of risk-adjusted capital. Figures for previous periods have been restated.*

2) *See note 13 Write-downs on loans and guarantees.*

Comments to the full year income statement

Pre-tax operating profits before write-downs rose by 19.8 per cent from 2008, to NOK 18 717 million. Profits for the year came to NOK 7 026 million, compared with NOK 8 918 million in 2008. Profits after minority interests were NOK 8 585 million and NOK 9 211 million, respectively, for the two years. The large differential was due to the net loss in DnB NORD, where the minority shareholders were charged with their respective shares.

Net interest income rose by 3.3 per cent compared with 2008. There was a significant increase in lending volumes through 2008, which boosted interest income in 2009. Lending volumes declined quarter by quarter through 2009 due to exchange rate movements and lower credit demand. Adjusted for exchange rate movements, the average lending volume increased by 5.2 per cent from 2008 to 2009. Relative to the 3-month money market rate, average lending spreads widened from 1.01 per cent in 2008 to 1.61 per cent in 2009. However, the actual costs for new long-term funding in 2009 were significantly higher than money market rates. The lending spread should cover both rising funding costs, higher guarantee fund levies and higher credit risk. During 2009, there was a repricing of corporate loans to compensate for the rise in such costs. The portfolio of housing loans to personal customers was less affected by the rising funding costs. These loans were largely financed through covered bonds issued by DnB NOR Boligkreditt, which thus far have generated lower costs than other funding sources. Deposit growth averaged NOK 42.9 billion or 7.7 per cent. The competition for deposits remained strong during 2009, contributing to a decline in the average deposit spread from 1.08 per cent in 2008 to 0.29 per cent in 2009. The low interest rate level also led to increased pressure on deposit spreads.

Note 4 Segments (continued)

Net other operating income increased by 20.6 per cent from 2008. The great uncertainty in financial markets gave a considerable boost in demand for hedging products from DnB NOR Markets, especially in the first half of 2009. The financial turmoil also caused greater differences between ask and bid prices, resulting in increased income from foreign exchange and interest rate products. The rise in income can be viewed in light of other negative profit effects arising from the financial turmoil. The rise in income reflects DnB NOR's broad income base, which enables the Group to maintain a sound level of profits even when the financial markets are weak. During the first half of 2008, NOK 1 333 million in unrealised losses in the liquidity portfolio in DnB NOR Markets was recorded. With effect from the second half of 2008, these bonds were reclassified to the held-to-maturity category, and the Group thus recorded no such mark-to-market losses in 2009. The rise in income from Vital reflects the company's sizeable losses and write-downs on equity and property investments in 2008. The company has significantly reduced its equity exposure and recorded healthy income on investments in fixed-income securities in 2009. During the year, Vital started to gradually increase its equity exposure. Recorded changes in the value of special balance sheet items carried at fair value represented a net cost of NOK 230 million in 2009 and net income of NOK 489 million in 2008. Such items reflect mark-to-market adjustments of credit margins on the Group's liabilities, mainly in Eksportfinans, and value assessments of currency swap agreements for the exchange of group liabilities. In the second half of 2009, there was a rise in income from, among other things, payment services and real estate broking due to the introduction of new products and a stronger economy.

Ordinary operating expenses rose by 2.9 per cent from 2008 to 2009. The increase primarily reflected the acquisition and establishment of new operations in Norway and internationally during 2008, which was fully reflected in the income statement in 2009. A number of the specific measures which caused a rise in costs had a direct corresponding effect on income. This applies, among other things, to the take-over of financial advisers from Norway Post and the increase in operational leasing. In addition, there was considerable investment in IT. The number of full-time positions in the Group was reduced by 740 from year-end 2008 to end-December 2009. The Group's cost programme counteracted the effects of both expansionary measures and ordinary wage and price inflation. The measures implemented up till the end of 2009 reduced recorded costs by NOK 470 million compared with 2008. Restructuring costs totalled NOK 210 million in 2009, up NOK 38 million compared with 2008. The cost programme was ahead of schedule, and considerable efforts were made to achieve cost savings. Cost reductions recorded since the programme started up untll year-end 2009 had a full-year effect corresponding to NOK 954 million. The most extensive measures relate to the streamlining of the branch network, reduced procurement costs, the shift to electronic customer communication and streamlining measures in connection with restructuring processes to achieve greater coordination within the Group. At the Capital Markets Day in spring 2009, the cost programme target was adjusted upwards to annual cost savings of NOK 2 billion by the end of 2012. Based on the Group's profit performance in 2009, the Board of Directors has decided to reserve NOK 131 million for allocations to all employees.

Each quarter, recorded goodwill and intangible assets in the Group's balance sheet are reviewed with respect to a possible decline in value. Total impairment losses for goodwill of NOK 730 million were recorded in 2009. As a result of macroeconomic developments and weak profits in DnB NORD, impairment losses for goodwill of NOK 941 million were recorded in DnB NORD. DnB NOR recorded total impairment losses of NOK 529 million related to DnB NORD. Impairment losses for goodwill of NOK 99 million relating to Svensk Fastighetsförmedling in Sweden were recorded in consequence of a new strategic direction for these operations. Due to changes in the market outlook, impairment losses for goodwill of NOK 102 million relating to SalusAnsvar in Sweden were recorded.

Note 5 Vital

The business area Life and Asset Management in DnB NOR comprises Vital Forsikring ASA and DnB NOR Kapitalforvaltning Holding AS, both with subsidiaries. Vital Forsikring ASA including subsidiaries, hereinafter referred to as "Vital", is fully consolidated in the DnB NOR Group's accounts. Vital's lines of business are life insurance and pension savings. Operations are thus different from operations in the rest of the Group. Profit sharing between policyholders and the owner in life insurance companies is based on special accounting regulations for such operations stipulated by the Norwegian Ministry of Finance. Regulations relating to profit sharing between the owner and policyholders in life insurance companies limit the DnB NOR Group's access to revenues and assets from life insurance operations. The tables below describe the income statement, balance sheet and key figures for Vital.

Income statement [1)]

	Vital			
Amounts in NOK million	4th quarter 2009	4th quarter 2008	Full year 2009	Full year 2008
Total interest income				
Total interest expenses				
Net interest income				
Commissions and fees receivable etc.	553	551	2 209	2 237
Commissions and fees payable etc.	79	132	336	456
Net gains on financial instruments at fair value				
Net gains on assets in Vital	4 114	2 288	13 464	(813)
Guaranteed returns and allocations to policyholders in Vital	3 798	1 641	12 712	(1 027)
Premium income etc. included in the risk result in Vital	1 169	1 177	4 705	4 543
Insurance claims etc. included in the risk result in Vital	1 240	1 312	4 613	4 407
Premium income non-life insurance				
Insurance claims etc. non-life insurance				
Profit from companies accounted for by the equity method				
Other income				
Net other operating income	**719**	**933**	**2 717**	**2 132**
Total income	**719**	**933**	**2 717**	**2 132**
Salaries and other personnel expenses	203	178	740	714
Other expenses	181	173	718	682
Depreciation and write-downs of fixed and intangible assets	31	(15)	103	90
Total operating expenses	**415**	**336**	**1 561**	**1 487**
Net gains on fixed and intangible assets				
Write-downs on loans and guarantees				
Pre-tax operating profit	**304**	**596**	**1 156**	**644**
Taxes	(771)	427	(175)	427
Profit from operations and non-current assets held for sale, after taxes				
Profit for the period [2)]	**1 075**	**170**	**1 331**	**218**

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

2) *Breakdown of income statement*

	Vital			
Amounts in NOK million	*4th quarter 2009*	*4th quarter 2008*	*Full year 2009*	*Full year 2008*
Interest result	*1 353*	*2 432*	*3 043*	*(2 623)*
Application of/(transferred to) additional allocations	*(173)*	*(1 727)*	*(173)*	*2 993*
Risk result	*(71)*	*(135)*	*92*	*136*
Administration result	*2*	*(34)*	*(108)*	*(143)*
Profit on risk and guaranteed rate of return	*112*	*116*	*477*	*437*
Transferred from security reserve	*(12)*	*(61)*	*(36)*	*(68)*
Funds transferred to policyholders	*908*	*(4)*	*2 138*	*89*
Pre-tax operating profit in Vital	*304*	*596*	*1 156*	*644*
Taxes	*(771)*	*427*	*(175)*	*427*
Profit for the period in Vital	*1 075*	*170*	*1 331*	*218*

Note 5 Vital (continued)

Balance sheets [1]

Amounts in NOK million	Vital 31 Dec. 2009	31 Dec. 2008
Assets		
Cash and deposits with central banks		
Lending to and deposits with credit institutions	4 871	6 723
Lending to customers	3 076	2 623
Commercial paper and bonds	52 673	72 841
Shareholdings [2]	44 955	26 964
Financial assets, customers bearing the risk	21 337	16 454
Financial derivatives	2 149	5 644
Commercial paper and bonds, held to maturity	68 128	57 089
Investment property [3]	32 766	32 392
Investments in associated companies	19	19
Intangible assets	288	243
Deferred tax assets	52	
Fixed assets	43	45
Operations and non-current assets held for sale		
Other assets	2 109	3 093
Total assets	**232 465**	**224 129**
Liabilities and equity		
Loans and deposits from credit institutions		
Deposits from customers		
Financial derivatives	1 909	7 950
Debt securities issued		
Insurance liabilities, customers bearing the risk	21 337	16 454
Liabilities to life insurance policyholders	193 556	184 791
Insurance liabilities, non-life insurance		
Payable taxes	654	28
Deferred taxes		584
Other liabilities	2 277	2 851
Operations held for sale		
Provisions	227	157
Subordinated loan capital	2 489	2 575
Total liabilities	**222 448**	**215 389**
Minority interests		
Share capital	1 321	1 321
Share premium reserve		
Other equity	8 697	7 420
Total equity	**10 018**	**8 740**
Total liabilities and equity	**232 465**	**224 129**

1) *The figures encompass Vital Forsikring ASA including subsidiaries as included in the DnB NOR Group accounts before eliminations for intra-group transactions and balances.*
2) *Investments in Private Equity, PE, totalled NOK 2.2 billion at end-December 2009. See note 17 Investments in shares.*
3) *During 2009, Vital wrote down its property portfolio by NOK 0.9 billion. See note 18 Investment property.*

Note 5 Vital (continued)

Key figures

Per cent	4th quarter 2009	4th quarter 2008	Full year 2009	Vital Full year 2008
Recorded return, excluding unrealised gains on financial instruments [1]	1.5	1.7	4.7	1.7
Value-adjusted return, excluding changes in unrealised gains on commercial paper and bonds, held to maturity [1]	1.8	1.7	5.4	0.0
Value-adjusted return, including changes in unrealised gains on commercial paper and bonds, held to maturity, and unrealised gains on current assets [1]	1.9	3.2	5.7	0.8
Capital adequacy ratio at end of period [2]	11.6	12.3	11.6	12.3
Core capital ratio at end of period [2]	9.7	9.8	9.7	9.8
Policyholders' funds from products with guaranteed returns at end of period (NOK billion)	194	185	194	185
Policyholders' funds from products with a choice of investment profile at end of period (NOK billion)	21	16	21	16
Solvency margin capital in per cent of requirement at end of period [2] [3]	171	162	171	162

1) *Refers to the common portfolio.*
2) *Finanstilsynet (the Financial Supervisory Authority of Norway) and the Ministry of Finance have not adapted capital adequacy or solvency margin capital regulations to IFRS.*
3) *Solvency margin capital is measured against the solvency margin requirement, which is linked to the company's insurance commitments. The solvency margin capital requirements for Norwegian life insurance companies are subject to regulations laid down by the Ministry of Finance on 19 May 1995.*

Note 6 DnB NOR Skadeforsikring

Income statement

Amounts in NOK million	DnB NOR Skadeforsikring 4th quarter 2009	4th quarter 2008	Full year 2009	Full year 2008
Net interest income	**6**	**5**	**19**	**6**
Commissions and fees receivable etc.	1	0	2	0
Commissions and fees payable etc.	16	0	54	0
Net gains on financial instruments at fair value	0	4	(2)	4
Premium income	221	0	593	0
Insurance claims etc. [1]	201	0	538	0
Net other operating income	**4**	**4**	**2**	**4**
Total income	**10**	**9**	**21**	**10**
Salaries and other personnel expenses	24	7	65	7
Other expenses	23	4	59	4
Total operating expenses	**46**	**11**	**124**	**11**
Pre-tax operating profit	**(37)**	**(2)**	**(103)**	**(1)**
Taxes	(6)	(0)	(25)	(0)
Profit for the period	**(30)**	**(1)**	**(78)**	**(1)**
1) Of which contingency reserve	*26*	*0*	*83*	*0*

Balance sheets

Amounts in NOK million	DnB NOR Skadeforsikring 31 Dec. 2009	31 Dec. 2008
Assets		
Lending to and deposits with credit institutions	129	61
Commercial paper and bonds	606	236
Commercial paper and bonds, held to maturity	100	24
Deferred tax assets	2	0
Other assets	251	12
Total assets	**1 089**	**333**
Liabilities and equity		
Insurance liabilities	704	0
Other liabilities	18	3
Provisions	26	65
Subordinated loan capital	50	0
Total liabilities	**799**	**68**
Total equity	**290**	**265**
Total liabilities and equity	**1 089**	**333**

Note 7 Net interest income

	DnB NOR Group			
Amounts in NOK million	4th quarter 2009	4th quarter 2008	Full year 2009	Full year 2008
Interest on loans to and deposits with credit institutions	261	868	1 679	4 012
Interest on loans to customers	9 880	19 817	47 232	70 921
Interest on impaired commitments	37	13	118	82
Interest on commercial paper and bonds	2 025	2 367	8 134	7 312
Front-end fees etc.	85	97	374	440
Other interest income	380	(489)	826	(815)
Total interest income	**12 667**	**22 675**	**58 363**	**81 953**
Interest on loans and deposits from credit institutions	1 049	1 821	4 826	7 262
Interest on demand deposits from customers	2 330	6 674	12 279	24 838
Interest on debt securities issued	2 580	6 383	13 769	21 583
Interest on subordinated loan capital	175	607	1 066	2 125
Other interest expenses [1)]	927	1 011	3 791	4 235
Total interest expenses	**7 061**	**16 496**	**35 730**	**60 044**
Net interest income	**5 606**	**6 179**	**22 633**	**21 910**

1) *Other interest expenses include interest rate adjustments resulting from interest swaps entered into. Derivatives are recorded at fair value.*

Note 8 Net other operating income

	DnB NOR Group			
	4th quarter	4th quarter	Full year	Full year
Amounts in NOK million	2009	2008	2009	2008
Money transfer fees receivable	761	715	3 031	2 887
Fees on asset management services	281	217	1 021	1 105
Fees on custodial services	75	86	275	382
Fees on securities broking	73	76	279	334
Corporate finance	48	78	312	378
Interbank fees	29	28	106	117
Credit broking commissions	68	120	367	406
Sales commissions on insurance products	612	630	2 447	2 612
Sundry commissions and fees receivable on banking services	190	200	886	985
Total commissions and fees receivable etc.	**2 137**	**2 151**	**8 724**	**9 207**
Money transfer fees payable	245	242	1 015	942
Commissions payable on fund management services	27	(10)	59	104
Fees on custodial services payable	23	30	106	134
Interbank fees	38	45	153	180
Credit broking commissions	16	33	52	119
Commissions payable on the sale of insurance products	26	88	111	232
Sundry commissions and fees payable on banking services	146	169	573	602
Total commissions and fees payable etc.	**521**	**597**	**2 069**	**2 313**
Net gains on financial instruments at fair value	**1 066**	**1 059**	**6 286**	**3 339**
Net gains on assets in Vital [1)]	**4 107**	**2 320**	**13 462**	**(701)**
Guaranteed returns and allocations to policyholders in Vital [1)]	**3 798**	**1 641**	**12 712**	**(1 027)**
Premium income etc. included in the risk result in Vital	**1 169**	**1 177**	**4 705**	**4 543**
Insurance claims etc. included in the risk result in Vital	**1 240**	**1 312**	**4 613**	**4 407**
Premium income non-life insurance	**221**	**-**	**593**	**-**
Insurance claims etc. non-life insurance	**201**	**-**	**538**	**-**
Profit from companies accounted for by the equity method [2)]	**(49)**	**1 201**	**93**	**632**
Income from owned/leased premises	(32)	5	16	33
Fees on real estate broking	198	122	774	658
Net unrealised gains on investment property	1	0	(109)	0
Miscellaneous operating income	100	130	383	419
Total other income	**268**	**257**	**1 063**	**1 111**
Net other operating income	**3 160**	**4 615**	**14 994**	**12 438**

1) *In consequence of improved recorded and value-adjusted returns in the forth quarter of 2009 compared with the year-earlier period, net gains on assets in Vital rose by NOK 1 787 million to NOK 4 107 million. The recorded value-adjusted returns were 1.5 and 1.8 per cent respectively for the common portfolio in the fourth quarter of 2009, compared with a return of 1.7 per cent in the fourth quarter of 2008. Vital achieved a value-adjusted return of 1.1 per cent in its corporate portfolio, up from 2.6 per cent in the year-earlier period.*

2) *Widening credit spreads have had a negative effect on Eksportfinans' liquidity portfolio of bonds. The company has entered into an agreement with a syndicate comprising most of Eksportfinans' owners. With effect from 1 March 2008, the agreement will protect Eksportfinans from further value reductions in the portfolio. Taking the guarantee into account, there was a negative profit contribution of NOK 113 million from the company in the fourth quarter of 2009. Liabilities in Eksportfinans are largely recorded at fair value, and narrowing credit margins have a negative effect on the company's profits. At end-December 2009, the accumulated effect of widening credit margins raised DnB NOR's share of profits in the company by approximately NOK 503 million.*

Note 9 Net gains on financial instruments at fair value

	DnB NOR Group			
Amounts in NOK million	4th quarter 2009	4th quarter 2008	Full year 2009	Full year 2008
Dividends	34	48	169	172
Net gains on commercial paper and bonds	141	757	644	(760)
Net gains on shareholdings	284	(576)	344	(1 299)
Net gains on other financial instruments	607	830	5 129	5 225
Net gains on financial instruments at fair value	**1 066**	**1 059**	**6 286**	**3 339**

Note 10 Operating expenses

	DnB NOR Group			
Amounts in NOK million	4th quarter 2009	4th quarter 2008	Full year 2009	Full year 2008
Ordinary salaries	1 755	1 755	7 206	6 876
Employer's national insurance contributions	280	270	1 082	1 018
Pension expenses	224	228	960	1 042
Restructuring expenses	10	62	82	106
Other personnel expenses	224	101	587	421
Total salaries and other personnel expenses	**2 493**	**2 416**	**9 917**	**9 463**
Fees [1)]	69	518	1 155	1 462
EDP expenses [1)]	446	260	1 741	1 559
Postage and telecommunications	93	117	412	421
Office supplies	24	35	99	118
Marketing and public relations	118	168	572	725
Travel expenses	75	88	234	272
Reimbursement to Norway Post for transactions executed	49	46	203	207
Training expenses	20	21	73	89
Operating expenses on properties and premises	324	305	1 306	1 233
Operating expenses on machinery, vehicles and office equipment	32	40	145	147
Other operating expenses	198	204	846	807
Other expenses	**1 446**	**1 802**	**6 784**	**7 040**
Impairment losses for goodwill [2)]	338	1 058	730	1 058
Other depreciation and write-downs of fixed and intangible assets	380	341	1 479	1 159
Total depreciation and write-downs of fixed and intangible assets	**718**	**1 400**	**2 210**	**2 217**
Total operating expenses	**4 657**	**5 618**	**18 911**	**18 721**

1) *Fees include system development fees and must be viewed relative to EDP expenses.*
2) *In consequence of the recession and weaker profit performance, impairment losses for goodwill of NOK 102 million relating to SalusAnsvar in Sweden were recorded in the fourth quarter of 2009, while DnB NOR's share of impairment losses for goodwill in DnB NORD was NOK 236 million. For the full year 2009, DnB NOR recorded impairment losses for goodwill of NOK 201 million relating to operations in Sweden, Svensk Fastighetsförmedling AB and SalusAnsvar, and NOK 529 million relating to DnB NORD.*

Note 11 Number of employees/full-time positions

	DnB NOR Group			
	4th quarter 2009 [1)]	4th quarter 2008	Full year 2009 [1)]	Full year 2008
Number of employees at end of period	13 691	14 454	13 691	14 454
- of which number of employees abroad	4 524	4 973	4 524	4 973
Number of employees calculated on a full-time basis at end of period	13 317	14 057	13 317	14 057
- of which number of employees calculated on a full-time basis abroad	4 436	4 877	4 436	4 877
Average number of employees	13 827	14 474	14 159	14 223
Average number of employees calculated on a full-time basis	13 440	14 099	13 768	13 859

1) *Due to changes in the agreement with Norway Post, 162.6 full-time positions were transferred from Norway Post on 1 May 2009. Costs and corresponding head-count figures were included with effect from the first quarter of 2009.*

Note 12 Taxes

Balancing tax charges against pre-tax operating profit	**DnB NOR Group**	
Amounts in NOK million	Full year 2009	Full year 2008
Operating profit before taxes	11 032	12 170
Estimated income tax - nominal tax rate (28 per cent)	3 089	3 408
Tax effect of income taxable abroad	1 192	(43)
Tax effect of debt interest distribution with international branches	(36)	312
Tax effect of tax-exempt income and non-deductible expenses	171	(403)
Taxes payable abroad	(71)	351
Excess tax provision previous year	(259)	(373)
Total taxes	**4 086**	**3 252**
Effective tax rate	37%	27%

The DnB NOR Group's total tax charge for 2009 was NOK 4 086 million, a rise of NOK 834 million from 2008. Relative to pre-tax operating profits, the tax charge increased from 26.7 to 37.0 per cent from 2008 to 2009. The main factor behind the rise in taxes was impairment losses for goodwill in DnB NORD, with resulting write-downs on the owners' shareholdings. The above-mentioned impairment losses give no tax deduction. In addition, DnB NOR has chosen not to record deferred tax assets relating to the increase in losses carried forward in DnB NORD due to uncertainty regarding the economic value of the tax deductions arising when using the right to carry such losses forward. Developments in share prices and exchange rates are other key factors with a negative impact on the 2009 tax charge.

Key factors behind tax-exempt income and non-deductible expenses are joint taxation of Norwegian and international operations, tax-exempt income from share investments and goodwill amortisation.

Note 13 Write-downs on loans and guarantees

	DnB NOR Group			
Amounts in NOK million	4th quarter 2009	4th quarter 2008	Full year 2009	Full year 2008
Write-offs	311	206	554	335
New individual write-downs	1 220	1 657	6 521	2 925
Total new individual write-downs	1 971	1 863	7 515	3 260
Reassessed individual write-downs	155	65	693	246
Total individual write-downs	1 376	1 798	6 382	3 014
Recoveries on commitments previously written off	75	99	317	335
Change in collective write-downs on loans	216	615	1 645	830
Write-downs on loans and guarantees [1)]	**1 517**	**2 314**	**7 710**	**3 509**
Write-offs covered by individual write-downs made in previous years	98	240	1 627	678
1) Of which individual write-downs on guarantees	*(2)*	*(4)*	*14*	*5*

The weak trend in the international economy resulted in impaired credit quality and thus rising write-downs on loans in 2009. The most pronounced increase in write-downs took place in the Baltic States, where the Group is exposed through DnB NORD. There was also a rise in write-downs within shipping and port terminals. The portfolio of Norwegian-related loans appears to be robust and was subject to moderate write-downs. Write-downs remained very low in the Norwegian retail market due to low interest rate levels, rising housing prices and continuing low unemployment levels. This can be partly explained by the extensive stimulus measures implemented by the Norwegian authorities.

Credit quality declined in the shipping portfolio. In spite of an increase in freight rates in some segments, the shipping industry is expected to have a potential high loss exposure for some time due to the slow recovery of the global economy. The downward revision in market values due to lower rental prices resulted in higher credit risk for commercial property, though prices now seem to have stabilised. DnB NOR's commercial property loans are primarily granted based on cash flow analyses. In the Nordic portfolio, credit risk increased primarily within acquisition finance in 2009. There are mixed experiences with private equity funds, though the funds generally seem to follow up their investments in a responsible manner. This portfolio is fairly limited, and the Group is exposed to the acquired companies, not the owners.

The effect of write-downs on loans in the income statement was NOK 1 517 million, a slight decline from the third quarter of 2009. Write-downs in DnB NORD were reduced compared with the third quarter. Write-downs for the full year 2009 are somewhat lower than expected.

Over the past year, the Group has stepped up its efforts considerably to ensure the value of problem commitments. The uncertainty relating to DnB NORD will continue, and economic developments in the Baltic States will be vital to the level of write-downs. There is also uncertainty about macroeconomic developments in some industries in the Group's Norwegian and Norwegian-related credit operations.

Note 14 Lending to customers

Amounts in NOK million	DnB NOR Group 31 Dec. 2009	31 Dec. 2008
Lending to customers, nominal amount	972 424	1 016 887
Individual write-downs	7 673	4 256
Lending to customers, after individual write-downs	964 751	1 012 631
+ Accrued interest and amortisation	1 698	3 593
- Individual write-downs of accrued interest and amortisation	607	478
- Collective write-downs	2 969	1 625
Lending to customers, at amortised cost	962 873	1 014 121
Lending to customers, nominal amount	150 939	175 099
+ Accrued interest	695	1 711
+ Adjustment to fair value	379	704
Lending to customers, at fair value 1)	152 013	177 513
Lending to customers	**1 114 886**	**1 191 635**

1) *The fair value of loans in Norwegian kroner increased by NOK 220 million from 31 December 2008 due to widening credit margins.*

Note 15 Net non-performing and impaired commitments for principal sectors 1)

Amounts in NOK million	DnB NOR Group 31 Dec. 2009	31 Dec. 2008
Private individuals	3 070	2 893
International shipping	1 095	37
Real estate	2 095	1 938
Manufacturing	3 188	1 965
Services	693	677
Trade	545	156
Oil and gas	0	172
Transportation and communication	397	131
Building and construction	536	174
Power and water supply	5	26
Seafood	10	367
Hotels and restaurants	205	65
Agriculture and forestry	137	141
Central and local government	0	0
Other sectors	122	63
Total customers	12 098	8 807
Credit institutions	0	0
Total impaired loans and guarantees	12 098	8 807
Non-performing loans and guarantees not subject to write-downs	7 029	3 115
Total non-performing and impaired commitments	19 127	11 922

1) *Includes loans and guarantees subject to individual write-downs for principal sectors and non-performing loans and guarantees not subject to write-downs. The breakdown into principal sectors is based on standardised sector and industry categories set up by Statistics Norway. With effect from the second quarter of 2009, a new standard for industry codes has been introduced which corresponds to the new EU standard, NACE Rev. 2. Customers are classified according to their main line of business.*

Note 16 Investments in bonds

Information about the portfolios

The DnB NOR Group has investments in bonds through several of the Group's entities. DnB NOR Bank, DnB NORD, Vital Forsikring and the associated company Eksportfinans all have their own bond portfolios for a variety of purposes.

DnB NOR Bank

As part of ongoing liquidity management, DnB NOR Bank needs to maintain a holding of securities that can be used in different ways to regulate the liquidity requirement and as a basis for furnishing collateral for operations in various countries. Among other things, the securities serve as collateral for short and long-term borrowing in a number of central banks and as a basis for liquidity buffers to meet regulatory requirements.

The bank has chosen to cover its need for liquid securities by investing in high-quality international bonds. As at 31 December 2009, the liquidity portfolio in DnB NOR Markets represented the equivalent of NOK 113.0 billion. 97.2 per cent of the securities had an AAA rating, while 2.5 per cent are rated AA. There were no synthetic securities in the portfolio and no investments in US sub-prime bonds or Collateralised Debt Obligations, CDOs.

Liquidity portfolio DnB NOR Markets			**DnB NOR Group**
		Per cent	NOK million
	Rating	31 Dec. 2009	31 Dec. 2009
Asset class			
Consumer credit	AAA	3	3 316
Residential mortgages	AAA/AA	58	66 872
Corporate loans	AAA/AA/A	6	7 221
Government-related	AAA	33	37 596
Insurance	AAA/AA/A/BB	0	66
Total liquidity portfolio DnB NOR Markets, nominal values		100	115 070
Accrued interest, including amortisation effects			(2 101)
Total liquidity portfolio DnB NOR Markets			112 969

In addition, DnB NOR Bank had Norwegian bonds and fixed-income securities equivalent to a balance sheet value of NOK 172.5 billion, mainly used for customer trading and position taking in Norwegian interest rate instruments. The bank had a holding of Treasury bills used in swap agreements with Norges Bank of NOK 118.1 billion at end-December 2009. See further information on swap agreements in note 23 Information on related parties.

DnB NORD and Eksportfinans

Like DnB NOR Bank, DnB NORD and Eksportfinans use investments in bonds and fixed-income securities for liquidity purposes and as a basis for furnishing collateral to central banks. At end-December 2009, the value of the DnB NORD portfolio was equivalent to NOK 5.4 billion. Eksportfinans had a liquidity portfolio of NOK 51.6 billion. The Eksportfinans portfolio was structured largely in line with DnB NOR Bank's portfolio, though it contained a larger share of financial sector investments. Through its ownership interest and the issue of guarantees, DnB NOR Bank is exposed to 40.4 per cent of value changes in the portfolio. In addition, a guarantee of up to NOK 142 million has been issued to one of the other owners of Eksportfinans. Eksportfinans had a short-term liquidity portfolio of NOK 23.9 billion.

Vital Forsikring

Vital Forsikring's investments in bond portfolios are both in the form of ordinary financial investments and investments securing the company's long-term guaranteed rates of return to policyholders. At end-December 2009, Vital Forsikring had investments in fixed-income securities for a total of NOK 120.8 billion. NOK 7.2 billion of this was invested in bonds issued by DnB NOR Boligkreditt. Vital has a conservative bond portfolio where a large share of interest-bearing bonds have an explicit or implicit government guarantee (municipalities). For a long period, Vital has had a relatively low exposure in the credit markets and has limited exposure to bonds in higher-risk market segments. Vital has not invested in high-yield bonds, emerging markets debt or credit derivatives.

Vital Forsikring's portfolio of held-to-maturity bonds represents bonds issued by highly creditworthy borrowers. At end-December 2009, bonds with government guarantees represented approximately 24 per cent of the portfolio. The remaining bonds are generally issued by municipalities/county municipalities and finance companies with sound creditworthiness. All investments in bonds issued by finance companies represent senior debt, which has the highest ranking in the capital structure and first priority if the issuer goes bankrupt. Only in exceptional cases does Vital invest in bonds issued by traditional manufacturing companies.

Vital Forsikring's bond portfolio carried at fair value in the income statement comprises bonds with sound ratings. 76 per cent of the rated bonds carry an AAA rating, while 14 per cent are rated AA. Vital Forsikring has only invested in investment grade bonds, which means that the company has no bonds rated lower than BBB. Few Norwegian bond issuers are rated. 20 per cent of the unrated bonds are invested in enterprises with government guarantees, while 18 per cent are invested in municipalities or county municipalities and 38 per cent invested within banking/finance.

Note 16 Investment in bonds (continued)

Effects of the reclassifications of the liquidity portfolio

In the third quarter accounts 2008, the DnB NOR Group chose to reclassify the liquidity portfolio in DnB NOR Markets from the "fair value through profit or loss" category to the "held to maturity" category. This resulted in an accumulated rise in profits of NOK 931 million at end-December 2009 compared with the result if the previous valuation principle had been retained. The rise in profits in the fourth quarter represented NOK 77 million. On the reclassification date, the book value of the portfolio was NOK 88.0 billion, compared with NOK 113.0 billion at end-December 2009.

Effects of the reclassification of the liquidity portfolio — **DnB NOR Group**

Amounts in NOK million	4th quarter 2009	4th quarter 2008	Full year 2009	Full year 2008
Amortisation effect	222	205	883	487
Net interest income	222	205	883	487
Value adjustment [1)]	(73)		(73)	(1 827)
Maturity effects				494
Net gains on financial instruments at fair value	(73)	0	(73)	(1 333)
Effects of reclassification on profits				
Recorded amortisation effect / value adjustment	149	205	810	487
Net gain if valued at fair value	72	(1 315)	2 881	(2 514)
Effects of reclassification on profits	77	1 520	(2 071)	3 001
Effects of reclassification on the balance sheet				
Recorded, unrealised losses at end of period	1 288	2 099	1 288	2 099
Unrealised losses, if valued at fair value	2 219	5 100	2 219	5 100
Effects of reclassification on the balance sheet	931	3 001	931	3 001

Development in the liquidity portfolio after the reclassification — **DnB NOR Group**

Amounts in NOK million	31 Dec. 2009	30 Sept. 2009	30 June 2009	31 March 2009	31 Dec. 2008
Liquidity portfolio, recorded value	112 969	105 467	102 892	91 146	99 106
Liquidity portfolio, if valued at fair value	112 038	104 613	101 352	88 369	96 105
Effects of reclassification on the balance sheet	931	854	1 539	2 777	3 001

1) *The reduction in value represents the estimated effect of an increase in the maturity of the portfolio during 2009, which reduced the amortised value of cash flows from the portfolio. No credit losses are expected in the portfolio.*

Measurement

With effect from 1 July 2008, the liquidity portfolio in DnB NOR Markets is reclassified as held-to-maturity investments. Vital's held-to-maturity portfolio represented NOK 68.1 billion at end-December 2009. In addition, the bank had a commercial paper portfolio valued at NOK 0.3 billion and DnB NOR Skadeforsikring a portfolio of NOK 0.1 billion. Portfolios in this category are recorded at amortised cost and written down if there is objective evidence of a decrease in value.

Other bond portfolios in the Group are classified as securities carried at fair value with changes in value recognised in profit or loss. If there are no observable prices in the market, the value is set by using models which incorporate relevant market information.

The reclassification in accordance with the amendments to IAS 39, as described above, requires that the value of the liquidity portfolio based on the principles applied before the reclassification must be reported. In a normal market situation, the liquidity portfolio would have been recorded at external observable prices before the reclassification. Due to the financial turmoil, such prices have been virtually non-existent. In order to meet the disclosure requirement at end-Desember 2009, the liquidity portfolio has been measured at fair value according to models used for financial instruments not traded in an active market. The model applied is based on a regression analysis whereby historical market data (explanatory variables) which have been observable even during the financial turmoil are used to explain historical changes in value in the liquidity portfolio. During the period from the fourth quarter of 2006 up to and including the second quarter of 2008, the model shows a high level of correlation between changes in given market data and changes in value in the liquidity portfolio, which at the time was priced in an active market or through broker quotes which were believed to be fairly reliable. If the model had been applied to the liquidity portfolio in 2009, profits would have risen by NOK 2 071 million. A corresponding model has also been used for valuing part of the bond portfolio in Eksportfinans.

The remaining term to maturity of DnB NOR Markets' liquidity portfolio is estimated at three years and three months, and the value of one basis point was NOK 25 million at end-December 2009.

Note 17 Investments in shares

Investments in shares are carried at fair value. Measurement at fair value is described in note 1 Accounting principles in the annual report for 2008.

When determining the fair value of Private Equity investments, the "International Private Equity and Venture Capital Valuation Guidelines" and similar guidelines are used. The method used is one of several instruments to determine the best estimate of fair values for investments in not very liquid equity instruments and is based on reports on returns from portfolio companies, with a time lag of approximately three months. This could represent a challenge during periods of considerable stock market volatility. On each reporting date, the need to adapt valuations due to lags in information will be considered.

Private Equity investments	**DnB NOR Group**	
Amounts in NOK million	31 Dec. 2009	31 Dec. 2008
Private Equity and Management Buyout Funds in DnB NOR Bank	396	325
Private Equity investments in Vital	2 230	2 440
Total Private Equity investments	2 626	2 764

Note 18 Investment property

Investment properties owned by the Group are principally owned by Vital Forsikring. At end-December 2009, a review was made of the investment properties, based on the company's own valuation model. As a supplement to the values in the internal model, appraisals were obtained from two independent, external appraisers for properties representing 23 per cent of the values in the property portfolio in Norway. Calculations in the model and balance sheet values are 4.2 per cent higher than the average of the external appraisals, which are considered to be within an acceptable reliability interval. The lack of relevant transactions which can document market prices has caused uncertainty. The Group's valuations are based on the best available information regarding the properties' characteristics and values. In line with established practice, properties in Sweden and the portfolio in Vital Eiendomsfond have been subject to an external valuation.

After an overall assessment of the market and risk situation, the required rates of return used in the internal valuation in the fourth quarter were reduced by 0.25 percentage points to 6.25 per cent for contractual cash flows and 9.25 per cent for future cash flows. Due to a continuing falling trend in market rents in the fourth quarter, the rents in the valuation model were reduced for parts of the office portfolio. In addition, the value of certain projects was reduced somewhat during the quarter. Overall, this resulted in a NOK 5 million upward adjustment in the value of investment property from the third to the fourth quarter. During 2009, the value of Vital's property portfolio was reduced by NOK 887 million or 2.7 per cent.

Valuations are particularly sensitive to changes in required rates of return and assumptions regarding future income flows. Other things equal, a 0.25 percentage point change in the required rate of return will change the value of the property portfolio by 3.5 per cent. Other things equal, a 5 per cent change in future market rents will change the value of the property portfolio by 3.7 per cent.

Changes in the value of investment properties	**DnB NOR Group**
Amounts in NOK million	Investment property
Recorded value as at 31 December 2007	**33 078**
Additions, purchases of new properties	1 680
Additions, capitalised investments	830
Additions, acquired companies	0
Net gains resulting from adjustment to fair value	(3 201)
Value canges due to restructuring	806
Disposals	956
Exchange rate movements	321
Recorded value as at 31 December 2008 [1)]	**32 558**
Additions, purchases of new properties	2 876
Additions, capitalised investments	723
Additions, acquired companies	0
Net gains resulting from adjustment to fair value	(778)
Net gains from fair value adjustments of projects	(218)
Disposals	1 207
Exchange rate movements	(575)
Recorded value as at 31 December 2009 [1)]	**33 381**

1) The value of investment properties in Vital was NOK 32 392 million as at 31 December 2008 and NOK 32 766 million as at 31 December 2009.

Note 19 Intangible assets

Amounts in NOK million	DnB NOR Group 31 Dec. 2009	31 Dec. 2008
Goodwill	5 405	6 665
Postbanken brand name	51	51
Systems development	1 490	1 108
Other intangible assets	699	656
Total intangible assets	**7 644**	**8 480**

The comments below relates to the fourth quarter of 2009:

Goodwill relating to SalusAnsvar totalled SEK 266 million, the equivalent of NOK 215 million, at year-end 2009. DnB NOR has changed its strategy for these operations, whereby SalusAnsvar has now been given more independent responsibility for its strategic direction, and the investment is regarded more as a financial investment. Profit performance in SalusAnsvar reflects the current recessionary climate, and the company's plan figures were adjusted significantly downwards in relation to the estimates on which the valuation in 2008 was based. Cash flows include no income from the distribution of DnB NOR products. The test identified an impairment loss of SEK 124 million, which is the equivalent of NOK 102 million.

At year-end 2009, recorded goodwill in DnB NORD relating to operations in Lithuania, Latvia and Estonia was impaired to nil. New tests carried out at year-end 2009 identified impairment losses for the remaining goodwill in the Baltic States of EUR 7.2 million, the equivalent of NOK 62 million, of which DnB NOR's share was NOK 40 million. DnB NORD's recorded goodwill relating to operations in Poland represented EUR 52.7 million or NOK 445 million at end-December 2009. DnB NORD's operations in Poland have shown low profitability, but Poland has a relatively strong economy, and the situation with respect to impairment losses for goodwill is better than in the Baltic States. The test identified an impairment loss of EUR 35.3 million, the equivalent of NOK 306 million, relating to operations in Poland, of which DnB NOR's share was NOK 156 million. At year-end 2008, recorded goodwill in DnB NOR's accounts relating to the acquisition of DnB NORD represented EUR 4.5 million. Based on the fact that impairment losses for goodwill were recorded for all DnB NORD units in 2009, it has been decided that this goodwill item will be impaired to nil, with an effect of NOK 40 million in the 2009 income statement. The write-down of acquisition costs and DnB NOR's share of impairment losses for goodwill in DnB NORD gave an overall cost of NOK 236 million in DnB NOR's accounts for the fourth quarter of 2009.

Impairment losses for goodwill relating to DnB NOR Asset Management of SEK 947 million, equivalent to NOK 850 million, were recorded in 2008. Market conditions have improved considerably since early 2009. A renegotiated agreement with Skandia Liv will also have a positive effect compared with the assumptions underlying the test implemented in 2008. The new agreement entails lower volumes, but also the possibility for higher fees based on strong asset management performance. In addition, costs will be lowered due to reduced international presence. Upon signing the new agreement, Skandia Liv paid a lump-sum compensation of SEK 225 million. SEK 186 million of this amount was recorded as a reduction in goodwill, as a refund of previously paid VAT, while SEK 39 million was allocated to restructuring measures in connection with the approved closing of international offices. No impairment losses relating to DnB NOR Asset Management had been identified at year-end 2009.

Developments in the Group's other cash-generating units are in line with expectations, and there have been no events indicating a major reduction in earnings relative to previous plans.

Note 20 Debt securities issued and subordinated loan capital

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

Debt securities issued

	DnB NOR Group	
Amounts in NOK million	31 Dec. 2009	31 Dec. 2008
Commercial paper issued, nominal amount	168 028	194 852
Bond debt, nominal amount [1)]	313 141	397 443
Adjustments	12 563	13 927
Total debt securities issued	**493 732**	**606 222**

Changes in debt securities issued

DnB NOR Group

Amounts in NOK million	Balance sheet 31 Dec. 2009	Issued 2009	Matured/ redeemed 2009	Exchange rate movements 2009	Other adjustments 2009	Balance sheet 31 Dec. 2008
Commercial paper issued, nominal amount	168 028	168 028	194 852	0		194 852
Bond debt, nominal amount [1)]	313 141	51 193	91 343	(44 152)		397 443
Adjustments	12 563				(1 364)	13 927
Total debt securities issued	**493 732**	**219 220**	**286 195**	**(44 152)**	**(1 364)**	**606 222**

Subordinated loan capital and perpetual subordinated loan capital securities

DnB NOR Group

Amounts in NOK million	Balance sheet 31 Dec. 2009	Issued 2009	Matured/ redeemed 2009	Exchange rate movements 2009	Other adjustments 2009	Balance sheet 31 Dec. 2008
Term subordinated loan capital, nominal amount	22 455			(2 978)		25 432
Perpetual subordinated loan capital, nominal amount	6 830			(1 177)		8 007
Perpetual subordinated loan capital securities, nominal amount [2)]	8 468			(1 274)		9 742
Adjustments	1 297				(747)	2 044
Total subordinated loan capital and perpetual subordinated loan capital securities	**39 051**	**0**	**0**	**(5 428)**	**(747)**	**45 225**

1) *Minus own bonds. Outstanding covered bonds in DnB NOR Boligkreditt totalled NOK 230.6 billion as at 31 December 2009. The cover pool represented NOK 322.8 billion.*

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

Note 21 Capital adequacy

The DnB NOR Group follows the Basel II regulations for capital adequacy calculations. Valuation rules used in the statutory accounts form the basis for the consolidation, which is subject to special consolidation rules governed by the Consolidation Regulations.

Primary capital	**DnB NOR Bank ASA**		**DnB NOR Bank Group**		**DnB NOR Group**	
Amounts in NOK million	31 Dec. 2009	31 Dec. 2008	31 Dec. 2009	31 Dec. 2008	31 Dec. 2009	31 Dec. 2008
Share capital	17 514	17 514	17 514	17 514	16 231	13 327
Other equity	54 948	51 702	65 800	59 969	85 172	67 949
Total equity	72 462	69 217	83 314	77 483	101 403	81 275
Deductions						
Pension funds above pension commitments	0	0	(3)	(1)	(119)	(152)
Goodwill	(1 650)	(1 657)	(3 853)	(4 737)	(5 653)	(6 854)
Deferred tax assets	(1 153)	(10)	(295)	(306)	(300)	(316)
Other intangible assets	(912)	(516)	(1 980)	(1 584)	(2 270)	(1 842)
Dividends payable etc.	0	0	(3 750)	0	(2 850)	0
Unrealised gains on fixed assets	0	0	(30)	(30)	(30)	(30)
50 per cent of investments in other financial institutions	(1 033)	(1 070)	(1 033)	(1 070)	(2)	0
50 per cent of expected losses exceeding actual losses, IRB portfolios	(101)	(288)	(222)	(339)	(222)	(339)
Adjustments for urealised losses/(gains) on liabilities recorded at fair value	182	(323)	(404)	(2 284)	(404)	(2 284)
Additions						
Portion of unrecognised actuarial gains/losses, pension costs [1)]	-	555	-	594	-	608
Equity Tier 1 capital	67 796	65 908	71 745	67 726	89 553	70 066
Perpetual subordinated loan capital securities [2) 3)]	8 468	9 742	8 655	9 945	8 655	9 945
Tier 1 capital	76 264	75 649	80 400	77 671	98 208	80 010
Perpetual subordinated loan capital	6 830	8 007	6 830	8 007	6 830	8 007
Term subordinated loan capital [3)]	21 111	23 843	23 003	26 083	23 003	26 083
Deductions						
50 per cent of investments in other financial institutions	(1 033)	(1 070)	(1 033)	(1 070)	(2)	0
50 per cent of expected losses exceeding actual losses, IRB portfolios	(101)	(288)	(222)	(339)	(222)	(339)
Additions						
45 per cent of unrealised gains on fixed assets	0	0	18	18	18	18
Tier 2 capital	26 807	30 492	28 597	32 700	29 628	33 770
Total eligible primary capital [4)]	103 071	106 141	108 997	110 371	127 836	113 780
Risk-weighted volume	831 885	965 059	960 208	1 120 428	1 052 566	1 200 590
Minimum capital requirement	66 551	77 205	76 817	89 634	84 205	96 047
Equity Tier 1 capital ratio (%)	8.1	6.8	7.5	6.0	8.5	5.8
Tier 1 capital ratio (%)	9.2	7.8	8.4	6.9	9.3	6.7
Capital ratio (%)	12.4	11.0	11.4	9.9	12.1	9.5

1) *Upon implementation of NRS 6A (IAS 19) in 2005, unrecognised actuarial gains/losses for pension commitments were charged to equity in the accounts. The Ministry of Finance established a transitional rule for the years 2005 to 2008 meant to reduce the negative effect when calculating capital adequacy.*
2) *Perpetual subordinated loan capital securities can represent up to 15 per cent of core capital. The excess will qualify as perpetual supplementary capital.*
3) *As at 31 December 2009, calculations of capital adequacy included a total of NOK 735 million in subordinated loan capital in associated companies, in addition to subordinated loan capital in the balance sheets of the banking group and the DnB NOR Group.*
4) *Primary capital and nominal amounts used in calculating risk-weighted volume deviate from figures in the DnB NOR Group's accounts, as associated companies which are assessed according to the equity method in the accounts, are assessed according to the gross method in capital adequacy calculations.*

Due to transitional rules, the minimum capital adequacy requirements for 2008 and 2009 cannot be reduced below 90 and 80 per cent respectively relative to the Basel I requirements. Risk-weighted volume for the Group at the end of 2009 represented 89.1 per cent of the corresponding volume based on the Basel I rules.

Note 21 Capital adequacy (continued)

Basel II implementation

Further progress

A major reduction in risk-weighted assets is expected upon full implementation of the IRB system. The IRB system is defined as the models, work processes, decision-making processes, control mechanisms, IT systems and internal guidelines and routines used to classify and quantify credit risk. Below is a time schedule for the implementation of the different reporting methods used for the Group's portfolios.

	Reporting methods for capital adequacy		
Portfolios	31 Dec. 2009	31 Dec. 2010	31 Dec. 2011
Retail:			
- mortgage loans, DnB NOR Bank and DnB NOR Boligkreditt	IRB [1)]	IRB [1)]	IRB [1)]
- qualifying revolving retail exposure, DnB NOR Kort	Standardised	IRB [1)]	IRB [1)]
- mortgage loans, Nordlandsbanken	Standardised	IRB [1)]	IRB [1)]
- loans in Norway, DnB NOR Finans excluding the portfolio from SkandiaBanken Bilfinans	Standardised	IRB [1)]	IRB [1)]
- remaining portfolios, DnB NOR Finans	Standardised	Standardised	IRB [1)]
Corporates:			
- small and medium-sized corporates, DnB NOR Bank	Advanced IRB	Advanced IRB	Advanced IRB
- large corporate clients, DnB NOR Bank	Standardised	Advanced IRB	Advanced IRB
- corporate clients, Nordlandsbanken	Standardised	Advanced IRB	Advanced IRB
- leasing and loans in Norway, DnB NOR Finans excluding the portfolio from SkandiaBanken Bilfinans	Standardised	Advanced IRB	Advanced IRB
- remaining portfolios, DnB NOR Finans	Standardised	Standardised	Advanced IRB
- corporate clients, DnB NOR Næringskreditt	Standardised	Advanced IRB	Advanced IRB
Institutions:			
- banks and financial institutions	Standardised	Standardised	Advanced IRB
Exceptions:			
- approved exceptions: government and municipalities, equity positions, commercial paper	Standardised	Standardised	Standardised
- temporary exceptions: DnB NORD, DnB NOR Luxembourg, Monchebank and various other portfolios	Standardised	Standardised	Standardised

1) For mortgage loans, no distinction is made between the foundation and the advanced IRB approach.

Note 22 Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligations. Liquidity management in the DnB NOR Group is organised whereby DnB NOR Bank ASA is responsible for funding subsidiaries such as Nordlandsbanken and DnB NOR Finans, as well as international branches and subsidiaries. DnB NORD is funded with a share corresponding to the DnB NOR Group's holding in the bank. Liquidity risk is managed and measured by means of various measurement techniques.

The Board of Directors has established internal limits which restrict the short-term maturity of the bank's liabilities during various time periods. In addition, limits have been approved for structural liquidity risk, which implies that lending to the general public should largely be financed through customer deposits, subordinated capital and long-term funding. The Group's ratio of deposits to lending was 53.0 per cent at end-December 2009, up from 52.5 per cent at end-September. The ratio of deposits to lending in DnB NOR Bank ASA was 92.7 per cent at end-December 2009.

During 2009, there was a gradual improvement in the financial markets, and during the second half of the year, the situation was sound and stable. Volumes and maturities practically returned to normalised levels, and the pricing of very short-term funding at end-December virtually corresponded to the levels before the financial turmoil. Nevertheless, investors showed little risk willingness in general, and strong emphasis continued to be placed on borrowers' credit ratings.

Following a substantial reduction in long-term funding costs during the summer of 2009, the situation was more stable towards the end of the year, and margins were significantly wider than before the financial crisis.

DnB NOR's liquidity situation at end-December 2009 can be characterised as sound. In consequence of wider credit margins in financial markets, however, costs relating to capital market funding have increased. At end-December 2009, the average remaining term to maturity for the portfolio of senior bond debt was 3.0 years, compared with 2.75 years a year earlier. The Group aims to achieve a sound and stable maturity structure for funding over the next five years.

Note 23 Information on related parties

Major transactions and agreements with related parties:

Eksportfinans

DnB NOR Bank ASA has a 40 per cent ownership interest in Eksportfinans. Financial market turbulence resulted in sizeable unrealised losses in Eksportfinans' liquidity portfolio in the first quarter of 2008. In order to ensure an adequate capital base for the company, its Board of Directors implemented three measures:

- A share issue of NOK 1.2 billion aimed at the company's owners was implemented, and all owners participated based on their proportional shares.
- A portfolio hedge agreement was entered into, and the owners were invited to participate. DnB NOR Bank ASA's share of the agreement corresponded to 40.43 per cent. The agreement secures Eksportfinans against further decreases in portfolio values of up to NOK 5 billion effective from 29 February 2008. Any recovery of values relative to nominal values will accrue to the participants in the portfolio hedge agreement as payment for their hedging commitment.
- During the first quarter of 2008, Eksportfinans' largest owner banks, DnB NOR Bank ASA, Nordea Bank AB and Danske Bank A/S approved a committed credit line giving the company access to a liquidity reserve of up to USD 4 billion. The agreement was renewed in June 2009. DnB NOR Bank ASA's share of this agreement represents approximately USD 2.2 billion. At end-December 2009, Eksportfinans had not availed itself of this credit line.

The transactions with Eksportfinans have been entered into on ordinary market terms as if they had taken place between independent parties.

Stimulus packages

On 24 October 2008, the Norwegian parliament authorised the Ministry of Finance to launch a scheme whereby the government and the banks exchange Treasury bills for covered bonds for an agreed period. Norges Bank administers the scheme on commission from the Ministry of Finance.

Under the swap scheme, the government sells Treasury bills to the banks in a time-limited swap for covered bonds. The banks have free disposal over the Treasury bills they acquire and may sell them in the market if they so wish. Treasury bill maturities will be between three and six months. The swap agreements last for periods of up to five years, and the banks undertake to purchase new Treasury bills with six-month maturities when the agreement period expires. The Treasury bills are priced at NIBOR plus a premium corresponding to the margin at the time the agreement was concluded. As an additional requirement, there must be a spread of minimum 40 basis points between the agreed interest rate and the Treasury bill yield. Upon expiry of the agreements, the banks are under an obligation to repurchase the covered bonds from the government at the original selling price. Payments related to the covered bonds are credited to the banks on the same day as the payments are made, unless default occurs during the duration of the swap agreement.

DnB NOR Bank ASA has purchased bonds from DnB NOR Boligkreditt, which have been used as collateral for swap agreements with Norges Bank. The bank is required to repurchase the covered bonds at the original selling price. The bank receives yield from the covered bonds as if they never had been sold. The accounting treatment of sales of financial instruments where the seller retains substantially all the risks and returns associated with the instrument, is described in IAS 39.20 Financial Instruments – Recognition and Measurement. The bank is of the opinion that the requirement for transfer of risk and returns associated with the bonds in accordance with this standard have not been fulfilled, and that the bonds thus cannot be derecognised from the balance sheet of the bank. On a consolidated basis, the bonds will be treated as own bonds and netted against issued bonds in DnB NOR Boligkreditt.

In practice, the swap agreements imply that the bank purchases Treasury bills from Norges Bank. These are initially recorded as investments in Treasury bills. The obligation to repurchase the bonds at a price corresponding to the value of the Treasury bills is recorded as funding from Norges Bank. At end-December 2009, this funding represented NOK 118.1 billion. At end-December 2009, the bank's investments in Treasury bills used in the swap agreements represented a corresponding amount.

Note 24 Off-balance sheet transactions and contingencies

Off-balance sheet transactions and additional information		DnB NOR Group	
		31 Dec.	31 Dec.
Amounts in NOK million		2009	2008
Performance guarantees		26 000	34 367
Payment guarantees		19 250	24 582
Loan guarantees [1)]		11 774	16 202
Guarantee to the Norwegian Banks' Guarantee Fund		939	0
Guarantees for taxes etc.		4 655	4 801
Other guarantee commitments		3 892	5 448
Total guarantee commitments		66 510	85 399
Support agreements		8 045	4 499
Total guarantee commitments etc. [*)]		74 555	89 899
Unutilised credit lines and loan offers		376 282	361 259
Documentary credit commitments		14 839	24 896
Other commitments		2 858	540
Total commitments		393 979	386 695
Total guarantee and off-balance commitments		468 534	476 594
Securities		151 067	202 611
- are pledged as security for:	Loans [2)]	150 934	202 464
	Other activities	133	147
**) Of which counter-guaranteed by financial institutions*		*209*	*566*

1) *DnB NOR carries loans in its balance sheet that subject to legal agreement have been transferred to Eksportfinans and for which DnB NOR has issued guarantees. According to the agreement, DnB NOR still carries interest rate risk and credit risk for the transferred portfolio. Customer loans in the portfolio totalling NOK 9 215 million were recorded in the balance sheet as at 31 December 2009. These loans are not included under guarantees in the table.*

2) *As at 31 December 2009 NOK 60 780 million in securities has been pledged as collateral for credit facilities with Norges Bank (the Norwegian central bank). According to regulations, these loans must be fully collateralised by a mortgage on interest-bearing securities and/or the bank's deposits with Norges Bank.*

Contingencies

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

Reference is made to the previous reported dispute between HeidelbergCement Pensjonskasse/Norcem AS and Vital Forsikring concerning a claim for damages of up to NOK 110 million. It was alleged that Vital Forsikring gave incorrect advice in connection with the transfer of assets from a premium fund under the company's pension scheme. Legal proceedings were held in the Bergen District Court in May 2009. Vital Forsikring was held not liable on all counts and awarded full costs in the judgment passed on 16 June 2009. The judgment is final and enforceable.

Bovista ApS in Copenhagen, which is a wholly-owned subsidiary of RC Real Estate, has sued Bank DnB NORD for up to DKK 180 million plus interest, claiming that the bank has wrongfully used proceeds from the sale of properties as loan repayments without consulting the company. The bank contests the claim.

DnB NOR Markets Inc. in New York has been sued for up to USD 25 million plus interest and charges in connection with the underwriting of a bond issue (Lehman Brothers). The company contests the claim.

Ivar Petter Røeggen has instituted legal proceedings against DnB NOR Bank ASA, claiming that two investment agreements for structured products be declared null and void and that the bank be ordered to pay costs of NOK 266 000 plus interest on late payments. It is not the size of the amount disputed that is significant, rather whether this will serve as a test case for similar cases. The bank contests the claim.

In addition to the above-mentioned civil action brought against DnB NOR Bank ASA by Ivar Petter Røeggen, a group action with 19 plaintiffs has been brought against the bank, relating to the sale of the same structured products as the action brought by Rødeggen. The bank maintains that there is no legal basis for a group action and contests the claim. In the previously mentioned action brought by Hans Bjarne Voster relating to the sale of structured products, with a claim totalling NOK 500 000, an out-of-court settlement was reached.

DnB NOR Bank ASA has brought an action against seven Norwegian municipalities for the settlement of interest swaps on commercial terms. The municipalities have stopped their payments under the agreements citing that full settlement took place upon payment of the residual value of the investments made. The bank's total claim in the civil action is NOK 968 million plus interest on overdue payments.

DnB NOR ASA

Income statement

Amounts in NOK million	4th quarter 2009	4th quarter 2008	Full year 2009	Full year 2008
Total interest income	23	72	122	261
Total interest expenses	93	184	523	538
Net interest income	**(70)**	**(112)**	**(401)**	**(277)**
Commissions and fees payable etc.	2	1	5	5
Other income [1)]	5 114	179	5 114	179
Net other operating income	**5 113**	**177**	**5 109**	**173**
Total income	**5 043**	**65**	**4 708**	**(104)**
Salaries and other personnel expenses	1	2	6	5
Other expenses	43	52	202	241
Depreciation and write-downs of fixed and intangible assets	0	850	0	850
Total operating expenses	**45**	**903**	**208**	**1 097**
Pre-tax operating profit	**4 998**	**(838)**	**4 500**	**(1 201)**
Taxes	1 426	(634)	1 286	(736)
Profit for the period	**3 572**	**(204)**	**3 214**	**(465)**
Earnings/dilutet earnings per share (NOK)	2.66	(0.15)	2.41	(0.35)
Earnings per share excluding operations held for sale (NOK)	2.66	(0.15)	2.41	(0.35)

1) Dividends from group companies/group contributions.

Balance sheet

Amounts in NOK million	31 Dec. 2009	31 Dec. 2008
Assets		
Deposits with DnB NOR Bank ASA	22 747	4 426
Lending to other group companies	228	231
Investments in group companies	51 126	51 058
Other receivables due from group companies	0	179
Other assets	0	125
Total assets	**74 101**	**56 019**
Liabilities and equity		
Loans from and outstandings to DnB NOR Bank ASA	11 161	11 324
Outstandings to other group companies	95	0
Other liabilities and provisions	3 937	1
Paid-in capital	38 844	24 994
Retained earnings	20 064	19 700
Total liabilities and equity	**74 101**	**56 019**

Statement of changes in equity

Amounts in NOK million	Share capital	Share premium reserve	Other equity	Total equity
Balance sheet as at 31 December 2007	**13 327**	**11 668**	**20 165**	**45 159**
Profit for the period			(261)	(261)
Balance sheet as at 31 December 2008	**13 327**	**11 668**	**19 700**	**44 694**
Profit for the period			3 214	3 214
Dividends for 2009			(2 850)	(2 850)
Issue of share capital	2 961	10 889		13 850
Balance sheet as at 31 December 2009	**16 288**	**22 556**	**20 064**	**58 908**

The share capital increase pertaining to the rights issue in DnB NOR ASA, adopted by the general meeting on 19 November 2009, was completed during December, and the registration of the capital increase in the Norwegian Register of Business Enterprises was announced on 21 December 2009. In consequence of the rights issue, DnB NOR received NOK 14 007 670 135.80 before the deduction of transaction costs. The company's share capital was thus increased by NOK 2 961 452 460 through the issue of 296 145 246 new shares. The new share capital of DnB NOR ASA is NOK 16 287 988 610 divided into 1 628 798 861 shares, each with a nominal value of NOK 10.

Accounting principles

DnB NOR ASA has prepared accounts according to the Norwegian Ministry of Finance's regulations on annual accounts, Section 1-5, on the use of IFRS (International Financial Reporting Standards), hereinafter called the Norwegian IFRS regulations. These regulations give permission to record provisions for dividends and group contributions in subsidiaries as income and record the Board of Directors' proposed dividends and group contributions as liabilities on the balance sheet date. According to IFRS, dividends should be classified as equity until approved by the general meeting. A description of the accounting principles applied by DnB NOR ASA in preparing the accounts is found in the annual report for 2008 and in note 1 Accounting principles.

Key figures

	4th quarter 2009	4th quarter 2008	Full year 2009	Full year 2008
				DnB NOR Group
Interest rate analysis				
1. Combined weighted total average spread for lending and deposits (%)	1.13	1.12	1.15	1.04
2. Spread for ordinary lending to customers (%)	1.61	1.34	1.61	1.01
3. Spread for deposits from customers (%)	0.23	0.68	0.29	1.08
Rate of return / profitability				
4. Net other operating income, per cent of total income	36.0	42.8	39.8	36.2
5. Cost/income ratio (%)	49.3	42.2	48.3	51.4
6. Return on equity, annualised (%)	10.1	10.7	10.6	12.4
7. RARORAC, annualised (%)	15.5	24.5	17.2	13.6
8. RORAC, annualised (%)	12.9	11.7	12.6	15.3
9. Average equity including allocated dividend (NOK million)	84 110	76 048	81 236	74 005
10. Return on average risk-weighted volume, annualised (%)	0.63	0.58	0.83	0.79
Financial strength				
11. Core (Tier 1) capital ratio at end of period (%)	9.3	6.7	9.3	6.7
12. Capital adequacy ratio at end of period (%)	12.1	9.5	12.1	9.5
13. Core capital at end of period (NOK million)	98 208	80 010	98 208	80 010
14. Risk-weighted volume at end of period (NOK million)	1 052 566	1 200 590	1 052 566	1 200 590
Loan portfolio and write-downs				
15. Individual write-downs relative to average net lending to customers, annualised	0.46	0.59	0.53	0.25
16. Write-downs relative to average net lending to customers, annualised	0.54	0.80	0.67	0.33
17. Net non-performing and impaired commitments, per cent of net lending	1.71	0.99	1.71	0.99
18. Net non-performing and impaired commitments at end of period (NOK million)	19 127	11 922	19 127	11 922
Liquidity				
19. Ratio of customer deposits to net lending to customers at end of period (%)	53.0	50.1	53.0	50.1
Total assets owned or managed by DnB NOR				
20. Customer assets under management at end of period (NOK billion)	468	510	468	510
21. Total combined assets at end of period (NOK billion)	2 076	2 141	2 076	2 141
22. Average total assets (NOK billion)	1 935	1 821	1 906	1 635
23. Customer savings at end of period (NOK billion)	1 059	1 108	1 059	1 108
Staff				
24. Number of full-time positions at end of period	13 317	14 057	13 317	14 057
The DnB NOR share				
25. Number of shares at end of period (1 000)	1 628 799	1 332 654	1 628 799	1 332 654
26. Average number of shares (1 000)	1 345 391	1 332 654	1 335 838	1 332 654
27. Earnings per share (NOK)	1.58	1.52	6.43	6.91
28. Earnings per share excluding operations held for sale (NOK)	1.52	1.52	6.37	6.91
29. Dividend per share (NOK) [1)]	-	-	1.75	0.00
30. Total shareholders' return (%)	(1.2)	(39.2)	144.7	(65.5)
31. Dividend yield (%)	-	-	2.79	0.00
32. Equity per share including allocated dividend at end of period (NOK)	52.34	57.83	52.34	57.83
33. Share price at end of period (NOK)	62.75	27.00	62.75	27.00
34. Diluted share price at end of period, adjusted for rights issue (NOK)	62.75	25.64	62.75	25.64
35. Price/earnings ratio	10.33	4.43	9.85	3.91
36. Price/book value	1.20	0.47	1.20	0.47
37. Market capitalisation (NOK billion)	102.2	36.0	102.2	36.0

1) Proposed dividend for 2009.

For definitions of selected key figures, see next page.

Key figures (continued)

Definitions

1, 2, 3	Based on nominal values excluding lending to and deposits with credit institutions and impaired loans, measured against the 3-month money market rate.
5	Total operating expenses relative to total income. Expenses exclude impairment losses for goodwill.
6	Profit for the period, excluding profit attributable to minority interests, adjusted for the period's change in fair value recognised in equity. Average equity is calculated on the basis of recorded equity excluding minority interests.
7	RARORAC (Risk-Adjusted Return On Risk-Adjusted Capital) is defined as risk-adjusted profits relative to the risk-adjusted capital requirement. Risk-adjusted profits indicate the level of profits in a normalised situation. The risk-adjusted capital requirement is described in further detail in the chapter "Management in DnB NOR" in the DnB NOR Group's annual report for 2008.
8	RORAC (Return On Risk-Adjusted Capital) is defined as profits for the period relative to risk-adjusted capital requirement. Profits for the period exclude profits attributable to minority interests and are adjusted for the period's change in fair value recognised directly in equity and for the difference between recorded interest on average equity and interest on risk-adjusted capital.
10	Profit for the period relative to average risk-weighted volume.
20	Total assets under management for customers in Life and Asset Management.
21	Total assets and customer assets under management.
23	Total deposits from customers, assets under management and equity-linked bonds.
27	Excluding profits attributable to minority interests. Holdings of own shares are not included in calculations of the number of shares.
28	Excluding operations held for sale and profits attributable to minority interests. Holdings of own shares are not included in calculations of the number of shares.
30	Closing price at end of period less closing price at beginning of period, including dividends reinvested in DnB NOR shares on the dividend payment date, relative to closing price at beginning of period.
32	Equity at end of period excluding minority interests relative to number of shares at end of period.
35	Closing price at end of period relative to annualised earnings per share.
36	Closing price at end of period relative to recorded equity at end of period.
37	Number of shares multiplied by the closing share price at end of period.

Profit and balance sheet trends

Income statement — **DnB NOR Group**

Amounts in NOK million	4th quarter 2009	3rd quarter 2009	2nd quarter 2009	1st quarter 2009	4th quarter 2008
Total interest income	12 667	13 317	14 692	17 687	22 675
Total interest expenses	7 061	7 577	9 038	12 054	16 496
Net interest income	**5 606**	**5 740**	**5 654**	**5 633**	**6 179**
Commissions and fees receivable etc.	2 137	2 312	2 217	2 058	2 151
Commissions and fees payable etc.	521	530	549	469	597
Net gains on financial instruments at fair value	1 066	1 931	1 059	2 229	1 059
Net gains on assets in Vital	4 107	4 511	3 578	1 266	2 320
Guaranteed returns and allocations to policyholders in Vital	3 798	4 295	3 418	1 201	1 641
Premium income etc. included in the risk result in Vital	1 169	1 187	1 169	1 180	1 177
Insurance claims etc. included in the risk result in Vital	1 240	1 177	1 101	1 096	1 312
Premium income non-life insurance	221	134	149	89	-
Insurance claims etc. non-life insurance	201	125	135	78	-
Profit from companies accounted for by the equity method	(49)	(284)	(471)	897	1 201
Other income	268	286	195	315	257
Net other operating income	**3 160**	**3 951**	**2 694**	**5 190**	**4 615**
Total income	**8 766**	**9 691**	**8 347**	**10 823**	**10 794**
Salaries and other personnel expenses	2 493	2 454	2 417	2 553	2 416
Other expenses	1 446	1 672	1 843	1 823	1 802
Depreciation and write-downs of fixed and intangible assets	718	522	632	338	1 400
Total operating expenses	**4 657**	**4 648**	**4 891**	**4 714**	**5 618**
Net gains on fixed and intangible assets	19	(4)	7	4	5
Write-downs on loans and guarantees	1 517	2 277	2 318	1 598	2 314
Pre-tax operating profit	**2 610**	**2 762**	**1 146**	**4 514**	**2 868**
Taxes	1 001	1 002	503	1 580	1 240
Profit from operations and non-current assets, after taxes	80	0	0	0	0
Profit for the period	**1 689**	**1 760**	**643**	**2 934**	**1 629**
Earnings/diluted earnings per share (NOK)	1.58	1.63	0.90	2.32	1.52

Profit and balance sheet trends (continued)

Balance sheet					DnB NOR Group
Amounts in NOK million	31 Dec. 2009	30 Sept. 2009	30 June 2009	31 March 2009	31 Dec. 2008
Assets					
Cash and deposits with central banks	31 859	29 899	58 524	58 185	51 147
Lending to and deposits with credit institutions	62 317	70 346	63 789	75 977	59 717
Lending to customers	1 114 886	1 132 793	1 164 270	1 173 547	1 191 635
Commercial paper and bonds	225 415	229 441	157 479	120 641	125 571
Shareholdings	58 227	48 396	37 397	35 484	36 839
Financial assets, customers bearing the risk	21 337	20 044	18 031	16 448	16 454
Financial derivatives	70 072	86 116	87 416	112 930	136 552
Commercial paper and bonds, held to maturity	179 832	172 906	168 201	154 808	155 156
Investment property	33 381	33 303	32 215	32 136	32 558
Investments in associated companies	2 521	2 617	2 940	3 410	2 517
Intangible assets	7 644	8 409	7 862	8 028	8 480
Deferred tax assets	246	248	395	249	263
Fixed assets	5 482	5 634	5 356	5 182	5 326
Operations and non-current assets held for sale	1 255	168	164	201	246
Other assets	8 979	8 727	11 380	12 017	9 236
Total assets	**1 823 453**	**1 849 047**	**1 815 419**	**1 809 242**	**1 831 699**
Liabilities and equity					
Loans and deposits from credit institutions	302 669	297 107	233 723	230 256	178 822
Deposits from customers	590 745	594 539	611 386	595 246	597 242
Financial derivatives	53 019	68 391	66 256	78 312	95 498
Debt securities issued	493 732	520 878	526 954	548 867	606 222
Insurance liabilities, customers bearing the risk	21 337	20 044	18 031	16 448	16 454
Liabilities to life insurance policyholders	193 556	191 423	189 047	187 994	184 791
Insurance liabilities, non-life insurance	704	635	552	359	-
Payable taxes	9 093	2 886	1 893	1 707	384
Deferred taxes	525	5 587	5 825	5 547	5 457
Other liabilities	12 331	16 333	28 112	13 506	15 410
Operations held for sale	366	0	0	0	0
Provisions	4 923	5 057	4 992	4 923	4 918
Subordinated loan capital	39 051	39 940	43 629	42 624	45 225
Total liabilities	**1 722 050**	**1 762 819**	**1 730 399**	**1 725 788**	**1 750 424**
Minority interests	2 755	3 265	4 010	3 644	4 211
Share capital	16 231	13 327	13 327	13 327	13 327
Share premium reserve	22 609	11 697	11 697	11 697	11 697
Other equity	59 808	57 939	55 987	54 786	52 041
Total equity	**101 403**	**86 228**	**85 020**	**83 453**	**81 275**
Total liabilities and equity	**1 823 453**	**1 849 047**	**1 815 419**	**1 809 242**	**1 831 699**

Information about the DnB NOR Group

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Board of Directors in DnB NOR ASA

Anne Carine Tanum, chairman
Bjørn Sund, vice-chairman
Gunilla Berg
Per Hoffmann
Jørn O. Kvilhaug
Bent Pedersen
Tore Olaf Rimmereid
Ingjerd Skjeldrum
Siri Pettersen Strandenes

Group management

Rune Bjerke	Group chief executive
Bjørn Erik Næss	Chief financial officer
Karin Bing Orgland	Group executive vice president, Retail Banking
Leif Teksum	Group executive vice president, Large Corporates and International
Ottar Ertzeid	Group executive vice president, DnB NOR Markets
Tom Rathke	Group executive vice president, Life and Asset Management
Liv Fiksdahl	Group executive vice president, Operations
Solveig Hellebust	Group executive vice president, HR
Cathrine Klouman	Group executive vice president, IT

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Financial calendar 2010

Preliminary results 2008	11 February
Annual General Meeting	27 April
Ex-dividend date	28 April
First quarter	29 April
Second quarter	9 July
Third quarter	28 October

Other sources of information

Annual reports

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

Quarterly publications

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

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

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