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Important events in 2009

	2009	2008
Pre-tax operating profits before write-downs (NOK million)	18 094	16 240
Profits for the year (NOK million)	6 139	9 215
Total assets at year-end (NOK billion)	1 616	1 638
Return on equity (per cent)	10.0	14.0

For a more detailed table of key figures, see page 108.

First quarter

- The stock market reversed from a downward slide to an upward trend
- The Norwegian government announced the establishment of the State Finance Fund and the State Bond Fund, with total capital of NOK 100 billion
- · Access to long-term funding improved
- DnB NOR presented loss estimates for 2009 on its Capital Markets Day

Second quarter

- DnB NOR Bank completed a large unsecured bond issue and was among the few banks able to obtain funding without a government guarantee
- DnB NOR Bank established DnB NOR Næringskreditt

Third quarter

- · Financial markets showed an improvement
- DnB NOR Bank established the business areas Retail Banking and Large Corporates and International
- DnB NOR announced plans to strengthen equity through an issue of ordinary shares
- DnB NOR Bank's rating was downgraded to Aa3 by Moody's
- DnB NOR qualified for inclusion in the Dow Jones World Sustainability Index

Fourth quarter

- Norges Bank was the first central bank to implement an interest rate increase
- DnB NOR Bank's funding situation normalised, though the banking group's funding costs remained higher than before the onset of the financial crisis
- DnB NOR completed an equity issue, raising a net amount of NOK 13.9 billion
- DnB NOR Bank's rating was downgraded to A+ by Standard & Poor's
- DnB NOR Bank was named Norwegian champion in the category "housing loans above NOK 2 million" by the magazine Dine Penger
- Postbanken and DnB NOR Bank were ranked as Norway's best and fourth best bank, respectively, by the magazine Norsk Familieøkonomi
- DnB NOR Bank's Board of Directors decided to initiate an evaluation of the shareholder agreement with NORD/LB

Directors' report

In accordance with the provisions of the Norwegian Accounting Act, the Board of Directors confirms that the accounts have been prepared on a going concern basis.

Pursuant to Section 3-9 of the Norwegian Accounting Act, DnB NOR Bank prepares consolidated annual accounts in accordance with IFRS, International Financial Reporting Standards, approved by the EU. The statutory accounts of DnB NOR Bank ASA have been prepared in accordance with Norwegian IFRS regulations.

Operations in 2009

2009 was a turbulent and demanding year 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 DnB NOR Bank Group ¹⁾ recorded net profits during all four quarters in 2009.

Due to Norway's relatively strong economic position, the banking group's Norwegian-related operations, which account for more than 80 per cent of total operations, were less affected by the economic downturn than financial institutions in many other countries. Pre-tax operating profits before write-downs rose by 11.4 per cent from 2008, to NOK 18 094 million.

However, the banking group recorded a significant increase in write-downs on loans, from NOK 3 509 million in 2008 to NOK 7 710 million in 2009, of which NOK 3 929 million related to operations in DnB NORD. This represented 51 per cent of the banking group's total write-downs, while DnB NORD's loan portfolio on average represented no more than 7 per cent of the banking group's total loan portfolio. The serious international economic downturn thus had a material negative effect on the banking group's financial performance, not least in the Baltic region. Profits for 2009 came to NOK 6 139 million, compared with NOK 9 215 million in 2008. Profits after minority interests were NOK 7 698 million and NOK 9 508 million, respectively, for the two years. The large differential between profits before and after minority interests in 2009 was due to the net loss in DnB NORD, where the minority shareholder was charged with its respective share.

The banking group's funding situation was largely normalised during 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, especially in the first half of 2009. In the second quarter of the year, DnB NOR Næringskreditt was established. The company issues covered bonds based on loans secured by commercial property.

Due to high funding costs in 2009, competition for deposits intensified, which was one of the factors behind the narrow-wing in deposit spreads. Nevertheless, the ratio of deposits to lending increased from 50.3 per cent in 2008 to 54.4 per cent in 2009

Average lending to customers rose by NOK 89.2 billion from 2008 to 2009. Adjusted for exchange rate movements, lending volumes increased by NOK 56.4 billion. Higher lending spreads partially compensated for the rise in funding costs. Average lending spreads widened from 1.00 per cent in 2008 to 1.59 per cent in 2009.

¹⁾ DnB NOR Bank ASA is a subsidiary of DnB NOR ASA and part of the DnB NOR Group. The DnB NOR Bank Group, hereinafter called "the banking group", comprises the bank and the bank's subsidiaries. Other companies owned by DnB NOR ASA, including Vital Forsikring and DnB NOR Kapitalforvaltning, are not part of the banking group. Operations in DnB NOR ASA and the total DnB NOR Group are not covered in this report but described in a separate report and presentation. Average deposit spreads narrowed from 1.07 per cent in 2008 to 0.29 per cent in 2009.

Other operating income was higher in 2009 than in 2008, especially in DnB NOR Markets, rising by NOK 2 556 million. The banking group achieved a high level of income by meeting customers' needs for hedging products. Due to extensive market volatility, market making and proprietary trading also generated healthy revenues. Moreover, income in the first half of 2008 reflected large unrealised losses in the banking group's bond portfolio, which affect comparisons between the two years. Income from payment services and real estate broking increased in the second half of 2009 due to the improved economic situation.

In the first half of 2008, new international operations were started, for example in Sweden, giving a rise in expenses in 2009. However, extensive cost-reducing measures were implemented in 2008 and 2009, partly through the banking group's cost programme, and total expenses, excluding impairment losses for goodwill, thus rose by only 2.6 per cent from 2008. Expenses were reduced by 9.4 per cent from the fourth quarter of 2008 to the fourth quarter of 2009. The cost/income ratio, excluding impairment losses for goodwill, declined from 48.8 per cent in 2008 to 46.1 per cent in 2009.

Due to the difficult economic conditions which affected parts of the banking group's operations, it was necessary to record total impairment losses for goodwill of NOK 730 million relating to operations in DnB NORD and Sweden in the income statement.

Like a number of other financial services groups, DnB NOR Bank ASA 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 prices and access to funding.

Return on equity was 14.0 per cent in 2008 and 10.0 per cent in 2009.

Towards the end of 2009, DnB NOR's equity was strengthened by a net amount of 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 well positioned for expected 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.

The DnB NOR Bank Group, which comprises DnB NOR Bank ASA and subsidiaries, had a Tier 1 capital ratio of 8.4 per cent and a capital adequacy ratio of 11.4 per cent at year-end 2009, compared with 6.9 and 9.9 per cent, respectively in 2008. The same capital adequacy requirements from the Norwegian authorities apply to the banking group and to the entire DnB NOR Group, thus the 2009 requirements were met by a wide margin. In addition, a separate requirement from the US authorities to the banking group relating to the operations of the subsidiary DnB NOR Markets Inc. in New York must be fulfilled, whereby the Tier 1 capital ratio for the banking group must be 6 per cent and the total capital adequacy ratio 10 per cent. At year-end 2009, this requirement was also fulfilled by a wide margin.

During the third quarter of 2009, DnB NOR qualified for inclusion in the Dow Jones World Sustainability Index, which means that the Group is regarded as being among the top 10 per cent within its industry worldwide in terms of sustainability with respect to economic, environmental and social factors.

The DnB NOR Bank Group is strongly committed to offering customers good products and services at competitive terms. Towards the end of 2009, Postbanken and DnB NOR Bank were ranked as the best and the fourth best bank, respectively, by the magazine Norsk Familieøkonomi. In addition, DnB NOR Bank 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. The DnB NOR Bank Group's vision is to create value through the art of serving the customer, supported by the core values helpful, professional and show initiative.

The banking group's annual employee satisfaction survey was carried out at the beginning of 2009. The resulting score was at an all-time high, with a marked increase in satisfaction levels from the corresponding survey one year earlier. A new survey will be conducted in the first quarter of 2010.

The Board of Directors would like to thank all employees for succeeding in giving the banking group's customers their full attention during a year characterised by demanding market conditions and extensive change. The DnB NOR Bank Group's motivated employees represent a sound platform for handling the challenges faced by the banking group.

Targets and strategy

The strategy of the DnB NOR Bank Group is an integral part of the DnB NOR Group's targets and strategy. The strategy of the DnB NOR Group is described below.

The financial turmoil which started in 2008 affected DnB NOR's short-term growth prospects, not least in international markets. However, the Group's long-term strategy and growth ambitions remained unchanged.

An important target for the Group is to achieve even stronger customer orientation in its operations and improve customer satisfaction. DnB NOR's new vision, "Creating value through the art of serving the customer", is supported by its new values: helpful, professional and show initiative. Employees who are helpful, professional and show initiative are vital if DnB NOR is to succeed in implementing its strategy.

DnB NOR has a unique platform in the Norwegian market by virtue of its large customer base, distribution power and wide range of products. Internationally, over several years, the Group has focused on professional expertise and good customer relations within selected industries, such as shipping, energy and seafood. By cultivating the Group's strengths and capitalising on its unique position, DnB NOR aims to be the Norwegian bank and a leading international niche player. DnB NOR will strengthen and consolidate its position in Norway by offering an extensive distribution system and an attractive and complete range of products which meet customer needs and create values. In addition, DnB NOR will achieve profitable growth outside its home market by building long-term relations with its largest corporate clients and focusing on selected industries based on core competencies. High priority will be given to streamlining operations, and DnB NOR's goal is to be one of the most cost-effective market players in Europe through measures such as the coordination and rationalisation of its staff and support functions.

DnB NOR will give priority to long-term value creation for its shareholders and aims to achieve a return on equity and a market capitalisation which are competitive in relation to its Nordic peers. The successful implementation of DnB NOR's strategy will result in the Group reaching its long-term financial targets, which are:

- a return on equity above 13 per cent
- cost saving measures with an annual effect of NOK 2 billion from the end of 2012
- an ordinary cost/income ratio below 46 per cent from 2012

DnB NOR increased its Tier 1 capital ratio through the rights issue which raised a net amount of NOK 13.9 billion in 2009, while the Group's sound financial performance also contributed to strengthening the capital base. DnB NOR is well capitalised and aims to resume normal dividend payments as soon as possible. DnB NOR's ambitions are reflected in the Group's capital strategy and dividend policy:

- DnB NOR to be among the best capitalised financial groups in the Nordic region
- AA level ratings for long-term debt for DnB NOR Bank ASA

Review of the annual accounts

Net interest income

Amounts in NOK million	2009	Change	2008
Net interest income	23 112	777	22 335
Lending and deposit spreads		1 823	
Lending and deposit volumes		976	
Exchange rate movements		581	
Equity and non-interest-bearing items		(1 998)	
Long-term funding costs		(753)	
Guarantee fund levy		(430)	
Interbank funding and interest rate ins	struments	(254)	
Amortisation effects in the liquidity por	397		
Other net interest income		435	

Net interest income rose by 3.5 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 5.3 per cent from 2008 to 2009.

Relative to the 3-month money market rate, average lending spreads widened from 1.00 per cent in 2008 to 1.59 per cent in 2009. However, the actual costs for new long-term funding in 2009 were significantly higher than money market rates. The lending spreads 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 46.6 billion or 8.2 per cent. The competition for deposits remained strong during 2009, contributing to a decline in the average deposit spread from 1.07 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	11 824	1 977	9 847
Stock market-related income including			
financial instruments		1 444	
Unrealised losses in the liquidity portfol	1 333		
Net other commissions and fees	6		
Other operating income (84)			
Net gains on foreign exchange and inte	rest		
rate instruments 1)		(182)	
Profits from associated companies		(539)	

 Excluding guarantees and unrealised losses in the liquidity portfolio.

Net other operating income increased by 20.1 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 and reflects the DnB NOR Bank Group's broad income base, which enables the banking 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 banking group thus recorded no such mark-to-market losses in 2009.

Recorded changes in the value of special balance sheet items carried at fair value represented a net loss of NOK 230 million in 2009 and net income of NOK 489 million in 2008. Such items reflect, among other things, mark-to-market adjustments of credit margins on the banking group's liabilities, for example 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 899 million from 2008 to 2009, to NOK 16 841 million. However, total expenses include impairment losses for goodwill. The table below shows expenses for the DnB NOR Bank Group's ordinary operations.

Amounts in NOK million	2009	Change	2008
Total ordinary operating expenses	16 111	403	15 708
Cost programme		(410)	
Restructuring expenses, cost program	75		
Marketing expenses	(140)		
Wage and price inflation	475		
Operational leasing	230		
IT expenses		116	
Other operating expenses		58	

Ordinary operating expenses rose by 2.6 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 banking group was reduced by 152 from year-end 2008 to end-December 2009.

The banking group's cost programme counteracted the effects of expansionary measures and ordinary wage and price inflation. The measures implemented up till the end of 2009 reduced recorded costs by NOK 410 million compared with 2008. Restructuring costs totalled NOK 192 million in 2009, up NOK 75 million compared with 2008.

The cost programme was ahead of schedule, and considerable efforts were made to achieve cost savings. Cost reductions recorded since year-end 2007 up until year-end 2009 had an annual effect corresponding to NOK 817 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 and coordination within the banking group. At the Capital Markets Day in spring 2009, the cost programme target was adjusted upwards to annual cost savings of NOK 1.7 billion by the end of 2012.

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

Impairment losses for goodwill

Each quarter, recorded goodwill and intangible assets in the banking 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, impairment losses for goodwill of NOK 941 million were recorded in

DnB NORD. The banking group 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. Weak shipping markets were the primary factor behind the increase.

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.

Net non-performing and impaired commitments totalled NOK 19.1 billion at year-end 2009, compared with NOK 11.9 billion a year earlier. Commitments which are subject to individual writedowns, 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.

In consequence of the difficult situation in the Baltic region, there was an increase in the volume of non-performing and impaired commitments in DnB NORD through 2009, though the volume of such commitments was reduced in the banking group's other operations. Nevertheless, it is too early to say whether the improvement represents a lasting trend.

Taxes

The DnB NOR Bank Group's total tax charge for 2009 was NOK 4 351 million, a rise of NOK 783 million from 2008. Relative to pre-tax operating profits, the tax charge increased from 27.9 to 41.8 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 27.4 per cent and 39.1 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, liquidity and funding

Total assets in the banking group's balance sheet were NOK 1 616 billion at year-end 2009 and NOK 1 638 billion a year earlier.

Net lending to customers declined by NOK 78 billion or 6.5 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 7 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 banking group's ratio of customer deposits to net lending to customers increased, from 50.3 per cent at end-December 2008 to 54.4 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 banking group's future strategy is to increase the ratio of deposits to lending.

In order to keep the banking 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 banking 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 banking 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 banking group's longterm 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.

Corporate governance

The management of the DnB NOR Bank Group is based on the principles contained in the Norwegian Code of Practice for Corporate Governance. There are no significant deviations between the Code of Practice and the way it is implemented in the DnB NOR Bank Group.

During the year, the Board of Directors held 19 meetings. The banking group's strategy, future development and structure remained high on the agenda in 2009, in addition to the banking group's funding situation in the wake of the financial crisis and announced changes in external parameters for the financial services industry.

Corporate governance in the DnB NOR Bank Group is described in greater detail in the chapter "Management in DnB NOR" in the DnB NOR Group's annual report 2009.

Risk and capital adequacy

The DnB NOR Bank Group quantifies risk by measuring risk-adjusted capital, which is a guiding factor for the banking group's capital requirement. Net risk-adjusted capital declined by NOK 8.6 billion to NOK 55.5 billion from year-end 2008 to year-end 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.

Risk-adjusted capital for the DnB NOR Bank Group

Amounts in NOK billion	31 Dec. 2009	31 Dec. 2008
Credit risk	50.9	59.2
Market risk	3.7	4.2
Operational risk	5.4	4.9
Business risk	3.4	2.8
Gross risk-adjusted		
capital requirement	63.3	71.1
Diversification effect 1)	(7.8)	(6.9)
Net risk-adjusted		
capital requirement	55.5	64.1
Diversification effect in per cent		
of gross risk-adjusted capital		
requirement 1)	12.4	9.8

 The diversification effect refers to the effect achieved by the banking 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 nonperforming 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 banking group's equity positions. The exposure to Eksportfinans changed after the banking group issued a guarantee for parts of the company's bond investments in 2008. The unutilised part of the guarantee is included in the calculation of market risk. 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 banking 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.

A total of 403 operational loss events were registered during 2009, causing an overall net loss of NOK 169 million. In addition, there were operational errors in connection with credit losses. The operational stability of the banking group's Internet banks and other IT systems improved in 2009. The average operational time in the banking group's Internet banks was 99.7 per cent.

In the autumn of 2008, an investigation was initiated against DnB NOR following allegations that the bank had traded Treasury bills after receiving insider information in connection with the Norwegian government's stimulus package. The investigation was closed on 17 February 2010 and resulted in a fine of NOK 12 million against DnB NOR Bank ASA and the forfeiture of estimated gains of NOK 14 million. At the same time, the case against two employees was dropped. DnB NOR Bank accepted the fine without a judicial review, but maintains that no unlawful insider information was given in the case. Thus, DnB NOR Bank is also of the opinion that no employees broke the law on behalf of the bank. In its assessment, DnB NOR Bank emphasised that a judicial review would be very resource-intensive for management and other employees over a long period and also involve significant costs.

Liquidity risk is not quantified when calculating risk-adjusted capital. The banking 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 the DnB NOR Bank Group access to Norwegian Treasury bills in exchange for covered bonds issued by DnB NOR Boligkreditt and backed by well-secured housing loans. At vear-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 banking 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 banking group's ratio of deposits to lending from 50.3 per cent at year-end 2008 to 54.4 per cent at end-December 2009. At the end of 2009, long-term stable funding of the banking 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 960 billion at end-December 2009, down 14.3 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 11.9 per cent at year-end 2009. The transitional rules which apply until year-end 2011 allow a maximum reduction in risk-weighted volume of 20 per cent. In 2009, the banking 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 Tier 1 capital ratio was 8.4 per cent at end-December 2009 and 6.9 per cent at year-end 2008, while the capital adequacy ratio was 11.4 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 banking 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.

Business areas

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

Retail Banking delivered a sound financial performance in 2009. Pre-tax operating profits were NOK 6 984 million, an increase of NOK 582 million from 2008. The steep fall in interest rate levels from the autumn of 2008 and through the first half of 2009 contributed to widening lending spreads relative to money market rates from 2008. Low interest rate levels and fierce competition for deposits put pressure on deposit spreads. Average lending rose by 7.4 per cent compared with 2008. Demand for housing loans was maintained at a relatively high level in 2009, while a lower level of activity among small and medium-sized enterprises resulted in more sluggish demand for financing. Deposits showed an average increase of 4.3 per cent. Other operating income was slightly higher than in 2008, and there was a sound trend in income from payment services and real estate broking during 2009. Expenses increased by 5.9 per cent from 2008, reflecting general wage growth, higher IT development costs, the transfer of financial advisers from Norway Post and impairment losses for goodwill in Sweden. The cost/income ratio, excluding impairment losses for goodwill, was reduced by 1.8 percentage points to 53.2 per cent. Net write-downs relative to average net lending rose from 0.19 per cent in 2008 to a continuing low level of 0.22 per cent in 2009. The quality of the loan portfolio was sound at year-end 2009.

Large Corporates and International recorded pre-tax operating profits of NOK 5 657 million in 2009, down NOK 558 million from the previous year. The reduction resulted from higher write-downs on loans, which increased by NOK 916 million to NOK 1 128 million. Relative to average lending, write-downs were 0.30 per cent in 2009, up from 0.06 per cent in 2008. Net interest income declined by NOK 32 million from 2008. Ordinary operations generated an increase in net interest income of NOK 781 million, whereas income from allocated capital was reduced due to lower interest rate levels. Measured against the money market rate, lending spreads widened by 0.31 percentage points from 2008, improving in all segments. It was necessary to increase interest rate spreads to compensate for higher funding costs and greater risk of write-downs on loans. Interest rates stabilised at a lower level than was previously the case. In combination with increased competition for deposits, this resulted in narrowing deposit spreads in all segments. Average lending to customers rose by 12.9 per cent from 2008 to 2009, but declined through the year due to weaker demand and a reduction in the NOK value of foreign currency loans due to the strengthened Norwegian krone. The quality of the portfolio was satisfactory in all sectors, but there was a negative development through 2009 due to the general market conditions. Average deposits rose by 15.8 per cent.

<u>DnB NOR Markets</u> achieved healthy profits in 2009. Pre-tax operating profits totalled NOK 5 331 million in 2009, up NOK 1 395 million from 2008. Due to a lower level of economic activity, customer-related revenues declined in important product areas, totalling NOK 3 191 million in 2009, down NOK 295 million compared with 2008. Extraordinary volatility in interest rates and exchange rates at the beginning of 2009 gave a significant increase in income from market making and other proprietary trading within DnB NOR Markets' core areas of activity, including Norwegian kroner products. Together with a strong increase in profits from the liquidity portfolio of bonds, this gave a NOK 2 015 million increase in income from market making and other proprietary trading, to NOK 3 908 million. The cost/income ratio was 26.4 per cent in 2009, down from 30.8 per cent in 2008.

DnB NORD was strongly affected by the recession, recording a pre-tax operating loss of NOK 4 289 million, compared with a loss of NOK 605 million in 2008. DnB NORD's financial performance was marked by a steep increase in write-downs on loans in consequence of the significant economic downturn in the Baltic region. Average lending in DnB NORD was NOK 83.6 billion in 2009, up 11.3 per cent from 2008, though there was a reduction in lending through the year. Net write-downs totalled NOK 3 929 million or 4.70 per cent of average lending in 2009, an increase from NOK 1 388 million or 1.85 per cent in 2008. DnB NORD expects the level of write-downs to remain relatively high in 2010. DnB NORD will focus on consolidating its operations, reducing losses and improving cost-efficiency. Impairment losses for goodwill relating to operations in the Baltic States of NOK 619 million and impairment losses of NOK 306 million relating to operations in Poland were recorded in 2009. For the DnB NOR Bank Group, impairment losses for goodwill relating to DnB NORD totalled NOK 529 million in 2009. At year-end 2009, it was clear that DnB NORD will require new capital during 2010. DnB NOR Bank will exercise its ownership role and honour its obligations by providing its proportional share of the capital required by DnB NORD.

Other units – Group Centre recorded an operating loss of NOK 1 624 million in 2009, compared with a loss of NOK 1 189 million in 2008. The entity comprises individual items which do not affect ongoing operations in the business areas, including impairment losses for goodwill on group investments, accrual effects of fair value measurements of credit margins on own debt and interest income on the banking group's equity investments.

Corporate social responsibility

The DnB NOR Bank Group wishes to promote sustainable development through business operations that emphasise environmental, ethical and social considerations.

In September 2009, DnB NOR qualified for inclusion in the prestigious American Dow Jones Sustainability World Index. This means that the Group is considered to be among the top ten per cent in its industry in the world in terms of contributing towards sustainability.

The DnB NOR Bank Group is committed to ensuring that human and labour rights, environmental considerations and the fight against corruption are respected in its business activities and by the banking group's suppliers. The banking group has separate guidelines for corporate social responsibility in credit activities and has introduced a declaration form to ensure that suppliers comply with DnB NOR's guidelines for corporate social responsibility.

DnB NOR should be characterised by high ethical standards. DnB NOR's code of ethics addresses conflicts of interest, the responsible use of the Group's equipment and assets, requirements that the Group should have open and clear communication, the duty of confidentiality, notification requirements and the need to exercise due care when trading in financial instruments. The Group's code of ethics is available in its entirety on dnbnor.com/csr. The banking group has several training measures which focus on ethical issues.

I 2009, DnB NOR continued its support to a microfinance project in Rwanda under the auspices of the aid organisation CARE. The money is mainly used to fund training measures. In addition, DnB NOR also joined the Norwegian Microfinance Initiative, a partnership between private and public actors which directly and indirectly invest in microfinance institutions in the form of equity, loans or guarantees.

In 2009, a total of NOK 100.6 million was paid by DnB NOR to sporting and cultural institutions, research projects, humanitarian and charitable organisations and as gifts to good causes.

The DnB NOR Savings Bank Foundation is the second largest shareholder in the DnB NOR Group and donates a share of its profits to non-profit projects. In 2009, the foundation made donations totalling NOK 67 million.

External environment

DnB NOR considers climate change to be one of the greatest challenges of our time, and the Group seeks to find solutions which safeguard the interests of both people and the environment

DnB NOR influences the environment directly and indirectly. The Group's investments and lending activities have an indirect impact on the environment and are governed by CSR guidelines for credit operations. DnB NOR has a direct impact on the environment through its consumption of paper and energy, waste management, procurement and use of means of transport.

Internal environmental efficiency 1)	2009	2008
Energy consumption (Gwh)	104.0	105.5 ²⁾
Per employee (Kwh)	11 343	11 126
Purchased paper (tons)	859	1 077
Waste recycling ratio (%)	55	53 ²⁾
Eco-lighthouse certified		
buildings (number)	30	23
Domestic air travel (1 000 kms)	18 548	20 688 ²⁾
International air travel (1 000 kms)	16 155	19 101 ²⁾

- 1) All figures apply to the DnB NOR Group's operations in Norway.
- As a consequence of the process of improving the quality of nonfinancial data, certain figures for 2008 have been revised subsequent to the previous reporting.

In order to set targets and implement measures to reduce the Group's greenhouse gas emissions, a carbon audit has been drawn up and is available on dnbnor.com/csr. The carbon audit quantifies direct emissions from heating, the Group's own vehicles, purchased electricity, district heating and cooling, as well as emissions from the purchase goods and services such as paper and air travel.

The banking group offers a growing number of paperless services which reduce environmental harm, such as the refinancing of housing loans via DnB NOR's Internet bank and banking services via SMS on mobile phones. As one of the first companies in Norway, DnB NOR will primarily publish its annual report on the Group's website and send the report only to those shareholders who specifically request a printed version.

The DnB NOR Bank Group offers loans with discounted interest rates for cars which do not harm the environment to the same extent as conventional cars. The banking group also offers leasing customers a solution to make car fleets carbon neutral through the purchase of UN-approved ${\rm CO_2}$ quotas. In the retail market, the banking group offers two mutual funds with an environmental profile: DnB NOR Renewable Energy, the Nordic region's oldest and largest environmental fund, and Grønt Norden.

DnB NOR is building new headquarters for some 4 000 employees in Bjørvika in Oslo. The environmental targets for the new headquarters are ambitious and include a 40 per cent reduction in energy consumption and in greenhouse gas emissions per employee compared with current levels. The energy sources will, in the main, be renewable, including thermal energy from seawater.

Employees and managers

Being a safe and attractive workplace with qualified employees and high ethical standards is an important objective for DnB NOR. Approximately 24 000 employees participated in various training measures in the Group in 2009, compared with approximately 22 000 in 2008.

The banking group works methodically to train employees in how to meet ethical dilemmas. In 2009, a new ethics programme was launched for all employees across the banking group to increase awareness of ethical dilemmas which each employee may encounter when dealing with customers or in internal processes.

The programme 'Effective and well-functioning management teams' was started towards the end of 2009, and training courses were also held for managers involved in reorganisation processes.

In 2009, 32 new candidates were selected for the talent programme 'Grow'. The programme is important for the banking group's initiatives aimed at young, particularly skilled employees within management, specialised fields and project work. The purpose of the programme is to enable the participants to function as driving forces in the future of the DnB NOR Bank Group.

In 2009, the banking group recruited 228 employees, compared with 691 in 2008. Of these, 76 were women and 152 men. Their average age was 35 years. 159 new employees were employed in Norway in 2009, of whom 52 were women and 107 men. Four introduction courses were held for new employees. At the end of 2009, the total number of employees in the banking group was 13 286

The total score from the employee satisfaction survey conducted in January 2009 showed an increase from 70 points in 2008 to 74 points in 2009, which is the best score ever. In spite of difficult economic times and uncertainty in connection with organisational changes in the Group, the result showed that the Group's employees were very satisfied with their workplace.

Health, safety and environment (HS&E)

In 2009, the DnB NOR Bank Group worked systematically to improve the working environment. Health, safety and environmental issues (HS&E) are important elements in the banking group's human resources policy. In 2009, key focus areas were management training, ergonomics, crisis management, sickness absence and rehabilitation. Measures are implemented in close cooperation with managers, employees and the banking group's safety represent-tatives.

In 2009, a total of 104 managers and safety representatives completed the banking group's internal programme on statutory working environment training. The purpose of the training is to provide the necessary insight and knowledge to comply with the Working Environment Act and the banking group's HS&E requirements.

The DnB NOR Bank Group endeavours to prevent injuries caused by robberies and threats through extensive security procedures and training programmes. In 2009, 24 courses were held on how to handle robberies. In addition, 275 employees attended various courses on threat management, security and fire protection.

In 2009, a total of 41 employees were exposed to threats, and banking group experienced two robberies. Several of the incidents were grave incidents and also caused physical injury. 37 accidents and injuries were registered during working hours or in connection with commuting to and from work.

During 2009, the banking group initiated preventive measures in connection with swine flu.

Sickness absence and an inclusive workplace

Sickness absence in the DnB NOR Bank Group was 5.1 per cent in Norwegian operations in 2009, down from 5.4 per cent in 2008. This is considered satisfactory in light of the financial turmoil and major organisational changes.

Additional assistance is provided to units with high levels of sickness absence. As an inclusive workplace, the DnB NOR Bank Group is committed to working systematically to reduce sickness absence, adapt working conditions for employees with special needs and increase the actual retirement age in the banking group. In 2009, the average actual retirement age was 61.7 years, compared with 61.8 years in 2008.

Equality

The DnB NOR Bank Group is committed to giving men and women the same opportunities for professional and personal development, combined with salary and career progression. The banking group has flexible schemes that make it easier to combine a career with family

life. The female representation target set by the Board of Directors for the top four management levels in the banking group is minimum 30 per cent. At the end of 2009, female representation at the top four management levels was 27 per cent, whereas in 2008, the figure was 26 per cent. If the figures for management level five are included, total female representation was 34 per cent. In 2009, 12 employees from the banking group participated in FUTURA, the Norwegian Financial Services Association's programme to train women management talents within the financial industry. Equal opportunity measures in the DnB NOR Bank Group:

- Priority to be given to female applicants for management positions, subject to equal qualifications
- The best female candidate to be considered for positions in units where women are in a minority
- Equality and diversity to be on the agenda in management training programmes

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. 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 rising 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 the DnB NOR Bank Group through DnB NORD's commitments in the Baltic States and in Poland, the banking group's shipping commitments, Norwegian customers who operate internationally and local commitments at the banking group's international offices. Another important factor for the banking group is the performance of Norway's export industry.

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

To ensure long-term growth and profitability, the banking 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 the DnB NOR Bank Group. To strengthen the banking 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 banking group as a whole and be reflected in the conduct of its employees.

The capital increase gives DnB NOR 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. This uncertainty could affect both individual write-downs and calculations of collective write-downs. Developments in interest rate levels, housing prices, unemployment levels, property values, freight rates and manufacturing production will be among the factors influencing the level of write-downs. Based on an overall evaluation, the banking group concludes that write-downs in 2010 will probably be somewhat lower than in 2009.

Funding costs are anticipated to remain high compared with precrisis levels. As the banking 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 banking group will retain its tight control on expenditure, including following up its cost programme. The DnB NOR Bank Group has not departed from its goal to implement cost-cutting measures which will result in annual cost reductions of minimum NOK 1.7 billion from year-end 2007 to year-end 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 banking group's tax charge in 2009 was particularly high due to impairment losses for goodwill, developments in DnB NORD and fluctuations in share prices and exchange rates. A lower tax level is expected in 2010.

The Board of Directors of DnB NOR Bank decided at the end of 2009 to initiate an evaluation of the shareholder agreement with NORD/LB aiming for 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 banking 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. The DnB NOR Bank Group has a relatively sound platform, enabling it to adapt to the changes. The banking group wishes to participate in developing and analysing the impact of a balanced regulatory framework.

The banking group'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 DnB NOR 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, characterised by lower interest rate levels and more sluggish growth, have made this target more challenging to reach. As stated above, write-downs on loans in 2010 are expected to be somewhat lower than in 2009.

Allocation of profits

Annual profits in DnB NOR Bank ASA totalled NOK 7 463 million. The Board of Directors has proposed a group contribution from DnB NOR Bank ASA to DnB NOR ASA of NOK 3 750 million after taxes. The remaining profits will be transferred to other equity. After allocations, distributable reserves total NOK 40 830 million.

The capital adequacy ratio of DnB NOR Bank ASA was 12.4 per cent and the Tier 1 capital ratio 9.2 per cent at year-end 2009. The banking group, which comprises the bank and subsidiaries, had a capital adequacy ratio of 11.4 per cent and a Tier 1 capital ratio of 8.4 per cent.

In the opinion of the Board of Directors, following allocations, DnB NOR Bank ASA will have adequate financial strength and flexibility to provide sufficient support to operations in subsidiaries and meet the banking group's expansion requirements and changes in external parameters.

Oslo, 17 March 2010 The Board of Directors of DnB NOR Bank ASA

	Anne Carine Tanum (chairman)		Bent Pedersen (vice-chairman)	
Per Hoffmann		Kari Lotsberg		Kai Nyland
	Torill Rambjør			Ingjerd Skjeldrum
				Rune Bjerke (group chief executive)

Income statement

DnB NOR	Bank ASA		Dn	B NOR Banl	k Group
2008	2009	Amounts in NOK million	Note	2009	2008
70 478	44 581	Total interest income	18	59 047	82 741
53 373	29 183	Total interest expenses	18	35 935	60 406
17 105	15 398	Net interest income	18	23 112	22 335
5 274	4 980	Commissions and fees receivable etc.	20	5 956	6 236
1 878	1 752	Commissions and fees payable etc.	20	1 890	2 021
1 626	7 509	Net gains on financial instruments at fair value	21	6 180	3 430
0	0	Profit from companies accounted for by the equity method	20	93	632
1 695	2 226	Other income	20	1 485	1 569
6 716	12 963	Net other operating income	20	11 824	9 847
23 821	28 361	Total income		34 935	32 182
6 306	6 586	Salaries and other personnel expenses	22, 23	8 681	8 299
5 013	4 703	Other expenses	22	6 067	6 348
465	2 624	Depreciation and impairment of fixed and intangible assets	22	2 094	1 296
11 784	13 913	Total operating expenses	22	16 841	15 942
47	(1)	Net gains on fixed and intangible assets		26	52
1 586	3 135	write-downs on loans and guarantees	10, 11	7 710	3 509
10 499	11 312	Pre-tax operating profit		10 410	12 784
2 889	3 849	Taxes	25	4 351	3 568
0	0	Profit from operations and non-current assets held for sale, after taxes		80	0
7 610	7 463	Profit for the year		6 139	9 215
-	-	Profit attributable to shareholders		7 698	9 508
-	-	Profit attributable to minority interests		(1 559)	(293)
43.45	42.61	Earnings/diluted earnings per share (NOK)		43.95	54.29
43.45	42.61	Earnings per share excluding operations held for sale (NOK)		43.50	54.29

Comprehensive income statement

DnB NOR E	Bank ASA		DnB NOR Bank	(Group
2008	2009	Amounts in NOK million	2009	2008
7 610	7 463	Profit for the year	6 139	9 215
434	(468)	Exchange differences arising from the translation of foreign operations 1)	(998)	909
8 044	6 995	Comprehensive income for the year	5 141	10 124
-	-	Comprehensive income attributable to shareholders	7 288	9 865
-	-	Comprehensive income attributable to minority interests	(2 147)	259

¹⁾ The decline in 2009 must be viewed in light of the sharp increase towards the end of 2008. At year-end 2009, the euro and US dollar rates had declined by 15 and 17 per cent, respectively, from a very high level a year earlier. This had the most pronounced effect for DnB NORD, whose accounts are denominated in euro, and DnB NOR Bank ASA's branches in Singapore and New York, which use US dollars.

Balance sheet

nB NOR B				DnB NOR B	
31 Dec.	31 Dec.			31 Dec.	31 Dec
2008	2009	Amounts in NOK million	Note	2009	2008
		Assets			
47 705	29 023	Cash and deposits with central banks	26, 27	31 859	51 147
245 652	276 084	Lending to and deposits with credit institutions	7, 8, 26, 27, 28	58 751	54 18
824 223	626 806	Lending to customers	7, 8, 26, 27, 28	1 128 791	1 206 842
82 058	304 948	Commercial paper and bonds	26, 28	177 613	58 219
9 317	13 041	Shareholdings	26, 28, 29	13 396	9 642
137 751	71 002	Financial derivatives	16, 26, 28	69 173	136 56
100 278	113 302	Commercial paper and bonds, held to maturity	26, 27, 30	113 302	100 278
0	0	Investment property	31	614	16
1 069	1 023	Investments in associated companies	32	2 502	2 49
19 192	26 174	Investments in subsidiaries	33	-	
2 173	2 562	Intangible assets	34, 35	5 554	6 10
10	1 153	Deferred tax assets	25	241	25
844	817	Fixed assets	36	5 434	5 27
0	0	Operations and non-current assets held for sale	2	1 255	24
5 941	6 146	Other assets	38	7 513	6 78
1 476 214	1 472 079	Total assets		1 615 999	1 638 20
		Liabilities and equity			
147 371	294 190	Loans and deposits from credit institutions	26, 27, 28	302 694	178 834
570 312	580 913	Deposits from customers	26, 27, 28, 39	613 627	606 91
119 168	64 338	Financial derivatives	16, 26, 28	52 359	93 20
507 680	398 231	Debt securities issued	26, 27, 28, 40	500 907	614 18
215	7 142	Payable taxes		8 715	31
3 734	7	Deferred taxes	25	575	5 05
10 608	12 863	Other liabilities	26, 43	9 839	12 38
0	0	Operations held for sale		366	(
4 299	4 247	Provisions	42	4 553	4 60
43 612	37 686	Subordinated loan capital	26, 27, 28, 41	39 051	45 22
1 406 998	1 399 617	Total liabilities		1 532 685	1 560 72°
_	-	Minority interests		2 755	4 21
17 514	17 514	Share capital		17 514	17 51
12 695	12 695	Share premium reserve		13 411	13 41
39 007	42 253	Other equity		49 633	42 34
69 217	72 462	Total equity		83 314	77 48
1 476 214	1 472 079	Total liabilities and equity		1 615 999	1 638 205

Off-balance sheet transactions and contingencies

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Statement of changes in equity

			DnB NOR Bank AS		
		Share			
	Share	premium	Other	Total	
Amounts in NOK million	capital	reserve	equity	equity	
Balance sheet as at 31 December 2007	17 514	12 695	30 964	61 173	
Comprehensive income for the period			8 044	8 044	
Balance sheet as at 31 December 2008	17 514	12 695	39 007	69 217	
Comprehensive income for the period			6 995	6 995	
Group contribution to DnB NOR ASA			(3 750)	(3 750)	
Balance sheet as at 31 December 2009	17 514	12 695	42 253	72 462	
Of which currency translation reserve:					
Balance sheet as at 31 December 2007			(248)	(248)	
Comprehensive income for the period			434	434	
Balance sheet as at 31 December 2008			185	185	
Comprehensive income for the period			(468)	(468)	
Balance sheet as at 31 December 2009	·	_	(283)	(283)	

The share premium reserve can be used to cover financial losses. Other equity can be used in accordance with stipulations in the Public Limited Companies Act.

The restricted share of retained earnings (fund for unrealised gains) in DnB NOR Bank ASA totalled NOK 1 423 million at 31 December 2009 and NOK 1 725 million as at 31 December 2008.

Statement of changes in equity (continued)

				DnB NOR Ba	nk Group
			Share		
	Minority	Share	premium	Other	Total
Amounts in NOK million	interests	capital	reserve	equity	equity
Balance sheet as at 31 December 2007 1)	2 662	17 514	13 411	32 480	66 068
Comprehensive income for the period 1)	259			9 865	10 124
Net dividends/group contribution paid for 2007					0
Minority interests DnB NORD 2)	1 305				1 305
Other minority interests	(15)				(15)
Balance sheet as at 31 December 2008 1)	4 211	17 514	13 411	42 346	77 483
Comprehensive income for the period 1)	(2 147)			7 288	5 141
Minority interests DnB NORD 2)	693				693
Other minority interests	(2)				(2)
Balance sheet as at 31 December 2009 1)	2 755	17 514	13 411	49 633	83 314
1) Of which currency translation reserve:					
Balance sheet as at 31 December 2007	(28)			(206)	(234)
Adjustment to currency translation reserve DnB NORD				20	20
Comprehensive income for the period	552			357	909
Balance sheet as at 31 December 2008	524			170	695
Comprehensive income for the period	(587)			(410)	(998)
Balance sheet as at 31 December 2009	(63)			(240)	(303)
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 premium reserve can be used to cover financial losses. Other equity can be used in accordance with stipulations in the Public Limited Companies Act.

Cash flow statement

nB NOR I	Bank ASA		DnB NOR Ban	k Group
Full year	Full year		Full year	Full year
2008	2009	Amounts in NOK million	2009	2008
		Operating activities		
(7 482)	143 999	Net receipts/payments on loans to customers	8 510	(152 300)
38 198	29 734	Net receipts on deposits from customers	29 199	42 427
51 882	28 491	Interest received from customers	48 013	71 823
(24 112)	(11 583)	Interest paid to customers	(12 502)	(25 220)
		Net payments on the aquisition of		
(49 460)	(160 632)	financial assets for investment or trading	(112 104)	(28 759)
3 398	3 227	Net receipts on commissions and fees	4 007	4 217
(8 821)	(12 700)	Payments to operations	(15 855)	(12 148)
(386)	(1 794)	Taxes paid	(596)	(927)
1 692	2 218	Other receipts	1 490	1 566
4 909	20 960	Net cash flow relating to operating activities	(49 838)	(99 322)
		Investment activities		
(442)	(755)		(977)	(2.251)
(462)	(755)	Net payments on the acquisition of fixed assets	` '	(3 351)
50	578	Receipts on the sale of long-term investments in shares	478 0	133
(6 993)	(10 045)	Payments on the acquisition of long-term investments in shares		(2 721)
144	206	Dividends received on long-term investments in shares	136	147
(7 261)	(10 015)	Net cash flow relating to investment activities	(363)	(5 792)
		Funding activities		
(46 802)	57 105	Net receipts/payments on loans to/from credit institutions	122 316	12 969
(1 822)	1 713	Net receipts/payments on other short-term liabilities	(2 250)	9 140
497 981	206 147	Receipts on issued bonds and commercial papers	218 352	547 423
(393 129)	(284 179)	Payments on the redeemed bonds and commercial papers	(286 174)	(395 791)
8 030	0	Issue of subordinated loan capital	0	8 747
(3 196)	0	Redemptions of subordinated loan capital	0	(3 196)
(379)	647	Dividend/group contribution payments/ receipts	0	(1 807)
11 628	9 862	Interest receipts on funding activities	2 890	3 617
(30 682)	(17 615)	Interest payments on funding activities	(21 879)	(36 607)
41 629	(26 320)	Net cash flow from funding activities	33 255	144 496
1 671	(3 357)	Effects of exchange rate changes on cash and cash equivalents	(3 771)	1 895
40 950	(18 732)	Net cash flow	(20 718)	41 277
23 819	64 769	Cash as at 1 January	56 796	15 520
40 950	(18 732)	Net receipts/payments of cash	(20 718)	41 277
64 769	46 037	Cash at end of period *)	36 078	56 796
		*) Of which:		
47 705	29 023	Cash and deposits with central banks	31 859	51 147

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

Accounting principles

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1. CORPORATE INFORMATION

DnB NOR Bank ASA is subsidiary of DnB NOR ASA, which is a Norwegian public limited company listed on Oslo Børs (the Oslo Stock Exchange). The consolidated accounts for 2009 were approved by the Board of Directors on 17 March 2010.

The DnB NOR banking group offers banking services and securities and investment services in the Norwegian and international retail and corporate markets.

The visiting address to the banking group's head office is Stranden 21, Oslo, Norway.

2. BASIS FOR PREPARING THE ACCOUNTS

DnB NOR Bank has prepared consolidated accounts for 2009 in accordance with IFRS, International Financial Reporting Standards, as approved by the EU. The statutory accounts of DnB NOR Bank ASA have been prepared in accordance with Norwegian IFRS regulations.

The consolidated accounts are based on the historic cost principle, with the following exceptions: financial assets available for sale, financial assets and liabilities (including financial derivatives) carried at fair value through profit or loss and investment property. The consolidated accounts are presented in Norwegian kroner. Unless otherwise specified, values are rounded off to the nearest million.

The banking group's balance sheets are primarily based on an assessment of the liquidity of the balance sheet items.

3. CHANGES IN ACCOUNTING PRINCIPLES

The banking group has made no changes in the accounting principles applied in 2009, but has implemented the following new standards, amendments and interpretations:

With effect from 1 January 2009, the banking group has applied the revised IFRS 7 Financial Instruments – Disclosure. The amendments to the standard affect information on financial instruments in the notes to the consolidated accounts.

Financial instruments measured at fair value are required to be classified in a three level hierarchy by reference to the inputs used in the valuation: quoted prices from active markets, observable market data and inputs not based on observable market data. If the financial instrument is measured using a valuation technique not based on observable market data, stricter disclosure requirements apply. In accordance with the transitional provisions, no corresponding data has been given for the comparison period. In consequence of the amendments to IFRS 7, enhanced disclosures about liquidity risk are also required.

The banking group has applied the revised IAS 1 – Presentation of Financial Statements 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.

4. CONSOLIDATION

The consolidated accounts for DnB NOR Bank ASA ("DnB NOR Bank" or "the banking group") include DnB NOR Bank, subsidiaries and associated companies.

The accounting principles are applied consistently when consolidating ownership interests in subsidiaries and associated companies and are based on the same reporting periods as those used for the parent company.

When preparing the consolidated accounts, intra-group transactions and balances along with unrealised gains or losses on these transactions between group units are eliminated.

Subsidiaries and associated companies

Subsidiaries are defined as companies in which DnB NOR Bank has control, directly or indirectly, through ownership or other means and a holding of more than 50 per cent of the voting share capital or primary capital. DnB NOR Bank recognises the existence of de facto control, but generally assumes to have control when holding more than 50 per cent of the voting share capital or primary capital in another entity. With respect to companies where the banking group's holding is 50 per cent or less, DnB NOR Bank makes an assessment of whether other factors indicate de facto control. Subsidiaries are fully consolidated from the date on which control is transferred to the banking group. Subsidiaries that are sold are consolidated up till the time risk and control are transferred.

Associated companies are companies in which DnB NOR Bank has a significant influence, that is the power to participate in the financial and operating policy decisions of the companies, but is not in control or joint control of the companies. DnB NOR Bank assumes that significant influence exists when the banking group holds between 20 and 50 per cent of the voting share capital or primary capital in another entity.

Associated companies are recognised in the group accounts according to the equity method. The investment is recorded at cost at the time of acquisition and is adjusted for subsequent changes in the banking group's share of equity in the associated company. Any goodwill is included in the acquisition cost. The banking group's share of profits or losses is recognised in the income statement and added to the balance sheet value of the investment along with other changes in equity which have not been reflected in the income statement. The banking group's share of losses is not reflected in the income statement if the balance sheet value of the investment will be negative, unless the banking group has taken on commitments or issued guarantees for the commitments of the associated company.

The banking group's share of unrealised gains on transactions between the banking group and its associated companies is eliminated. The same applies to unrealised losses provided that the transaction indicates a need for a write-down of the transferred assets

Conversion of transactions in foreign currency

The major entity in the banking group, DnB NOR Bank ASA, has Norwegian kroner as its functional currency. Balance sheet items of foreign branches and subsidiaries are translated into Norwegian kroner according to exchange rates prevailing on the balance sheet date, while profit and loss items are translated according to exchange rates on the transaction date. Changes in net assets resulting from exchange rate movements are charged directly to equity.

Monetary assets and liabilities in foreign currency are translated at exchange rates prevailing on the balance sheet date. Changes in value of such assets due to exchange rate movements between the transaction date and the balance sheet date, are recognised in the income statement.

5. BUSINESS COMBINATIONS

The purchase method is applied for acquisitions of operations. Cost is measured at fair value of the consideration, taking account of any equity instruments issued in addition to any direct costs relating to the transaction. Possible share issue expenses are not included in cost, but deducted from equity.

Acquired identifiable tangible and intangible assets and liabilities are recorded at fair value at the time of acquisition. If cost exceeds the fair value of identifiable assets and liabilities, the excess will be recorded as goodwill. If cost is lower than the fair value of identifiable assets and liabilities, the difference will be recognised in the income statement on the transaction date.

In connection with acquisitions of less than 100 per cent of voting share capital, 100 per cent of excess fair value is recorded in

the balance sheet, with the exception of goodwill, where only DnB NOR Bank's share is included.

In connection with step acquisitions of subsidiaries, the banking group will make a full acquisition price allocation in connection with each acquisition to measure the goodwill arising from each transaction. Identifiable assets and liabilities in the acquired company are measured at the value on the final acquisition date.

Operations held for sale

The banking group classifies operations as held for sale when the recorded value will be retrieved through a sale. An operation is classified as held for sale from the time management has approved a concrete plan to sell the operation in its current form and it is highly probable that the sale will take place within 12 months.

Operations held for sale are measured at the lower of the balance sheet value and fair value less costs to sell. Acquired operations which are immediately classified as held for sale are recorded at fair value less costs to sell upon initial recognition.

Profits after taxes for such operations are presented separately as "Profit from operations and non-current assets held for sale, after taxes" in the consolidated accounts. Total assets and liabilities from these operations are presented separately under "Operations and non-current assets held for sale" and "Operations held for sale" in the banking group's balance sheet.

With effect from 31 December 2009 operations in the Nordisk Tekstil Holding Group are classified as held for sale. See further description in note 2 Changes in group structure and operations and non-current assets held for sale.

6. RECOGNITION IN THE INCOME STATEMENT

Interest income is recorded using the effective interest method. This implies that nominal interest is recorded when incurred, with the addition of amortised front-end fees less direct establishment costs, e.g. paid credit broking commissions. Interest is recorded according to the effective interest method with respect to both balance sheet items carried at amortised cost and balance sheet items carried at fair value in the income statement, with the exception of front-end fees on loans at fair value, which are recorded when earned. Interest taken to income on impaired commitments corresponds to the effective interest rate on the written-down value. Cf. "Measurement at fair value", "Measurement at amortised cost" and "Impairments on financial assets" in item 8.

Fees and commissions are included in the income statement when the services are rendered. Fees for the establishment of loan agreements are included in cash flows when calculating amortised cost and recorded under "Net interest income" using the effective interest method. Fees that are incurred when establishing financial guarantees are included in the valuation and recorded over the term of the contract under "Net gains on financial instruments at fair value". "Net other operating income" includes among others fees and commissions relating to money transfers, success fees, credit broking, corporate finance and securities services. Fees and commissions are recorded in the income statement when the services are rendered. Success fees are recorded when the fees with a high degree of certainty have been earned and can be measured in a reliable manner.

7. RECOGNITION OF ASSETS AND LIABILITIES

Assets and liabilities are recorded in the balance sheet of the banking grop at the time the group assumes actual control of the rights to the assets and takes on a real commitment.

Assets are derecognised at the time actual risk relating to the assets is transferred and control of the rights to the assets is annulled or expired.

With respect to financial assets where either risk, control or returns have not been transferred, an assessment is to be made of whether the asset should be derecognised. Upon the transfer to loan portfolios for which the banking group retains the major part of the exposure, the assets are not derecognised. The asset's recorded value is limited to the amount for which the banking group still carries risk.

Upon the sale of assets or operations which are still in use within the banking group, for example in connection with outsourcing, the transaction's effects on profits and future income and costs are assessed together.

FINANCIAL INSTRUMENTS Classification of financial instruments

On initial recognition financial assets are classified in one of the following categories according to the purpose of the investment:

- Financial assets held for trading and derivatives carried at fair value with changes in value recognised in profit or loss
- Financial instruments designated as at fair value with changes in value recognised in profit or loss
- Financial derivatives designated as hedging instruments
- Loans and receivables, carried at amortised cost
- Held-to-maturity investments, carried at amortised cost
- Available-for-sale financial instruments carried at fair value, with changes in value recorded against equity

On initial recognition financial liabilities are classified in one of the following categories:

- Financial liabilities held for trading and derivatives carried at fair value with changes in value recognised in profit or loss
- Financial liabilities designated as at fair value with changes in value recognised in profit or loss
- Other financial liabilities carried at amortised cost
- Issued financial guarantees at fair value

Guidelines for classification in the various portfolios of the banking group are given below.

Financial assets and liabilities in the trading portfolio

Instruments in the trading portfolio are typically subject to frequent trading and positions are established with an aim to obtain shortterm gains.

The trading portfolio mainly includes financial assets in DnB NOR Markets and financial derivatives excluding derivatives used for hedging. In 2008, the liquidity portfolio in DnB NOR Markets was reclassified from the trading portfolio to the held-tomaturity category. In addition, the portfolio includes securities issued and deposits where instruments are used actively in interest rate and liquidity management and have a short remaining

Financial assets and liabilities designated as at fair value with changes in value recognised in profit or loss

These are assets and liabilities which on initial recognition are defined as designated as at fair value with changes in value recognised in profit or loss. Financial assets are classified in this category if one of the following criteria is fulfilled:

- The classification eliminates or significantly reduces measurement inconsistency that would otherwise have arisen from measuring financial assets or liabilities on different bases
- The financial instruments are part of a portfolio that is managed and evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

These portfolios include commercial paper and bonds, equities, fixed-rate loans in Norwegian kroner, fixed-rate securities issued in Norwegian kroner, such as index-linked bonds and equity-linked bank deposits and other fixed-rate deposits in Norwegian kroner, as well as financial guarantees.

Financial derivatives designated as hedging instruments

Financial derivatives used in hedge accounting to manage interest rate risk are included in this category.

Loans and receivables carried at amortised cost

The loans and receivables category includes portfolios of loans and receivables that are not designated as at fair value.

Held-to-maturity investments carried at amortised cost

Securities held to maturity are carried at amortised cost.

Available-for-sale financial instruments carried at fair value, with changes in value recorded against equity

Assets which are not included in other categories, are classified as available for sale.

As at 31 December 2008 and 2009, the banking group had no financial instruments classified as available-for-sale.

Other financial liabilities carried at amortised cost

Other financial liabilities that are not included in the trading portfolio or the portfolio designated as at fair value with changes in value recognised in profit or loss, are carried at amortised cost.

Issued financial guarantees

Contracts resulting in the banking group having to reimburse the holder for a loss incurred because a specified debtor fails to make payment when due, are classified as issued financial guarantees.

Reclassification

Non-derivative financial assets may be reclassified from the heldfor-trading category to the loans and receivables, held-to-maturity or available-for-sale category according to specific rules if the financial asset is no longer held for sale or repurchase in the near

Equity instruments and fixed-income securities that have quoted prices in an active market can be reclassified only in rare and extraordinary circumstances.

Financial assets, which meet the definition of loans and receivables in IAS 39, may be reclassified from the held-for-trading category to the loans and receivables category if the banking group has the intention and ability to hold the financial assets for the foreseeable future or until maturity. If, after the reclassification, the banking group increases its estimates for future cash receipts as a result of increased recoverability of those cash receipts, the effect of the increase will be recognised as an adjustment to the effective interest rate from the date the estimate was changed.

The banking group will consider reclassifications based on the individual financial instruments. The earliest reclassification date will be the date when the asset is reclassified out of the trading category. The fair value of the financial asset on the reclassification date will be the new acquisition cost or amortised cost.

The banking group has in 2008 reclassified the liquidity portfolio in DnB NOR Markets from "fair value through profit or loss" to the "held to maturity" category. No reclassifications were made in 2009

Measurement

Initial recognition of financial instruments

On initial recognition, financial instruments carried at fair value through profit or loss will be recorded at fair value on the trading date. Fair value will normally be the transaction price, unless a different value can be justified based on observable market transactions. Financial instruments carried at amortised cost are recorded at the transaction price excluding or including direct transaction costs.

Subsequent measurement

Measurement at fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, in a transaction between independent parties. Financial assets and liabilities are measured at bid or asking prices respectively. Derivatives which are carried net, are recorded at mid-market prices on the balance sheet date. Listed financial equity instruments covering insurance obligations are measured at the most recent listed transaction price.

Instruments traded in an active market

With respect to instruments traded in an active market, quoted prices are used, obtained from a stock exchange, a broker or a price-setting agency.

A market is considered active if it is possible to obtain external, observable prices, exchange rates or interest rates and these prices represent actual and frequent market transactions.

Most of the DnB NOR Bank Group's financial derivatives, e.g. forward currency contracts, forward rate agreements (FRAs), interest rate options, currency options, interest rate swaps and interest rate futures, are traded in an active market. In addition, some investments in equities and commercial paper and bonds are traded in active markets.

If no prices are quoted for the instrument in its entirety, but for the components, it is decomposed and valued on the basis of quoted prices on the individual components.

Instruments not traded in an active market

Financial instruments not traded in an active market are valued according to different valuation techniques and are divided into two categories:

Valuation based on observable market data:

- recently observed transactions in the relevant instrument between informed, willing and independent parties
- instruments traded in an active market which are substantially similar to the instrument that is valued
- other valuation techniques where key parameters are based on observable market data.

Valuation based on other factors than observable market data:

- · estimated cash flows
- valuation of assets and liabilities in companies
- models where key parameters are not based on observable market data
- possible industry standards

When using valuation techniques, values are adjusted for credit and liquidity risk. Valuations are based on pricing of risk for similar instruments

Measurement of financial guarantees

Issued financial guarantees are carried at fair value, which on initial recognition equals the consideration received for the guarantee.

Issued financial guarantees are subsequently measured at the higher of the consideration received for the guarantee excluding any amortised amounts recorded in the income statement and the best estimate of the consideration due if the guarantee is honoured.

Measurement at amortised cost

Financial instruments not recorded at fair value are recorded at amortised cost, and income is calculated based on the instrument's effective interest rate. The effective interest rate is set by discounting contractual cash flows based on the expected life of the financial instrument. Cash flows include front-end fees and direct marginal transaction costs not paid directly by the customer, as well as any residual value at the end of the expected life of the instrument. Amortised cost is the net present value of such cash flows discounted by the effective interest rate.

Impairment of financial assets

On each balance sheet date, the banking group will consider whether there are objective indications that the financial assets have decreased in value. A financial asset or group of financial assets is written down if there are objective evidences of impairment. Objective evidences of a decrease in value include serious financial problems on the part of the debtor, non-payment or other serious breaches of contract, the probability that the debtor will enter into debt negotiations or other special circumstances that have occurred.

Impairment of other financial assets is recognised in the income statement according to the nature of the asset.

Individual write-downs on loans and guarantees

If objective indications of a decrease in value can be found, write-downs on loans are calculated as the difference between the value of the loan in the balance sheet and the net present value of estimated future cash flows discounted by the effective interest rate. Renegotiation of loan terms to ease the position of the borrower qualifies as objective indications of impairment. In accordance with IAS 39, the best estimate is used to assess future cash flows. The effective interest rate used for discounting is not adjusted to reflect changes in the credit risk and terms of the loan due to objective indications of impairment being identified

Individual write-downs on loans reduce the value of the commitments in the balance sheet. Changes in the assessed value of loans during the period are recorded under "Write-downs on loans and guarantees". Interest calculated according to the effective interest method on the written-down value of the loan is included in "Net interest income".

Collective write-downs on loans

Loans which have not been individually evaluated for impairment, are evaluated collectively in groups. Loans which have been individually evaluated, but not written down, are also evaluated in groups.

The evaluation is based on objective evidences of a decrease in value that has occurred on the balance sheet date and can be related to the group.

Loans are grouped on the basis of similar risk and value characteristics in accordance with the division of customers into main sectors or industries and risk categories. The need for writedowns is estimated per customer group based on estimates of the general economic situation and loss experience for the respective customer groups.

Collective write-downs reduce the value of the commitments in the balance sheet. For loans, changes during the period are recorded under "Write-downs on loans and guarantees". Like individual write-downs, collective write-downs are based on discounted cash flows. Cash flows are discounted on the basis of statistics derived from individual write-downs. Interest is calculated on commitments subject to collective write-downs according to the same principles and experience base as for commitments evaluated on an individual basis.

Repossession of assets

Assets which are repossessed as part of the management of nonperforming and impaired commitments, are recorded at fair value at the time of acquisition. Such assets are recorded in the balance sheet according to the nature of the asset. Subsequent valuations and classification of the impact on profits follow the principles for the relevant balance sheet item.

Presentation in the balance sheet and income statement

Lending

Loans are recorded, dependent on the counterparty, either as lending to and deposits with credit institutions or lending to customers, regardless of measurement principle.

Interest income on instruments classified as lending are included in "Net interest income" using the effective interest method, irrespective of measurement principle. The method is described above under "Measurement at amortised cost".

A decrease in value on the balance sheet date based on objective indications of impairment for loans valued at amortised cost and in the portfolios of fixed-rate loans measured at fair value, are reflected in "Write-downs on loans and guarantees".

Other changes in value of the portfolios of fixed-rate loans measured at fair value, and changes in value of loans included in the trading portfolio are included under "Net gains on financial instruments at fair value".

Commercial paper and bonds

This category includes commercial paper and bonds which DnB NOR Bank has no stated intention of holding to maturity. The portfolio includes both commercial paper and bonds in the trading portfolio and commercial paper and bonds designated as at fair value through profit or loss.

Interest income and expenses on other portfolios of commercial paper and bonds, using the effective interest method, are included in "Net interest income". Other changes in value are recorded under "Net gains on financial instruments at fair value" in the income statement.

Shareholdings

Shareholdings include shareholdings in the trading portfolio as well as shareholdings and mutual funds designated as at fair value with changes in value recognised in profit or loss.

Changes in value of other shareholdings are recorded under "Net gains on financial instruments at fair value".

Financial derivatives

Financial derivatives are classified as either financial derivatives in the trading portfolio or as derivatives used in hedge accounting.

Financial derivatives are presented as an asset if the value is positive and as a liability if there is a negative value.

Interest income and expenses on other financial derivatives are included in "Net interest income" using the effective interest method. Other changes in value are recorded under "Net gains on financial instruments at fair value".

Commercial paper and bonds, held to maturity

The portfolio consists of long-term securities which the banking group both intends and is able to hold to maturity.

Loans and deposits from credit institutions and deposits from customers

Liabilities to credit institutions and customers are recorded, dependent on the counterparty, either as loans and deposits from credit institutions or deposits from customers.

Interest expenses on such instruments are included in "Net interest income" using the effective interest method. Other changes in value are recorded under "Net gains on financial instruments at fair value".

Securities issued and subordinated loan capital

Securities issued and subordinated loan capital includes commercial paper issued, bond debt, subordinated loan capital and perpetual subordinated loan capital securities.

Interest expenses on such instruments are included in "Net interest income" using the effective interest method. Other changes in value are recorded under "Net gains on financial instruments at

fair value" in the income statement and include changes in value due to changes in credit margins.

Issued financial guarantees

When issuing financial guarantees, the consideration for the guarantee is recorded under "Provisions" in the balance sheet. Except for individually identified impaired commitments, any changes in the carrying amount of financial guarantee contracts issued are recorded as "Net gains on financial instruments at fair value". Changes in the value of such guarantee contracts are recorded under "Net write-downs on loans and guarantees".

Hedge accounting

The banking group enters into hedging transactions to manage interest rate risk on long-term borrowings and deposits in foreign currencies. These transactions are recorded as fair value hedges.

When instruments are individually hedged, there is a clear, direct and documented correlation between changes in the value of the hedged item resulting from the hedged risk and changes in the value of the financial derivative (hedging instrument).

Upon entering into the hedge relationship, the correlation between the hedged item and the hedging instrument is documented. In addition, the goal and strategy underlying the hedging transaction are documented. Changes in fair value related to the hedged risk of the hedged item and instrument are evaluated periodically to ensure the necessary hedge effectiveness. Hedging instruments are recorded at fair value and included under "Net gains on financial instruments at fair value" in the income statement.

In hedge relationships, changes in fair value attributable to the hedged risk will be recorded as an addition to or deduction from financial liabilities and assets.

If the hedge relationship ceases or adequate hedge effecttiveness cannot be verified, the change in value of the hedged item is amortised over the remaining maturity.

DnB NOR Bank ASA undertakes fair value hedging of investments in subsidiaries to eliminate the currency risk on the invested amount. Hedging transactions are in the form of currency swaps or long-term borrowings in foreign currency.

Offsetting

Financial assets and financial liabilities are offset and the net amount recorded in the balance sheet only when the banking group has a legally enforceable right to set off the amounts and when the banking group intends to settle on a net basis. Income and costs are not offset unless such action is required or permitted under IFRS.

9. LEASING

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incident to ownership. Other leases are classified as operational leases.

DnB NOR Bank as lessor

Operational leasing

Operating leases include leases where DnB NOR Bank offers the lessee a guaranteed residual value at the end of the lease period. Operating assets are recorded as machinery, fixtures and fittings and means of transport. Income from operating leases is recognised over the lease term on a straight-line basis, unless another systematic basis is more representative of the time pattern of the lessee's benefit. Depreciation in the accounts is classified as ordinary depreciation.

Financial leasing

Finance leases are classified as lending and at the inception of the lease, its value is set at an amount equal to the net investment in the lease. The net investment represents minimum lease payments, unguaranteed residual values and any direct expenses incurred by

the lessor in negotiating the lease, discounted by the implicit interest rate (internal rate of return). Leasing income is recorded according to the annuity method, where the interest component is recorded under "Net interest income" while instalments reduce the balance sheet value of lending.

DnB NOR Bank as lessee

Operational leasing

Lease payments are recognised as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

10. INVESTMENT PROPERTY AND FIXED ASSETS

Properties held to generate profits in customer portfolios through rental income or for an increase in value, are classified as investment property.

Other tangible assets are classified as fixed assets. Investment properties are measured initially at cost and thereafter at fair value on the balance sheet date. No annual depreciation is made on investment property. Internal and external expertise is used for valuations. A selection of external appraisals are obtained and compared with internal valuations. Sensitivity tests are carried for various estimates of parameter values included in an overall evaluation. Changes in value of investment property are recorded under "Other income" in the income statement.

Other tangible assets are recorded at cost less accumulated depreciation and write-downs. Cost includes expenses directly related to the acquisition of the asset. Subsequent expenses are capitalised on the relevant assets when it is probable that future economic benefits associated with the expenditure will flow to DnB NOR Bank and can be measured reliably. Expenses for repairs and maintenance are recorded in the income statement as they

Fixed assets held for sale are recorded at the lower of balance sheet value and fair value, excluding selling expenses.

The residual values and useful lives of the assets are reviewed annually and adjusted if required. Gains and losses on the sale of fixed assets are recorded under "Net gain on fixed and intangible assets" in the income statement.

11. INTANGIBLE ASSETS Goodwill

An annual impairment test is made for all cash-generating units for goodwill. If there is objective evidence of a decrease in value during the year, a new test will be carried out in order to verify whether values are intact. The test is based on the units' value in use for the banking group.

The choice of cash-generating unit is based on where it is possible to identify and separate cash flows relating to operations. A cash-generating unit may include goodwill from several transactions, and the impairment test is carried out on the unit's total recorded goodwill.

The tests are based on historical results and available budgets and plan figures approved by management. On the basis of plan figures for the cash-generating units, a future cash flow is estimated, defined as the potential return to the owner. The return includes profits from operations adjusted for the need to build sufficient capital to meet prevailing capital adequacy requirements. Higher capital requirements due to expanded operations could make it necessary to retain part of the profits or to inject more capital from the owner, if profits from operations are not adequate to build the necessary capital. Beyond the plan period, which in most cases is three years, cash flow trends are assumed to reflect market expectations for the type of operations carried out by the cash-generating unit.

The required rate of return is based on an assessment of the market's required rate of return for the type of operations carried

out by the cash-generating unit. The required rate of return reflects the risk of the operations. Goodwill from the acquisition of companies generating cash flows in foreign currencies is translated at rates of exchange ruling on the balance sheet

Development of IT systems and software

Acquired software is recorded at cost with the addition of expenses incurred to make the software ready for use. Identifiable costs for internally developed software controlled by the banking group where it is probable that economic benefits will cover development expenses at the balance sheet date, are recorded as intangible assets. When assessing balance sheet values, the economic benefits are evaluated on the basis of profitability analyses. Development expenses include expenses covering pay to employees directly involved in the project, materials and a share of directly related overhead expenses. Expenses relating to maintenance of software and IT systems are charged to the income statement as they occur. Software expenses recorded in the balance sheet are depreciated according to a straight line principle over their expected useful life, usually five years. The need for impairment testing is considered according to the principles described below

12. IMPAIRMENT OF FIXED AND INTANGIBLE ASSETS

On each reporting date and if there is any indication of a decrease in value of fixed and intangible assets, the recoverable amount of the asset is calculated to estimate possible impairment needs.

The recoverable amount represents the higher of an asset's fair value less costs to sell and its value in use. If the asset's recorded value exceeds the estimated recoverable amount, the asset is immediately written down to its recoverable amount. See note 35 Goodwill and intangible assets with an indefinite useful life, for a description of impairment testing.

The banking group uses the following criteria to consider whether there are indications that an asset has been impaired:

- a decline in the asset's market value
- changes in the long-term return requirement which may affect the discount rate used in the calculation of the asset's value in use
- plans to restructure or liquidate the asset
- the asset generates less income than anticipated

13. PENSIONS Defined-benefit occupational pension schemes

In a defined-benefit scheme, the employer is committed to paying future specified pension benefits.

The basis for calculating pension expenses is a linear distribution of pension entitlements measured against estimated accumulated commitments at the time of retirement. Expenses are calculated on the basis of pension entitlements earned during the year with the deduction of the return on funds assigned to pensions.

Pension commitments which are administered through life insurance companies, are matched against funds within the scheme. When total pension funds exceed estimated pension commitments on the balance sheet date, the net value is classified as an asset in the balance sheet if it has been rendered probable that the overfunding can be utilised to cover future commitments. When pension commitments exceed pension funds, the net commitments are classified under liabilities in the balance sheet. Each scheme is considered separately.

Pension commitments which are not administered through life insurance companies, are recorded as liabilities in the balance

Pension commitments represent the present value of estimated future pension payments which in the accounts are classified as

accumulated on the balance sheet date. The calculation of pension commitments is based on actuarial and economic assumptions about life expectancy, rise in salaries and early retirement. The discount rate used is determined by reference to market yields at the balance sheet date on long term (10-year) government bonds, plus an addition that takes into account the relevant duration of the pension liabilities.

Deviations in estimates are recorded in the income statement over the average remaining service period when the difference exceeds the greater of 10 per cent of pension funds and 10 per cent of pension commitments.

The financial effects of changes in pension schemes are recorded as income or charged to expense on the date of the change, unless the rights under the new pension scheme are conditional on the employee remaining in service for a specified period.

Pension expenses are based on assumptions determined at the start of the period. Pension expenses are classified as personnel expenses in the income statement. Employer's contributions are included in pension expenses and pension commitments.

DnB NOR Group's life insurance company, Vital Forsikring ASA, largely administers the banking group's pension schemes in Norway. No eliminations are made with respect to the banking group's pension commitments and pension funds or for pension expenses and premium income in the income statement.

Defined-contribution occupational pension schemes

Under defined-contribution pension schemes, the banking group does not commit itself to paying specified future pension benefits, but makes annual contributions to the employees' group pension savings. Future pensions will depend on the size of annual contributions and the annual return on pension savings. After paying annual contributions, the banking group thus has no further commitments linked to employees' work performance. Thus, no allocations are made for accrued pension commitments in such schemes. Defined-contribution pension schemes are charged directly to the income statement.

14. INCOME TAX

Taxes for the year comprise payable taxes for the financial year, any payable taxes for previous years and changes in deferred taxes on temporary differences. Temporary differences are differences between the recorded value of an asset or liability and the taxable value of the asset or liability. Deferred taxes are calculated on the basis of tax rates and tax rules that are applied on the balance sheet date or are highly likely to be approved and are expected to be applicable when the deferred tax asset is realised or the deferred tax liability settled. The most significant temporary differences refer to pensions, depreciation of fixed assets and properties, impairment losses for goodwill and revaluations of certain financial assets and liabilities.

Deferred tax assets are recorded in the balance sheet to the extent that it is probable that future taxable income will be available against which they can be utilised. Deferred taxes and deferred tax assets in the tax group are recorded net in DnB NOR Bank's balance sheet.

Payable and deferred taxes are recorded against equity if the taxes refer to items recorded against equity during the same or in previous periods.

15. SEGMENTS

Segment reporting is based on internal management reporting and resource allocation.

The income statement and balance sheets for segments have been prepared on the basis of internal financial reporting for the functional organisation of the DnB NOR Bank Group into business areas. Figures for the business areas are based on DnB NOR's management model and the banking group's accounting principles. The figures are based on a number of assumptions, estimates and discretionary distribution. See note 3 Segments.

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

According to DnB NOR's management model, the business areas are independent profit centres with responsibility for meeting requirements for return on allocated capital. All of the banking group's customer activities are divided among the business areas, along with the related balance-sheet items, income and expenses.

Excess liquidity and liquidity deficits in the business areas are placed in or borrowed from the bank's Treasury at market terms, where interest rates are based on duration and the banking group's financial position.

When business areas cooperate on the delivery of financial services to customers, internal deliveries are based on market prices or simulated market prices according to special agreements. In certain cases where it is particularly difficult to find relevant principles and prices for the distribution of items between two cooperating business areas, DnB NOR Bank has chosen to show net contributions from each transaction in both business areas. The impact on profits is eliminated at group level.

Services provided by group services and staff units are charged to the business areas in accordance with service agreements. Joint expenses, which are indirectly linked to activities in the business areas, are charged to the business areas' accounts on the basis of distribution formulas.

A number of key functions along with profits from activities not related to the business areas' strategic operations are entered in the accounts under the Group Centre. This item comprises income and expenses relating to the banking group's liquidity management, income from investments in equity instruments not included in the trading portfolio and interest income on the banking group's unallocated capital. Further entries include ownership-related expenses and income from the management of the bank's real estate portfolio.

Return on capital is estimated on the basis of official requirements in accordance with regulations issued by Finanstilsynet.

Note 3 Segments also shows a geographic breakdown of operations, including DnB NORD and other international operations.

16. RESTRUCTURING

If restructuring plans that change the scope of operations or the way operations are carried out are approved and communicated, the need for restructuring provisions will be considered. The provisions are reviewed on each reporting date and will be reversed as expenses are incurred.

17. CASH FLOW STATEMENTS

The cash flow statements show cash flows grouped according to source and use. Cash is defined as cash, deposits with central banks and deposits with credit institutions with no agreed period of notice. The cash flow statement has been prepared in accordance with the direct method

18. EQUITY AND CAPITAL ADEQUACY

Proposed dividends

Proposed dividends are part of equity until approved by the general meeting. Proposed dividends are not included in capital adequacy calculations.

Capital adequacy

The Basel II capital adequacy rules entered into force on 1 January 2007.

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

19. APPROVED STANDARDS AND INTER-PRETATIONS THAT HAVE NOT ENTERED INTO FORCE

IFRS 3 - Business Combinations (revised)

Compared with the prevailing IFRS 3, the revised standard introduces certain changes and specifications with respect to the use of the acquisition method. Amendments relate to goodwill in step acquisitions, minority interests and contingent considerations. Acquisition costs in excess of issue and borrowing costs shall be expensed as they occur. The revised IFRS 3 entered into force on 1 July 2009. The banking group introduced IFRS 3 (R) as from 1 January 2010. IFRS 3 (R) cannot be applied retrospectively. The revised standard will affect the banking group's recording of future acquisitions.

IAS 27 – Consolidated and Separate Financial Statements (revised)

Compared with the prevailing IAS 27, the revised standard gives more guidance regarding the accounting treatment of changes in ownership interests in subsidiaries. The introduction of the revised standard implies that upon loss of control of a subsidiary, any residual holding in the former subsidiary must be measured at fair value and the gain or loss on the disposal recognised in profit or loss. In addition, current rules relating to the distribution of losses between the majority and the minority have been changed, whereby losses are to be charged to the non-controlling interests (minority interests), even if the balance sheet value of the minority interest will thus be negative. The revised IAS 27 entered into force on 1 July 2009. The banking group introduced IAS 27 (R) as from 1 January 2010. The revised standard will affect the banking group's recording of future acquisitions and any sale/purchase of residual holdings in subsidiaries.

IFRS 9 – Financial Instruments – Classification and Measurement

In the new IFRS 9, the number of measurement categories for financial assets is reduced from four to two: amortised cost and fair value. It will still be possible to use the fair value option for financial instruments which initially must be recorded at amortised cost if fair value measurement will reduce or eliminate measurement inconsistency. It will no longer be permissible to record unquoted equity instruments at cost.

In order for a financial instrument to be measured at amortised costs, the instrument must have basic loan features and be managed on a contractual cash flow basis. If the criteria for measuring the financial instrument at amortised cost are not met, the instrument must be measured at fair value.

The new standard requires a review of the existing classification of all financial instruments in the banking group's balance sheet.

As a rule, loans to customers that are currently measured at amortised cost can still be measured at amortised cost according to the new rules.

Equities and financial derivatives will still be measured at fair value.

Commercial paper and bonds held for trading will be measured at fair value. The banking group may consider measuring commercial paper and bonds classified as held-to-maturity at amortised cost if it intends to collect the instruments' contractual

cash flows. Contract terms and the banking group's business model must be considered specifically for each instrument.

Equity instruments will not meet the terms for measurement at amortised cost. According to the new standard, unquoted equity instruments cannot be measured at cost. The amendment will not affect the measurement of the banking group's equity instruments, as these are measured at fair value.

The banking group will consider the effects of the new IFRS 9. To be able to make an overall assessment of the accounting effects of the new classification and measurement of the banking group's financial instruments, it is considered prudent to await the completion of all stages of the project leading up to the new IAS 39.

IFRS 9 will enter into force on 1 January 2013, but has not yet received EU approval. The banking group expects to introduce the standard as from 1 January 2013.

None of the amendments below will result in material changes in the banking group's use of accounting principles or note information:

Amendments to IAS 39 – Financial Instruments: Recognition and Measurement – hedging of risk components

Amendments to the standard provide further guidance on hedging unilateral risk and inflation risk. The amendments entered into force on 1 July 2009. The banking group will apply the amendments in IAS 39 as from 1 January 2010.

IFRIC 16 – Hedges of a Net Investment in a Foreign Operation

The interpretation clarifies which types of hedges may qualify for hedge accounting and which risks may be hedged. The interpretation entered into force on 1 July 2009. The banking group will apply IFRIC 16 as from 1 January 2010.

Amendments to IAS 32 – Financial Instruments – Presentation – Classification of Rights Issues

The amendments to IAS 32 imply that subscription rights denominated in another currency than the company's functional currency may be classified as equity instruments. The amendments entered into force on 1 February 2010. The banking group expects to apply the amendments as from 1 January 2011.

IAS 24 - Related Party Disclosures (revised)

The revised standard clarifies and simplifies the definition of related parties. The amendments will enter into force on 1 January 2011, but have not yet received EU approval. The banking group expects to apply the revised IAS 24 from 1 January 2011.

Amendments to IFRS 2 – Share-based Payment Group Cash-settled Share-based Payment Transactions

IFRS 2 gives more guidance regarding cash-settled share-based payments. The definition of share-based payments has been changed somewhat. The amendments have not received EU approval. The amendments entered into force on 1 January 2010.

IFRIC 12 – Service Concession Arrangements

IFRIC 12 deals with public service concessions related to infrastructure projects granted to private operators, where the services are regulated or controlled by the public sector body. The interpretation entered into force on 29 March 2009.

Amendments to IFRIC 14 and IAS 19 – the Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The amendments imply that companies subject to a minimum funding requirement for a pension scheme may record prepayments of premiums due in a defined benefit pension scheme. The

amendments to IRFIC 14 will enter into force on 1 January 2011, but have not yet received EU approval.

IFRIC 15 - Agreements for the Construction of Real Estate

The amendments imply that a number of projects can no longer be regarded as construction projects in accordance with IAS 11 Construction Contracts. The interpretation has received EU approval and entered into force on 1 January 2010.

IFRIC 17 - Distributions of Non-cash Assets to Owners

The interpretation addresses the accounting treatment of distributions of non-cash assets to owners. The interpretation entered into force on 1 November 2009. The banking group will apply IFRIC 17 as from 1 January 2010.

IFRIC 18 - Transfers of Assets from Customers

The interpretation relates to the seller's accounting practice for transfers of fixed assets from customers to the seller in accordance with the terms of the agreement. The interpretation entered into force on 1 November 2009.

IFRIC 19 – Extinguishing Financial Liabilities with Equity

The interpretation gives guidance for accounting for transactions when a company settles all or parts of its financial obligations through the issue of equity instruments. The interpretation will enter into force on 1 July 2010, but has not yet received EU approval.

IASB's annual improvement project

Amendments to several standards have been approved, entering into force during 2010. None of the amendments will result in changes in the Group's use of accounting principles or note information.

IFRS 2 - Share-based Payment

The contribution of a business on formation of a joint venture and combinations under common control are not within the scope of IFRS 2.

IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations

Clarifies that only the disclosure requirements in IFRS 5 apply to non-current assets held for sale and discontinued operations.

IFRS 8 – Operating Segments

Clarifies that only segment assets and liabilities which are reported separately for internal decision-making purposed need to be disclosed in segment information.

IAS 1 – Presentation of Financial Statements

Clarifies that if the lender at all times is entitled to convert a convertible loan to equity, it will not affect the classification of the loan.

IAS 7 - Statement of Cash Flows

Clarifies that only expenditure that results in a recognised asset can be classified as a cash flow from investing activities.

IAS 17 - Leases

The specific guidance on classifying land as a financial leases is removed.

IAS 18 - Revenue

Guidance has been added to determine whether an entity is acting as an agent or as a principal for own account and risk.

IAS 36 - Impairment of Assets

Clarifies that the largest unit permitted for allocating goodwill acquired in a business combination is the operating segment.

IAS 38 - Intangible Assets

Clarifies that if an intangible asset is identifiable only with another intangible asset, the assets may be recognised as a single asset provided that they have similar useful lives.

IAS 39 – Financial Instruments: Recognition and Measurement

Clarifies that a prepayment option is considered to be closely related to the host contract when the exercise price approximates the present value of remaining interest payments under the host contract.

Clarifies that the exemption for contracts between an acquirer and a vendor in a business combination for a future transfer of assets in the target company, applies only to forward contracts.

Clarifies that gains and losses on instruments in cash flow hedges where the future expected cash flow results in the recognition of a financial instrument should not be recognised in profit or loss until the hedged forecast cash flows affect profit or loss

IFRIC 9 - Reassessment of Embedded Derivatives

Clarifies that IFRIC 9 does not apply to the reassessment of embedded derivatives in combinations between businesses under common control or the formation of a joint venture.

IFRIC 16 – Hedges of a net Investment in a Foreign Operation

Clarifies that in a hedge of a net investment in a foreign operation, qualifying hedging instruments may be held by any entity within the group.

Note 1 Important accounting estimates and discretionary assessments

When preparing the consolidated accounts for the bank and the banking group, management makes estimates and discretionary assessments as well as assumptions that influence the effect of the accounting principles applied. In turn, this will affect the recorded values of assets and liabilities, income and expenses. Estimates and discretionary assessments are subject to continual evaluation and are based on historical experience and other factors, including expectations of future events that are believed to be probable on the balance sheet date.

Write-downs on loans

If objective evidence of a decrease in value can be found, write-downs on loans are calculated as the difference between the value of the loan in the balance sheet and the net present value of estimated future cash flows discounted by the effective interest rate. Estimates of future cash flow are based on empirical data and discretionary assessments of future macroeconomic developments and developments in problem commitments, based on the situation on the balance sheet date. The estimates are the result of a process which involves the business areas and central credit units and represents management's best estimate. When considering write-downs on loans, there will be an element of uncertainty with respect to the identification of impaired loans, the estimation of amounts and the timing of future cash flows, including collateral assessments. Write-downs on loans in 2010 are expected to be somewhat lower than in 2009.

Individual write-downs

When estimating write-downs on individual commitments, both the current and the future financial positions of customers are considered. For corporate customers, the prevailing market situation is also reviewed, along with market conditions within the relevant industry and general market conditions which could affect the commitments. In addition, potential restructuring, refinancing and recapitalisation are taken into account. An overall assessment of these factors forms the basis for estimating future cash flow. The discount period is estimated on an individual basis or based on empirical data regarding the period up until a solution is found to the problems resulting in impairment of the commitment

Collective write-downs

On each balance sheet date, commitments which have not been individually evaluated for impairment, are evaluated collectively in groups. Commitments which have been individually evaluated, but not individually written down, are also included in this category. Commitments are divided into customer groups on the basis of macroeconomic conditions which are assumed to have the same effect on the relevant customers. The expected future cash flow is estimated on the basis of expected losses and the anticipated economic situation for the respective customer groups. Expected losses are based on loss experience within the relevant customer groups. The economic situation is assessed by means of economic indicators for each customer group based on external information about the markets. Various parameters are used depending on the customer group in question. Key parameters are production gaps, which give an indication of capacity utilisation in the economy, housing prices and shipping freight rates. To estimate the net present value of expected future cash flows for commitments subject to collective write-downs, the observed discount effect estimated for the individually evaluated commitments is used.

Estimated impairment of goodwill

See note 35 for information regarding goodwill.

Fair value of financial derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using different valuation techniques. The banking group considers and chooses techniques and assumptions that as far as possible are based on market conditions on the balance sheet date. When valuing financial instruments for which observable market data are not available, the banking group will make assumptions regarding what it expects the market to use as a basis for valuing corresponding financial instruments. The valuations require a high level of discretion when calculating liquidity risk, credit risk and volatility. Changes in these factors could affect the established fair value of the banking group's financial instruments. See also note 28 Financial instruments at fair value. The fair value of the obligations under issued financial guarantees is measured by using the techniques applied to write-downs on loans, as described above.

Pension commitments

The net present value of pension commitments depends on current economic and actuarial assumptions. Any change made to these assumptions affects the pension commitments amount recorded in the balance sheet and pension expenses.

The discount rate used is determined by reference to market yields at the balance sheet date on long term (10-year) government bonds, plus an addition that takes into account the relevant duration of the pension liabilities. The type of pension fund investments and historical returns determine the expected return on pension funds. In the past, the average return on pension funds has been higher than the risk-free rate of interest as part of the pension funds has normally been placed in securities with slightly higher risk than government bonds. The estimated return is expected to be 2 percentage points higher than the Treasury bill yield.

Other fundamental assumptions for pension commitments include annual rise in salaries, annual rise in pensions, anticipated increase in the National Insurance basic amount (G) and anticipated CPA acceptance (early retirement pension). The assumptions are based on the updated guidance notes on pension assumptions issued by the Norwegian Accounting Standards Board. A sensitivity analysis is shown in note 23 Pensions.

Income taxes

The banking group is subject to income taxes in numerous jurisdictions. Significant discretion is required in determining the income tax in the consolidated accounts for the banking group. The final tax liability relating to many transactions and calculations will be uncertain. The banking group recognises liabilities related to the future outcome of tax disputes based on estimates of additional taxes. When assessing the uncertain tax liabilities to be recognised in the balance sheet, the probability of the liability arising is considered. The liability is calculated on a best estimate basis. If the final outcome of the cases deviates from the originally allocated amounts, the deviations will affect income tax entered in the applicable period.

Note 1 Important accounting estimates and discretionary assessments (continued)

Contingencies

Due to its extensive operations in Norway and abroad, the banking group will regularly be party to a number of legal actions. Any impact on the accounts will be considered in each case. See note 46 Off-balance sheet transactions, contingencies and post-balance sheet events.

The Norwegian government's stimulus package

The Norwegian government's stimulus package for the banks allows the banks to exchange covered bonds for Treasury bills. DnB NOR Bank ASA has purchased bonds from DnB NOR Boligkreditt which have been used as collateral for swap agreements with Norges Bank. The value of the collateral must exceed the value of the Treasury bills by a minimum safety margin throughout the contract period. At the end of the contract period, 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. From an accounting perspective, the banking group is of the opinion that the terms for derecognition in IAS 39 have not been fulfilled, as the banking group, through the swap agreements, retain the risk associated with changes in value of the bonds and other cash flows in the form of yields.

The interest rate paid by the banks in the swap scheme with Norges Bank is determined through auctions. In the opinion of DnB NOR Bank, 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 banking 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 banking 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.

Transfer of loan portfolios

When transferring loan portfolios to, among others, Eksportfinans AS, the banking group will consider whether the criteria for derecognition have been fulfilled in accordance with IAS 39. In cases where the banking group retains the credit risk and margins relating to the loan portfolios, the risks and returns are not considered to be transferred to the counterparty, and the loan portfolios are retained in the banking group's balance sheet. As at 31 December 2009, such portfolios totalled NOK 9 215 million.

DnB NORD

DnB NOR Bank ASA has a 51 per cent ownership interest in Bank DnB NORD AS. Bank DnB NORD AS is the parent company in the DnB NORD Group and has branches in Denmark, Finland and Estonia and subsidiaries in Lithuania, Latvia and Poland. The Board of Directors of Bank DnB NORD AS was established with four representatives from each of the owners. The board chairman is from DnB NOR Bank ASA, while the vice-chairman is from NORD/LB. DnB NOR Bank ASA has the majority of the votes at general meetings. If there is a tie vote, the board chairman in Bank DnB NORD AS has a double vote. In certain matters, however, the shareholder agreement requires consent from both the board chairman and the vice-chairman. In this connection, an assessment has been made of whether the existing shareholder agreement may influence the consolidation requirement. After an assessment of key operational aspects, it has been concluded that the consolidation requirement remains in force. Through its ownership, shareholder agreement and actual management, DnB NOR Bank has de facto control of operations, whereby Bank DnB NORD AS is classified as a subsidiary. The DnB NORD Group is thus fully consolidated in the accounts of the DnB NOR Bank Group.

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 amongst other 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 2 Changes in group structure and operations and non-current assets held for sale

Changes in group structure

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 portfolio is diversified with respect to property types, sizes and locations. The transfers are made in agreement with the customers. Like DnB NOR Boligkreditt, DnB NOR Næringskreditt purchases management and administrative services from DnB NOR Bank ASA.

Note 2 Changes in group structure and operations and non-current assets held for sale (continued)

Operations and non-current assets held for sale

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 Bank 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 Bank Group, are presented under "Profits from operations and non-current assets held for sale, after taxes" 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. After the elimination of internal items, profits came to NOK 80 million. In the segment reporting, these operations are included under "Group Centre".

Note 3 Segments

Business areas

The operational structure of the DnB NOR Bank Group includes three business areas and four staff and support units. In addition, DnB NORD, in which the DnB NOR Bank Group has a 51 per cent ownership interest, is regarded as a separate profit centre. The business areas are independent profit centres and have responsibility for serving all of the banking group's customers and for the total range of products. DnB NOR Bank Group's business areas comprised Retail Banking, Large Corporates and International and DnB NOR Markets. 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.

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 Bank 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 banking 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

- is the banking group's investment bank with 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.

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 Bank Group into business areas. Figures for the business areas are based on DnB NOR Bank Group's management model and 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 banking group's long-term funding are charged to the business areas. According to the banking group's liquidity management policy, over 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.

Note 3 Segments (continued)

Income statement DnB NOR Bank Group

									Ot	her		
			Large Co	rporates					operations/		DnB NOR	
	Reta	ail Banking	and Inter	national	DnB NO	R Markets	DnB	NORD	elimin	ations 1)	Bank	Group
Amounts in NOK million	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	1 462	1 411	782	3 377	23 112	22 335
Interest on allocated capital 2)	503	1 224	793	1 606	144	305	96	303	(1 536)	(3 438)		
Net interest income	14 998	13 571	6 066	6 097	1 244	1 014	1 559	1 714	(754)	(61)	23 112	22 335
Profit from companies accounted for by the equity method	4	1	86	61	0	0	0	0	2	570	93	632
Other external operating income	3 751	3 716	2 439	2 273	5 999	4 671	683	754	(1 142)	(2 199)	11 731	9 215
Net other operating income	3 756	3 717	2 525	2 334	5 999	4 671	684	754	(1 140)	(1 630)	11 824	9 847
Operating expenses	9 177	8 978	1 784	1 970	1 898	1 738	1 418	1 396	471	563	14 747	14 646
Depreciation and impairment of fixed and intangible assets	1 008	642	22	50	15	11	1 172	308	(122)	285	2 094	1 296
Total operating expenses	10 185	9 620	1 806	2 021	1 913	1 749	2 589	1 704	349	848	16 841	15 942
Pre-tax operating profit before write-downs	8 569	7 669	6 785	6 410	5 331	3 936	(347)	764	(2 243)	(2 538)	18 094	16 240
Net gains on fixed and intangible assets	1	0	0	17	0	0	(13)	19	38	16	26	52
Write-downs on loans and guarantees	1 586	1 267	1 128	212	0	1	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	(4 289)	(605)	(3 273)	(3 163)	10 410	12 784
Taxes											4 351	3 568
Profit from operations and non-current assets held for sale, after taxes									80	0	80	0
Profit for the year									(3 193)	(3 163)	6 139	9 215

Balance sheets DnB NOR Bank Group

									U	tner		
			Large Co	rporates					operations/			B NOR
	Retail E	Banking	and Inter	rnational	DnB NO	R Markets	DnB	NORD	elimir	nations	Bank	k Group
Amounts in NOK billion	31.12.09	31.12.08	31.12.09	31.12.08	31.12.09	31.12.08	31.12.09	31.12.08	31.12.09	31.12.08	31.12.09	31.12.08
Net lending to customers 3)	727	703	335	410	8	9	68	99	(4)	(1)	1 134	1 220
Investments in associated companies 4)									2	2	3	2
Operations and non-current assets held for sale									1	0	1	0
Other assets	14	40	18	21	676	786	15	17	(245)	(447)	478	416
Total assets	741	744	354	431	684	794	83	116	(246)	(446)	1 616	1 638
Deposits from customers 3)	370	366	193	216	28	15	20	24	19	4	631	626
Operations held for sale									0	0	0	0
Other liabilities	352	358	130	189	651	774	56	85	(286)	(471)	902	934
Total liabilities	722	724	324	405	679	789	75	109	(267)	(467)	1 533	1 561
Allocated capital 5)	19	20	30	26	6	5	8	7	20	21	83	77
Total liabilities and equity	741	744	354	431	684	794	83	116	(246)	(446)	1 616	1 638

1)	Other operations/eliminations:	Elimination of
		double entries

	double	e entries	Other eliminations		Group Cebtre *)		Total	
Amounts in NOK million	2009	2008	2009	2008	2009	2008	2009	2008
Net interest income - ordinary operations			10	(24)	772	3 401	782	3 377
Interest on allocated capital			0	0	(1 536)	(3 438)	(1 536)	(3 438)
Net interest income			10	(24)	(764)	(36)	(754)	(61)
Profit from companies accounted for by the equity method			0	0	2	570	2	570
Other operating income	(1 649)	(1 974)	(265)	(66)	772	(159)	(1 142)	(2 199)
Net other operating income	(1 649)	(1 974)	(265)	(66)	774	410	(1 140)	(1 630)
Operating expenses			(252)	(78)	724	641	471	563
Depreciaton and impairment of fixed and intangible assets			(3)	(3)	(119)	288	(122)	285
Total operating expenses			(255)	(81)	605	929	349	848
Pre-tax operating profit before write-downs	(1 649)	(1 974)	0	(9)	(595)	(555)	(2 243)	(2 538)
Net gains on fixed and intangible assets			0	9	38	7	38	16
Write-downs on loans and guarantees			0	0	1 067	642	1 067	641
Pre-tax operating profit	(1 649)	(1 974)	0	0	(1 624)	(1 189)	(3 273)	(3 163)

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 banking group are eliminated. In the ongoing management reporting and financial performance monitoring, net profits on customer business carried out in cooperation between primarily DnB NOR Markets and customer units in other business areas, are taken to income in both areas. Double entries are eliminated at banking group level.

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

Note 3 Segments (continued)

*) Group Centre - pre-tax operating profit in NOK million	2009	2008
Interest on unallocated equity and other unallocated items	561	590
Allocation to employees	131	0
Income on equities 6)	80	(1 391)
Funding costs on goodwill	(3)	(67)
Eksportfinans AS	(200)	570
Unallocated write-downs on loans and guarantees	(1 191)	(682)
Portfolio hedging, Treasury and fair value on lending	(1 253)	(297)
Other	251	88
Pre-tax operating profit	(1 624)	(1 189)

- 2) The interest is calculated on the basis of internal measurement of risk-adjusted capital.
- 3) Net lending to customers includes lending to credit institutions totalling NOK 5.5 billion in 2009 and NOK 12.9 billion in 2008. Customer deposits include deposits from credit institutions of NOK 16.9 billion in 2009 and NOK 19.6 billion in 2008. Deposits with and from banks are not included.
- 4) See note 32 Investments in associated companies.
- 5) Allocated capital is calculated on the basis of internal measurement of risk-adjusted capital.
- 6) The value of the investment in Oslo Børs VPS Holding ASA was reduced by NOK 576 million in 2008.

Key figures DnB NOR Bank Group

			Large Cor	porates					Ot	her	Dnf	3 NOR
	Retail N	Retail Norway and		and International		DnB NOR Markets		NORD	operations		Bank	Group
Per cent	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Cost/income ratio 1)	53.2	55.1	21.0	24.0	26.4	30.8	73.5	63.7			46.1	46.2
Ratio of deposits to lending as at 31 Dec. 2)	50.9	52.1	57.7	52.8			29.0	24.7			55.6	51.4
Return on allocated capital 3)	26.1	23.6	13.4	17.4	69.8	58.0	(34.4)	(5.8)				
Number of full-time positions as at 31 Dec. 4)	5 090	5 241	1 061	1 115	647	655	3 174	3 597	2 291	2 240	12 263	12 848

- 1) Total operating expenses relative to total income. Expenses exclude impairment losses for goodwill.
- 2) Deposits from customers relative to net lending to customers. Customer deposits and net lending to customers include credit institutions.
- 3) The return is calculated on the basis of internal measurement of risk-adjusted capital.
- 4) 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 connection with the centralisation of IT functions in 2009, some 100 full-time positions were transferred to the IT unit from other units in the Group.

Comments to the results 2009

Retail Banking

Retail Banking delivered a sound financial performance in 2009. Pre-tax operating profits were NOK 6 984 million, an increase of NOK 582 million from 2008. The steep fall in interest rate levels from the autumn of 2008 and through the first half of 2009 contributed to widening lending spreads relative to money market rates from 2008. Low interest rate levels and fierce competition for deposits put pressure on deposit spreads. Average lending rose by 7.4 per cent compared with 2008. Demand for housing loans was maintained at a relatively high level in 2009, while a lower level of activity among small and medium-sized enterprises resulted in more sluggish demand for financing. Deposits showed an average increase of 4.3 per cent. Other operating income was slightly higher than in 2008, and there was a sound trend in income from payment services and real estate broking during 2009. Expenses increased by 5.9 per cent from 2008, reflecting general wage growth, higher IT development costs, the transfer of financial advisers from Norway Post and impairment losses for goodwill in Sweden. The cost/income ratio, excluding impairment losses for goodwill, was reduced by 1.8 percentage points to 53.2 per cent. Net write-downs relative to average net lending rose from 0.19 per cent in 2008 to a continuing low level of 0.22 per cent in 2009. The quality of the loan portfolio was sound at year-end 2009.

Large Corporate and International

Large Corporates and International recorded pre-tax operating profits of NOK 5 657 million in 2009, down NOK 558 million from the previous year. The reduction resulted from higher write-downs on loans, which increased by NOK 916 million to NOK 1 128 million. Relative to average lending, write-downs were 0.30 per cent in 2009, up from 0.06 per cent in 2008. Net interest income declined by NOK 32 million from 2008. Ordinary operations generated an increase in net interest income of NOK 781 million, income from allocated capital was reduced due to lower interest rate level. Measured against the money market rate, lending spreads widened by 0.31 percentage points from 2008, improving in all segments. It was necessary to increase interest rate spreads to compensate for higher funding costs and greater risk of write-downs on loans. Interest rates stabilised at a lower level than was previously the case. In combination with increased competition for deposits, this resulted in narrowing deposit spreads in all segments. Average lending to customers rose by 12.9 per cent from 2008 to 2009, but declined through the year due to weaker demand and a reduction in the NOK value of foreign currency loans due to the strengthened Norwegian krone. The quality of the portfolio was satisfactory in all sectors, but there was a negative development through 2009 due to the general market conditions. Average deposits rose by 15.8 per cent.

Note 3 Segments (continued)

DnB NOR Markets

DnB NOR Markets achieved healthy profits in 2009. Pre-tax operating profits totalled NOK 5 331 million in 2009, up NOK 1 395 million from 2008. Due to a lower level of economic activity, customer-related revenues declined in important product areas, totalling NOK 3 191 million in 2009, down NOK 295 million compared with 2008. Extraordinary volatility in interest rates and exchange rates at the beginning of 2009 gave a significant increase in income from market making and other proprietary trading within DnB NOR Markets' core areas of activity, including Norwegian kroner products. Together with a strong increase in profits from the liquidity portfolio of bonds, this gave a NOK 2 015 million increase in income from market making and other proprietary trading, to NOK 3 908 million. The cost/income ratio was 26.4 per cent in 2009, down from 30.8 per cent in 2008.

Revenues within various segments		DnB NOR Markets
Amounts in NOK million	2009	2008
FX, interest rate and commodity derivatives	1 665	1 936
Investment products	766	574
Corporate finance	570	643
Securities services	190	333
Total customer revenues	3 191	3 486
Net income liquidity portfolio incl. changes in credit spreads	1 147	(707)
Other market making/trading revenues	2 761	2 600
Total trading revenues	3 908	1 893
Interest income on allocated capital	144	305
Total income	7 243	5 685

DnB NORD

DnB NORD was strongly affected by the recession, recording a pre-tax operating loss of NOK 4 289 million, compared with a loss of NOK 605 million in 2008. DnB NORD's financial performance was marked by a steep increase in write-downs on loans in consequence of the significant economic downturn in the Baltic region. Average lending in DnB NORD was NOK 83.6 billion in 2009, up 11.3 per cent from 2008, though there was a reduction in lending through the year. Net write-downs totalled NOK 3 929 million or 4.70 per cent of average lending in 2009, an increase from NOK 1 388 million or 1.85 per cent in 2008. DnB NORD expects the level of write-downs to remain relatively high in 2010. DnB NORD will focus on consolidating its operations, reducing losses and improving cost-efficiency. Impairment losses for goodwill relating to operations in the Baltic States of NOK 619 million and impairment losses of NOK 306 million relating to operations in Poland were recorded in 2009. The impairment losses are reflected in profits for the profit center. For the DnB NOR Bank Group, impairment losses for goodwill relating to DnB NORD amounted NOK 529 million in 2009, see note 35 'Goodwill and intangible assets with an indefinite useful life'. At year-end 2009, it was clear that DnB NORD will require new capital during 2010. DnB NOR will exercise its ownership role and honour its obligations by providing its proportional share of the capital required by DnB NORD.

Other units - Group Centre

The Group Centre recorded a pre-tax operating loss of NOK 1 624 million in 2009, compared with a loss of NOK 1 189 million in 2008. There was a loss attributable to the Group from the associated company Eksportfinans of NOK 200 million in 2009, including the share of the portfolio guarantee issued for the liquidity portfolio, while there was a positive profit contribution of NOK 570 million in 2008. The sound financial performance in 2008 was due to large unrealised gains on own debt due to higher margin requirements. Through 2009, the margin requirement was reduced and previous income reversed. Income from equity investments totalled NOK 80 million in 2009, while the financial turmoil resulted in losses of NOK 1 391 million in 2008. Due to changes in credit margins, DnB NOR recorded negative profit effects relating to own debt, the fair value of loans carried at fair value and related derivatives. In sum, this resulted in a negative profit contribution in 2009 of NOK 1 253 million, compared with NOK 297 million in 2008. Allocations for a general bonus to employees totalled NOK 131 million in 2009, whereas no corresponding allocations were made in 2008. Collective write-downs totalled NOK 1 186 million in 2009, an increase of NOK 525 million from the previous year.

Geographic areas

Income statement						DnB NOR Bank Group				
		Other international					DnB NOR			
	Dr	DnB NORD operations		Norway		Bank Group				
Amounts in NOK million	200	9 2008	2009	2008	2009	2008	2009	2008		
Net interest income	1 559	9 1 714	2 389	1 935	19 164	18 686	23 112	22 335		
External operating income	684	4 754	1 479	1 154	9 662	7 939	11 824	9 847		
Total income	2 24	2 468	3 868	3 089	28 825	26 625	34 935	32 182		

Balance sheet items						DnB N	OR Bank	Group
		Other international				DnB NOR		
	DnB NORD		operations		Norway		Bank Group	
Amounts in NOK billion	31.12.09	31.12.08	31.12.09	31.12.08	31.12.09	31.12.08	31.12.09	31.12.08
Net lending to customers 1)	68	99	162	205	904	916	1 134	1 220
Total assets	83	116	288	301	1 244	1 221	1 616	1 638
Guarantees	2	5	7	7	56	73	66	85

¹⁾ Net lending to customers includes lending to credit institutions totalling NOK 5.5 billion in 2009 and NOK 12.9 billion in 2008. Customer deposits include deposits from credit institutions of NOK 16.9 billion in 2009 and NOK 19.6 billion in 2008. Deposits with and from banks are not included.

Product information

See note 18 Net other operating income and note 20 Net interest income for further information on product.

Note 4 Capitalisation policy and capital adequacy

Capitalisation policy

The Board of Directors approved a new capitalisation policy in connection with the transition to Basel II. The policy sets forth that Tier 1 capital in per cent of risk-weighted volume shall be minimum 8 per cent upon full completion of the IRB system. By the end of 2010, most of the IRB system will be in place. The banking group's capitalisation level shall support the bank's AA level rating target for ordinary long-term funding. Relative to the current risk-weighted volume, which is based on a combination of the standardised approach and the IRB approach, it has been estimated that measurement according to the IRB approach would have given a reduction in risk-weighted volume of approximately 20 per cent at year-end 2009. The effect on the official capital adequacy ratio will, however, be less pronounced due to the transitional rules, which set a floor for the reduction in risk-weighted volume. Risk-weighted volume cannot be reduced below 80 per cent of corresponding amounts calculated in accordance with the Basel I rules. This entails that the official risk-weighted volume would have been reduced by approximately 10 per cent. The transitional rules will apply until the end of 2011.

The DnB NOR Bank Group had a Tier 1 capital ratio of 8.4 per cent and a capital adequacy ratio of 11.4 per cent at year-end 2009, compared with 6.9 and 9.9 per cent, respectively in 2008. The same capital adequacy requirements from the Norwegian authorities apply to the banking group as to the entire DnB NOR Group, thus the 2009 requirements were met by a wide margin. In addition, a separate requirement from the US authorities to the banking group relating to the operations of the subsidiary DnB NOR Markets Inc. in New York must be fulfilled, whereby the Tier 1 capital ratio for the banking group must be 6 per cent and the total capital adequacy ratio 10 per cent. At year-end 2009, this requirement was also fulfilled by a wide margin.

DnB NORD, in which DnB NOR Bank ASA owns 51 per cent of the shares and has implemented a process to evaluate an acquisition of the remaining shares, has shown a weak profit performance over several years and has on several occasions required and received primary capital injections. Such capital has been transferred from the owner banks through equity capital increases in DnB NORD's Danish holding company Bank DnB NORD A/S, and in the form of subordinated loans. The holding company has injected capital into the underlying subsidiaries. At year-end 2009, it was clear that DnB NORD will require new capital during 2010. DnB NOR Bank will exercise its ownership role and honour its obligations by providing its proportional share of the capital required by DnB NORD.

The Basel Committee's work on the new regulatory requirements relating to capitalisation and liquidity in banking and financial services groups resulted in a proposal which was submitted for consultation on 17 December 2009. The closing date to submit comments is 16 April 2010. It is expected that the new rules will lead to stricter requirements with respect to capital adequacy, capital structure, liquidity buffers and financing structure. DnB NOR Bank, based on its current capital structure, is expected to be relatively well prepared to meet the new requirements. The Board of Directors will, on an ongoing basis, evaluate the banking group's capitalisation needs in light of international developments.

In addition to the regulatory assessment and allocation of capital to the banking group's legal units, an allocation of capital to the operative business areas is made for management purposes, based on a calculation of risk-adjusted capital requirements according to the banking group's internal calculations of economic capital. The need for capital is determined in the plans for each individual year, and the business areas are followed up with respect to this allocation.

Note 4 Capitalisation policy and capital adequacy (continued)

Capital adequacy

The DnB NOR Bank 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.

DnB NOR Bank ASA		Primary capital	DnB NOR Bank	Group
31 Dec.	31 Dec.		31 Dec.	31 Dec.
2008	2009	Amounts in NOK million	2009	2008
17 514	17 514	Share capital	17 514	17 514
51 702	54 948	Other equity	65 800	59 969
69 217	72 462	Total equity	83 314	77 483
		Deductions		
0	0	Pension funds above pension commitments	(3)	(1)
(1 657)	(1 650)	Goodwill	(3 853)	(4 737)
(10)	(1 153)	Deferred tax assets	(295)	(306)
(516)	(912)	Other intangible assets	(1 980)	(1 584)
0	0	Group contribution, payable	(3 750)	0
0	0	Unrealised gains on fixed assets	(30)	(30)
(1 070)	(1 033)	50 per cent of investments in other financial institutions	(1 033)	(1 070)
(288)	(101)	50 per cent of expected losses exceeding actual losses, IRB portfolios	(222)	(339)
(323)	182	Adjustments for unrealised losses/(gains) on liabilites recorded at fair value	(404)	(2 284)
		Additions		
555	-	Portion of unrecognised actuarial gains/losses, pension costs 1)	-	594
65 908	67 796	Equity Tier 1 capital	71 745	67 726
9 742	8 468	Perpetual subordinated loan capital securities 2) 3)	8 655	9 945
75 649	76 264	Tier 1 capital	80 400	77 671
8 007	6 830	Perpetual subordinated loan capital	6 830	8 007
23 843	21 111	Term subordinated loan capital 3)	23 003	26 083
		Deductions		
(1 070)	(1 033)	50 per cent of investments in other financial institutions	(1 033)	(1 070)
(288)	(101)	50 per cent of expected losses exceeding actual losses, IRB portfolios	(222)	(339)
		Additions		
0	0	45 per cent of unrealised gains on fixed assets	18	18
30 492	26 807	Tier 2 capital	28 597	32 700
106 141	103 071	Total eligible primary capital 4)	108 997	110 371
965 059	831 885	Risk-weighted volume	960 208	1 120 428
77 205	66 551	Minimum capital requirement	76 817	89 634
6.8	8.1	Equity Tier 1 capital ratio in per cent	7.5	6.0
7.8	9.2	Tier 1 capital ratio in per cent	8.4	6.9
11.0	12.4	Capital ratio in per cent	11.4	9.9

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 has established a transitional rule whereby one-fifth of the amount recorded against equity can be included in capital adequacy calculations in 2008, as the last year of the transitional period.

²⁾ Perpetual subordinated loan capital securities can represent up to 15 per cent of core capital. The excess will qualify as perpetual supplementary

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 banking group's balance sheet.

⁴⁾ Primary capital and nominal amounts used in calculating risk-weighted volume deviate from figures in the DnB NOR Bank 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.

Note 4 Capitalisation policy and capital adequacy (continued)

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 DnB NOR Bank Group at the end of 2009 represented 88.1 per cent of the corresponding volume based on the Basel I rules.

Specification of risk-weighted volume and capital req	pecification of risk-weighted volume and capital requirements			DnB NOR Bank ASA		
	Nominal		Risk-weighted	Capital	Capital	
	exposure	EAD 1)	volume	requirements	requirements	
Amounts in NOK million	31 Dec. 2009	31 Dec. 2009	31 Dec. 2009	31 Dec. 2009	31 Dec. 2008	
IRB approach						
Corporate	92 955	88 243	45 343	3 627	6 826	
Retail - residential property	127 845	127 623	26 164	2 093	2 480	
Total credit risk, IRB approach	220 800	215 866	71 507	5 720	9 306	
Standardised approach						
Central and regional government	151 884	145 346	1 187	95	68	
Institutions	440 537	391 810	69 157	5 533	4 938	
Corporate	737 110	547 757	529 117	42 329	50 098	
Specialised Lending (SL)	8 767	8 257	8 257	661	789	
Retail - mortgage loans	10 576	10 052	4 067	325	436	
Retail - credit card exposures (QRRE)	59 369	13 441	10 368	829	734	
Other retail	35 948	19 233	14 905	1 192	1 696	
Equity positions	29 420	29 420	29 611	2 369	1 838	
Securitisation	113 042	113 042	22 784	1 823	1 591	
Total credit risk, standardised approach	1 586 653	1 278 358	689 453	55 156	62 186	
Other assets	2 394	2 394	2 394	192	303	
Total credit risk	1 809 846	1 496 618	763 354	61 068	71 795	
Market risk, standardised approach			25 800	2 064	2 161	
Of which: Position risk			25 800	2 064	1 983	
Currency risk			0	0	177	
Operational risk			46 290	3 703	3 456	
Deductions			(3 558)	(285)	(208	
Total risk-weighted volume and capital requirements before transitional in	ule		831 885	66 551	77 205	
Additional capital requirements according to transitional rules				0	0	
Capital requirements				66 551	77 205	

Specification of risk-weighted volume and capital r	equirements			DnB NOR	Bank Group
	Nominal		Risk-weighted	Capital	Capital
	exposure	EAD 1)	volume	requirements	requirements
Amounts in NOK million	31 Dec. 2009	31 Dec. 2009	31 Dec. 2009	31 Dec. 2009	31 Dec. 2008
IRB approach					
Corporate	92 955	88 243	45 343	3 627	6 826
Retail - residential property	485 804	485 582	62 830	5 026	3 844
Total credit risk, IRB approach	578 758	573 825	108 173	8 654	10 671
Standardised approach					
Central and regional government	168 021	169 254	3 791	303	602
Institutions	101 976	99 365	24 532	1 963	2 992
Corporate	868 624	642 151	620 514	49 641	58 751
Specialised Lending (SL)	8 767	8 257	8 257	661	789
Retail - mortgage loans	41 658	40 473	16 131	1 290	1 404
Retail - credit card exposures (QRRE)	59 369	13 441	10 368	829	734
Other retail	85 430	61 738	49 186	3 935	4 751
Equity positions	2 262	2 262	2 453	196	208
Securitisation	125 026	125 026	25 115	2 009	1 591
Total credit risk, standardised approach	1 461 133	1 161 967	760 347	60 828	71 822
Other assets	10 154	10 154	10 154	812	865
Total credit risk	2 050 045	1 745 946	878 674	70 294	83 358
Market risk, standardised approach			28 825	2 306	2 412
Of which: Position risk			28 825	2 306	2 146
Currency risk			0	0	266
Operational risk			57 282	4 583	4 116
Deductions			(4 573)	(366)	(251)
Total risk-weighted volume and capital requirements before transition	nal rule		960 208	76 817	89 634
Additional capital requirements according to transitional rules				0	0
Capital requirements				76 817	89 634

¹⁾ EAD, exposure at default.

Note 4 Capitalisation policy and 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 banking group's portfolios.

	Reporting methods for credit risk in capital			
		adequacy calculation	S	
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 5 Risk management

Risk management in DnB NOR

The Board of Directors of DnB NOR ASA has a clearly stated goal to maintain a low overall risk profile, which is reflected in the DnB NOR Bank Group's aim to maintain at least an AA level rating for ordinary long-term debt. The profitability of the banking group will depend on the Group's ability to identify, manage and accurately price risk arising in connection with financial services.

Organisation and authorisation structure

- Board of Directors. The Board of Directors of DnB NOR ASA sets long-term targets for the Group's risk profile. The risk profile is operationalised through the risk management framework, including the establishment of authorisations.
- Authorisations. Authorisations must be in place for the extension of credit and for position and trading limits in all critical financial areas. All authorisations are personal. Authorisations and group limits are determined by the Board of Directors and can be delegated in the organisation, though any further delegation requires approval by an immediate superior.
- Annual review of limits. Risk limits are reviewed at least annually in connection with budget and planning processes.
- Independent risk management functions. Risk management functions and the development of risk management tools are undertaken by units that are independent of operations in the individual business areas.

Note 5 Risk management (continued)

Monitoring and use

- Accountability. All executives are responsible for risk within their own area of responsibility and must consequently be fully updated on
 the risk situation at all times.
- Risk reporting. Risk reporting in the Group ensures that all executives have the necessary information about current risk levels and future developments. To ensure high-quality, independent risk reports, responsibility for reporting is assigned to units that are independent of the operative units.
- Capital assessment. A summary and analysis of the Group's capital and risk situation is presented in a special risk report to the Board of Directors
- Use of risk information. Risk is an integral part of the management and monitoring of business areas. Return on risk-adjusted capital is reflected in product pricing, profit calculations and in monitoring performance in the business areas.

Relevant risk measures

- A common risk measure for the Group. The Group's risk is measured in the form of risk-adjusted capital, calculated for main risk
 categories and for all of the Group's business areas.
- Supplementary risk measure. In addition, risk is followed up through supplementary risk measures adapted to operations in the various business areas, for example monitoring of positions relative to limits, key figures and portfolio risk targets.

A further description of risk management and internal control can be found in the chapter "Risk management and internal control" in the annual report for the DnB NOR Group.

Risk categories

For risk management purposes, DnB NOR distinguishes between the following risk categories:

- Credit risk is the risk of losses due to failure on the part of the banking group's counterparties or customers to meet their payment obligations towards the DnB NOR Bank Group. Credit risk refers to all claims against counterparties or customers, including credit risk in trading operations, country risk and settlement risk. Note 6 contains an assessment of the banking group's credit risk at year-end 2008 and 2009.
- *Market risk* is the risk of losses or reduced future income due to fluctuations in market prices or exchange rates. The risk arises as a consequence of the bank's unhedged transactions and exposure in the foreign exchange, interest rate, commodity and equity markets. Notes 13 to 15 contain an assessment of the banking group's market risk at year-end 2008 and 2009.
- Liquidity risk is the risk that the banking group will be unable to meet its obligations as they fall due, and risk that the banking group will be unable to meet its liquidity obligations without a substantial rise in appurtenant costs. In a broader perspective, liquidity risk also includes the risk that the banking group will be unable to finance increases in assets as its funding requirements rise. Note 17 contains an assessment of the banking group's liquidity risk at year-end 2008 and 2009.
- Operational risk is the risk of losses due to deficiencies or errors in processes and systems, errors made by employees or external events.
- Business risk is the risk of losses due to changes in external factors such as the market situation or government regulations. This risk category also includes reputational risk.

DnB NOR uses a total risk model to quantify risk by calculating risk-adjusted capital. Risk-adjusted capital is calculated for individual risk categories, with the exception of liquidity risk, and for the banking group's overall risk. Risk-adjusted capital should cover unexpected losses which may occur in the operations in exceptional circumstances. Quantifications are based on statistical probability calculations for the various risk categories, where the parameters are determined after a review of historical data.

Risk measurement is a field in constant development, and measurement methods and tools are subject to continual improvement. In consequence of the banking group's plans for IRB reporting of new portfolios, new large corporate models were taken into use for internal reporting during 2009. No other significant changes were made in routines and procedures for risk monitoring in 2009.

Concentrations of risk

Concentrations of financial risk arise when financial instruments with identical characteristics are influenced in the same way by changes in economic or other factors. The identification of risk concentrations is subject to discretionary assessment. The general purpose of risk management in the banking group is to reduce and control risk concentrations. The banking group aims to avoid large credit risk concentrations, including large exposures to a customer or customer group as well as clusters of commitments in high-risk categories, industries and geographical areas, cf. notes 3, 7 and 8. Total credit risk as at 31 December 2009 is presented in note 6. With respect to market risk, concentration risk is restricted by limits ensuring that exposure is divided among a number of instruments, securing sound diversification to meet changes in share prices, exchange rates, commodity prices and interest rate levels. Concentrations of interest rate risk are presented in note 14. Currency risk is specified in note 15. The banking group's largest investments in shares, mutual funds and equity certificates are specified in note 29. The banking group generally has no material risk concentrations apart from in its core operations, including strategic priority areas, which are referred to above.

Note 6 Credit risk

Credit risk represents the chief risk category for the banking group and refers to all claims against customers, mainly loans, but also commitments in the form of other extended credits, guarantees, interest-bearing securities, approved, undrawn credits, as well as counterparty risk arising through derivatives and foreign exchange contracts. Settlement risk, which arises in connection with payment transfers as not all transactions take place in real time, also involves counterparty risk.

DnB NOR Ba	ank ASA	Maximum exposure to credit risk 1)	DnB NOR Group	
31.12.08	31.12.09	Amounts in NOK million	31 Dec. 2009	31 Dec. 2008
		Balance sheet items		
46 770	27 775	Deposits with central banks	28 246	49 007
154 200	189 375	Lending to and deposits with credit institutions	9 214	12 127
644 953	492 414	Lending to customers	967 340	1 019 511
845 923	709 564	Total lending and deposits carried at amortised cost	1 004 800	1 080 645
91 452	86 709	Lending to and deposits with credit institutions	49 538	42 061
179 269	134 393	Lending to customers	161 452	187 331
270 721	221 102	Total lending and deposits carried at fair value	210 990	229 392
82 058	304 948	Commercial paper and bonds	177 613	58 219
137 751	71 002	Financial derivatives	69 173	136 567
100 278	113 302	Commercial paper and bonds, held to maturity	113 302	100 278
320 087	1 419 918	Total credit risk exposure, balance sheet items	1 575 878	1 605 101
		Off-balance sheet items		
79 522	62 659	Financial guarantees	66 510	85 399
322 651	369 299	Unutilised credit lines and offers of credit	376 282	361 259
25 123	15 124	Other guarantee commitments	15 355	25 436
427 296	447 083	Total credit risk exposure, off-balance sheet items	458 147	472 095
747 383	1 867 001	Total credit risk exposure	2 034 025	2 077 196

DnB NOR Bank ASA		Loans and deposits designated as at fair value	DnB NOR Group		
31.12.08	31.12.09	Amounts in NOK million	31 Dec. 2009	31 Dec. 2008	
181 718	137 279	Loans and deposits designated as at fair value	160 724	186 843	
181 718	137 279	Total exposure to credit risk	160 724	186 843	
492	558	Credit risk ²⁾	717	526	
101	66	Change in credit risk	191	110	

¹⁾ Credit risk exposure according to IFRS is the amount that best represents the banking group's maximum exposure to credit risk. For a financial asset, this is the gross carrying amount, net of any amounts offset in accordance with IAS 32 and recognised impairment losses.

DnB NOR's risk classification 1)

DID NOR 3 TISK Glassification	Probability of d	Probability of default (per cent)		External rating
Risk class	As from	Up to	Moody's	Standard & Poor's
1	0.01	0.10	Aaa - A3	AAA - A-
2	0.10	0.25	Baa1 - Baa2	BBB+ - BBB
3	0.25	0.50	Baa3	BBB-
4	0.50	0.75	Ba1	BB+
5	0.75	1.25	Ba2	ВВ
6	1.25	2.00		
7	2.00	3.00	Ba3	BB-
8	3.00	5.00	B1	B+
9	5.00	8.00	B2	В
10	8.00	impaired	B3, Caa/C	B-, CCC/C

¹⁾ DnB NOR's risk classification system, where 1 represents the lowest risk and 10 the highest risk.

²⁾ Credit risk reflected in fair value measurements is based on normalised losses and changes in normalised losses in the relevant portfolio.

Note 6 Credit risk (continued)

Commitments according to risk classification

DnR	NIOD	Bank	$\Delta S \Delta$

			Undrawn	
		Guarantee	limits	Total
Amounts in NOK billion	Gross loans	commitments	(committed)	commitments
Risk category based on probability of default				
1 - 4	549	72	215	836
5 - 6	199	2	57	258
7 - 10	66	0	14	80
Non-performing and impaired commitments	8	0	0	8
Total commitments as at 31 December 2008 1)	822	74	286	1 182
Risk category based on probability of default				
1 - 4	301	39	179	519
5 - 6	217	15	61	293
7 - 10	101	4	22	127
Non-performing and impaired commitments	12	0	0	12
Total commitments as at 31 December 2009 1)	631	58	262	951

¹⁾ Based on nominal amounts.

Loan-loss level 1)	2009	2008
Normalised losses including loss of interest income in per cent of net lending	0.54	0.35

¹⁾ The calculation of the loan-loss level is based on an evaluation of the probability of future losses (default frequency), exposure at default and the size of the estimated loss (loss ratio). Calculations are based on a certain level of discretion and estimation.

Commitments according to risk classification

DnB NOR Bank Group

			Undrawn	
		Guarantee	limits	Total
Amounts in NOK billion	Gross loans	commitments	(committed)	commitments
Risk category based on probability of default				
1 - 4	812	73	246	1 131
5 - 6	285	5	64	354
7 - 10	94	3	16	113
Non-performing and impaired commitments	16	0	0	16
Total commitments as at 31 December 2008 1)	1 207	81	326	1 614
Risk category based on probability of default				
1 - 4	628	42	207	877
5 - 6	331	15	67	413
7 - 10	151	5	24	180
Non-performing and impaired commitments	27	0	0	27
Total commitments as at 31 December 2009 1)	1 137	62	298	1 497

¹⁾ Based on nominal amount.

Loan-loss level 1)	2009	2008
Normalised losses including loss of interest income in per cent of net lending	0.42	0.32

¹⁾ The calculation of the loan-loss level is based on an evaluation of the probability of future losses (default frequency), exposure at default and the size of the estimated loss (loss ratio). Calculations are based on a certain level of discretion and estimation.

Collateral security

Depending on the market and type of transaction, the banking group uses collateral security to reduce risk. Collateral security can be in the form of physical assets, guarantees, cash deposits or netting agreements. The principal rule is that physical assets in the form of buildings, residential properties or warehouses should be insured. Evaluations of the value of collateral are based on a going concern assumption, with the exception of situations where write-downs have been made. In addition, factors which may affect the value of collateral, such as concession terms or easements, are taken into account. With respect to evaluations of both collateral in the form of securities and counterparty risk, the estimated effects of enforced sales and sales costs are also considered.

Note 6 Credit risk (continued)

DnB NOR Bank ASA		Write-down ratio	DnB NOR Bank	DnB NOR Bank Group		
31 Dec.	31 Dec.		31 Dec.	31 Dec.		
2008	2009	Amounts in NOK million	2009	2008		
5 468	7 947	Non-performing commitments (gross)	19 523	11 421		
2 887	4 559	Impaired commitments (gross)	7 353	4 871		
8 355	12 506	Gross non-performing and impaired commitments	26 876	16 292		
1 804	3 100	Individual write-downs	7 749	4 370		
994	1 878	Group write-downs	2 969	1 625		
33.5	39.8	Write-down ratio (per cent)	39.9	36.8		
3 617	5 418	Collateral for loans	18 928	9 789		
76.8	83.1	Coverage ratio (per cent)	110.3	96.9		

Past due loans not subject to write-downs

The table below shows overdue amounts on loans and overdrafts on credits/deposits broken down on number of days after the due date that are not due to delays in payment transfers. Past due loans and overdrafts on credits/deposits are subject to continual monitoring. Commitments where a probable deterioration of customer solvency is identified are reviewed for impairment. Such reviews are also carried out for the commitments included in the table in cases where no deterioration of customer solvency has been identified. Past due loans subject to impairment are not included in the table.

DnB NOR	NOR Bank ASA DnB NOR Bank Gro		k Group	
31 Dec.	31 Dec.		31 Dec.	31 Dec.
2008	2009	Amounts in NOK million	2009	2008
		No. of days past due/overdrawn		
1 553	516	1 - 29	1 210	2 295
319	142	30 - 59	451	854
88	43	60 - 89	140	333
8	6	> 90	441	326
1 968	707	Past due loans not subject to write-downs	2 242	3 808

Repossessed properties and other repossessed assets - recorded value

Repossessed assets are assets acquired by units within the banking group as part of the management of non-performing and impaired commitments. At the time of acquisition, such assets are valued at their estimated realisable value. Any deviation from the carrying value of non-performing and impaired commitments at the time of acquisition is classified as write-downs on loans. Repossessed assets are recorded in the balance sheet according to the type of asset. When acquiring shares or mutual fund holdings, the assets are evaluated according to the principles described in the accounting principles. Upon final sale, the difference relative to carrying value should be recognised in the income statement according to the type of asset. If assets are not intended for long-term possession or use, the assets are classified as current assets. If assets are acquired for own use or for long-term administration and development, the assets are classified as fixed assets.

DnB NOR Bank ASA			DnB NOR Bank Gro	
31 Dec.	31 Dec.		31 Dec.	31 Dec.
2008	2009	Amounts in NOK million	2009	2008
9	9	Repossessed properties and other repossessed assets as at 1 January	197	169
0	0	Property additions	166	60
0	0	Property disposals	139	32
9	9	Repossessed properties and other repossessed assets as at 1 December	224	197

Effects of changes in credit margins

The financial turmoil has caused a general rise in credit margins, which affects a number of items in the banking group's balance sheet. Through 2009, there was a gradual normalisation of the markets, though credit margins remain higher than before the onset of the financial turmoil.

The DnB NOR Group has a 40 per cent ownership interest in Eksportfinans, and the company is recognised in the group accounts according to the equity method. Large parts of Eksportfinans' liabilities are carried at fair value through profit or loss. In the fourth quarter of 2008, the investors' required rate of return increased considerably, and the company was also downgraded. This resulted in significant unrealised gains on the company's existing liabilities. Unrealised gains after tax attributable to the DnB NOR Bank Group were NOK 1 535 million at year-end 2008, but had been reduced to NOK 503 million at end-December 2009. Unrealised gains on the company's liabilities will be reversed over the remaining term to maturity.

Long-term borrowings in Norwegian kroner are carried at fair value through profit or loss. Due to narrowing credit margins, unrealised losses in the portfolio totalled NOK 138 million at year-end 2009, which will be reversed over the remaining term to maturity. At year-end 2008 unrealised gains in the portfolio totalled NOK 516 million.

Note 7 Commitments for principal sectors 1)

Commitments as at 31 December 2009			DnB NOR Bank		
	Loans and		Unutilized	Total	
Amounts in NOK million	receivables	Guarantees	credit lines	commitments	
Retail customers	145 307	254	57 449	203 010	
International shipping	119 881	7 506	28 052	155 439	
Real estate	125 768	1 483	10 424	137 675	
Manufacturing	32 943	9 966	32 009	74 918	
Services	75 981	5 225	25 598	106 804	
Trade	25 620	2 950	19 981	48 551	
Oil and gas	15 620	6 260	18 422	40 302	
Transportation and communication	16 819	4 784	27 955	49 557	
Building and construction	20 381	6 350	13 565	40 295	
Power and water supply	11 035	8 586	14 305	33 926	
Seafood	10 822	371	2 845	14 037	
Hotels and restaurants	4 089	113	1 124	5 326	
Agriculture and forestry	4 640	53	719	5 411	
Central and local government	1 376	2 474	3 818	7 667	
Other sectors	17 218	1 529	5 262	24 010	
Total customers, nominal amount after individual write-downs	627 499	57 902	261 527	946 928	
 Group write-downs, customers 	1 878	-	-	1 878	
+ Other adjustments	1 185	(193)	-	992	
Lending to customers	626 806	57 709	261 527	946 042	
Credit institutions, nominal amount after individual write-downs	275 456	4 718	40 798	320 972	
+ Other adjustments	627	0	-	627	
Lending to and deposits with credit institutions	276 084	4 718	40 798	321 599	

Commitments as at 31 December 2008			DnB NC	OR Bank ASA
	Loans and		Unutilized	Total
Amounts in NOK million	receivables	Guarantees	credit lines	commitments
Retail customers	241 692	307	53 660	295 659
International shipping	137 109	6 964	57 091	201 164
Real estate	153 886	4 014	17 464	175 364
Manufacturing	67 443	13 853	34 523	115 819
Services	66 941	11 711	23 217	101 869
Trade	31 566	3 664	20 024	55 254
Oil and gas	32 116	4 880	23 968	60 964
Transportation and communication	18 374	6 506	19 734	44 614
Building and construction	8 317	5 376	6 913	20 607
Power and water supply	10 929	10 326	13 773	35 027
Seafood	11 719	117	2 079	13 915
Hotels and restaurants	3 406	250	1 586	5 242
Agriculture and forestry	4 616	29	698	5 343
Central and local government	3 569	2 894	3 594	10 057
Other sectors	28 979	2 826	7 977	39 782
Total customers, nominal amount after individual write-downs	820 661	73 716	286 301	1 180 679
 Group write-downs, customers 	994	-	-	994
+ Other adjustments	4 556	(72)	-	4 484
Lending to customers	824 223	73 644	286 301	1 184 169
Credit institutions, nominal amount after individual write-downs	244 407	5 768	12 909	263 084
+ Other adjustments	1 245	0	-	1 245
Lending to and deposits with credit institutions	245 652	5 768	12 909	264 329

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 7 Commitments for principal sectors (continued) 1)

Commitments as at 31 December 2009			DnB NOR	Bank Group
	Loans and		Unutilized	Total
Amounts in NOK million	receivables	Guarantees	credit lines	commitments
Retail customers	531 761	281	84 550	616 592
International shipping	122 500	7 510	28 063	158 072
Real estate	156 771	1 539	10 898	169 208
Manufacturing	46 097	10 345	34 127	90 569
Services	96 896	5 583	27 491	129 970
Trade	36 335	3 326	21 486	61 148
Oil and gas	17 063	6 261	18 490	41 814
Transportation and communication	26 105	4 899	28 380	59 384
Building and construction	29 843	7 342	14 358	51 544
Power and water supply	14 111	8 792	15 077	37 980
Seafood	14 438	395	3 234	18 068
Hotels and restaurants	5 706	119	1 179	7 004
Agriculture and forestry	7 664	58	889	8 611
Central and local government	5 142	2 958	4 510	12 610
Other sectors	18 969	2 135	5 642	26 746
Total customers, nominal amount after individual write-downs	1 129 402	61 543	298 374	1 489 321
 Group write-downs, customers 	2 969	-	-	2 969
+ Other adjustments	2 358	(207)	-	2 151
Lending to customers	1 128 791	61 336	298 374	1 488 503
Credit institutions, nominal amount after individual write-downs	58 662	4 891	10 933	74 486
+ Other adjustments	89	0	-	89
Lending to and deposits with credit institutions	58 751	4 891	10 933	74 575

Commitments as at 31 December 2008			DnB NOR	Bank Group
	Loans and		Unutilized	Total
Amounts in NOK million	receivables	Guarantees	credit lines	commitments
Retail customers	498 853	339	71 375	570 567
International shipping	137 848	6 964	57 564	202 376
Real estate	180 519	4 238	20 487	205 245
Manufacturing	90 020	15 305	40 914	146 239
Services	90 299	12 752	26 757	129 808
Trade	47 683	4 513	22 314	74 510
Oil and gas	33 315	4 880	23 970	62 165
Transportation and communication	29 847	6 719	20 676	57 242
Building and construction	15 758	6 596	8 373	30 727
Power and water supply	14 615	10 428	15 358	40 402
Seafood	15 335	118	2 278	17 732
Hotels and restaurants	5 232	256	1 663	7 151
Agriculture and forestry	8 155	33	992	9 180
Central and local government	5 839	3 345	3 675	12 859
Other sectors	29 172	3 984	9 827	42 983
Total customers, nominal amount after individual write-downs	1 202 491	80 470	326 224	1 609 185
 Group write-downs, customers 	1 625	-	-	1 625
+ Other adjustments	5 977	(76)	-	5 901
Lending to customers	1 206 842	80 394	326 224	1 613 460
Credit institutions, nominal amount after individuel write-downs	53 876	4 825	11 594	70 295
+ Other adjustments	311	0	-	311
Lending to and deposits with credit institutions	54 187	4 825	11 594	70 606

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 8 Commitments according to geographical location 1)

Commitments as at 31 December 2009			DnB NC	R Bank ASA
	Loans and		Unutilized	Total
Amounts in NOK million	receivables	Guarantees	credit lines	commitments
Oslo	250 777	16 197	88 386	355 360
Eastern and southern Norway	175 814	18 663	72 698	267 175
Western Norway	112 646	8 703	32 965	154 315
Northern and central Norway	82 584	5 107	20 285	107 976
Total Norway	621 821	48 670	214 335	884 826
Sweden	55 226	1 907	14 461	71 593
United Kingdom	33 543	4 765	3 042	41 350
Other Western European countries	72 551	4 017	20 315	96 883
Russia	1 112	9	0	1 121
Estonia	2 997	0	0	2 997
Latvia	6 336	265	18	6 619
Lithuania	9 096	0	0	9 096
Poland	2 867	49	61	2 977
Other Eastern European countries	137	15	1	152
Total Europe outside Norway	183 863	11 027	37 899	232 789
USA and Canada	26 985	166	28 352	55 503
Bermuda and Panama ²⁾	16 218	527	5 258	22 003
Other South and Central American countries	3 330	619	5 458	9 408
Total America	46 533	1 313	39 068	86 914
Singapore ²⁾	13 615	770	2 397	16 783
Hong Kong	3 345	14	844	4 203
Other Asian countries	8 750	486	1 176	10 412
Total Asia	25 710	1 270	4 417	31 397
Liberia ²⁾	8 008	100	2 091	10 199
Other African countries	1 841	248	3	2 091
Australia, New Zealand and Marshall Islands 2)	18 241	32	4 512	22 785
Commitments 3)	906 017	62 659	302 325	1 271 001
- Individual write-downs	3 061	39	-	3 100
- Collective write-downs	1 878	-	-	1 878
+ Other adjustments	1 812	(193)	-	1 619
Net commitments	902 890	62 427	302 325	1 267 641

¹⁾ Based on the customer's address.

Represents shipping commitments.

³⁾ All amounts represent gross lending and guarantees respectively before individual write-downs.

Note 8 Commitments according to geographical location (continued) 1)

Commitments as at 31 December 2008	DnB NOR Ba					
	Loans and		Unutilized	Total		
Amounts in NOK million	receivables	Guarantees	credit lines	commitments		
Oslo	248 147	17 699	56 235	322 081		
Eastern and southern Norway	238 036	23 927	70 900	332 863		
Western Norway	145 416	10 617	36 562	192 595		
Northern and central Norway	95 242	5 867	20 479	121 588		
Total Norway	726 840	58 111	184 176	969 128		
Sweden	64 895	4 065	21 789	90 750		
United Kingdom	38 639	3 344	7 374	49 357		
Other Western European countries	76 149	10 089	22 515	108 753		
Russia	1 625	120	0	1 745		
Estonia	3 101	0	0	3 102		
Latvia	9 361	308	37	9 706		
Lithuania	12 100	0	0	12 101		
Poland	4 164	23	249	4 436		
Other Eastern European countries	238	34	0	272		
Total Europe outside Norway	210 274	17 982	51 965	280 222		
USA and Canada	41 216	530	29 360	71 106		
Bermuda and Panama ²⁾	21 107	799	9 275	31 181		
Other South and Central American countries	4 232	183	1 970	6 384		
Total America	66 555	1 511	40 605	108 671		
Singapore ²⁾	16 278	1 194	6 600	24 072		
Hong Kong	1 721	17	1 695	3 433		
Other Asian countries	12 486	363	4 181	17 030		
Total Asia	30 485	1 575	12 476	44 536		
Liberia ²⁾	11 080	1	4 734	15 816		
Other African countries	1 434	291	41	1 767		
Australia, New Zealand and Marshall Islands 2)	20 166	50	5 212	25 428		
Commitments 3)	1 066 834	79 522	299 210	1 445 570		
- Individual write-downs	1 767	37	-	1 804		
- Collective write-downs	994	-	-	994		
+ Other adjustments	5 801	(72)	-	5 729		
Net commitments	1 069 874	79 413	299 210	1 448 497		

¹⁾ Based on the customer's address.

Represents shipping commitments.

³⁾ All amounts represent gross lending and guarantees respectively before individual write-downs.

Note 8 Commitments according to geographical location (continued) 1)

Commitments as at 31 December 2009			DnB NOR Bank Group			
	Loans and		Unutilized	Total		
Amounts in NOK million	receivables	Guarantees	credit lines	commitments		
Oslo	205 679	16 326	65 517	287 522		
Eastern and southern Norway	376 933	18 681	86 646	482 260		
Western Norway	137 234	8 708	35 458	181 400		
Northern and central Norway	144 420	7 108	26 947	178 476		
Total Norway	864 267	50 823	214 568	1 129 658		
Sweden	65 310	1 907	14 690	81 907		
United Kingdom	33 990	4 765	3 062	41 817		
Other Western European countries	66 374	3 976	21 916	92 266		
Russia	1 690	21	79	1 790		
Estonia	2 327	8	172	2 507		
Latvia	20 531	829	638	21 999		
Lithuania	26 948	452	1 666	29 066		
Poland	12 840	736	2 231	15 807		
Other Eastern European countries	143	15	1	159		
Total Europe outside Norway	230 152	12 710	44 456	287 318		
USA and Canada	27 202	166	28 381	55 749		
Bermuda and Panama ²⁾	16 222	527	5 258	22 007		
Other South and Central American countries	3 492	620	5 473	9 585		
Total America	46 916	1 313	39 111	87 341		
Singapore ²⁾	13 707	770	2 426	16 903		
Hong Kong	3 365	22	844	4 231		
Other Asian countries	9 010	491	1 201	10 702		
Total Asia	26 082	1 283	4 471	31 837		
Liberia 2)	8 170	101	2 176	10 448		
Other African countries	1 874	248	10	2 131		
Australia, New Zealand and Marshall Islands 2)	18 277	32	4 515	22 824		
Commitments 3)	1 195 739	66 510	309 307	1 571 556		
- Individual write-downs	7 674	76	-	7 749		
- Collective write-downs	2 969	-	-	2 969		
+ Other adjustments	2 446	(207)		2 239		
Net commitments	1 187 542	66 227	309 307	1 563 077		

¹⁾ Based on the customer's address.

²⁾ Represents shipping commitments.

³⁾ All amounts represent gross lending and guarantees respectively before individual write-downs.

Commitments according to geographical location (continued) 1) Note 8

Commitments as at 31 December 2008			DnB NOR	Bank Group
	Loans and		Unutilized	Total
Amounts in NOK million	receivables	Guarantees	credit lines	commitments
Oslo	209 548	17 823	57 694	285 065
Eastern and southern Norway	368 721	23 937	80 294	472 953
Western Norway	144 988	10 620	39 314	194 922
Northern and central Norway	138 396	7 250	25 906	171 552
Total Norway	861 653	59 631	203 209	1 124 492
Sweden	65 126	4 066	21 947	91 139
United Kingdom	38 921	3 344	7 422	49 687
Other Western European countries	83 059	12 503	31 684	127 246
Russia	2 435	131	130	2 695
Estonia	4 125	19	362	4 507
Latvia	27 096	842	1 200	29 138
Lithuania	34 877	675	3 677	39 229
Poland	12 535	722	4 585	17 842
Other Eastern European countries	257	34	44	336
Total Europe outside Norway	268 431	22 335	71 052	361 818
USA and Canada	41 550	530	29 575	71 655
Bermuda and Panama ²⁾	21 117	799	9 279	31 195
Other South and Central American countries	4 291	183	1 989	6 463
Total America	66 959	1 511	40 843	109 313
Singapore ²⁾	16 151	1 194	6 610	23 956
Hong Kong	1 784	17	1 695	3 496
Other Asian countries	12 681	367	4 207	17 256
Total Asia	30 616	1 579	12 513	44 708
Liberia ²⁾	11 080	1	4 734	15 816
Other African countries	1 683	292	253	2 228
Australia, New Zealand and Marshall Islands 2)	20 211	50	5 215	25 476
Commitments 3)	1 260 633	85 400	337 818	1 683 851
- Individual write-downs	4 266	104	-	4 370
- Collective write-downs	1 625	-	-	1 625
+ Other adjustments	6 288	(76)		6 212
Net commitments	1 261 029	85 219	337 818	1 684 067

Based on the customer's address.
 Represents shipping commitments.
 All amounts represent gross lending and guarantees respectively before individual write-downs.

Note 9 Impaired commitments for principal sectors 1)

	Gros	s impaired	Tota	l individual		R Bank ASA	
		mitments		te-downs	commitments		
Amounts in NOK million	31 Dec. 2009	31 Dec. 2008	31 Dec. 2009	31 Dec. 2008	31 Dec. 2009	31 Dec. 2008	
Retail customers	2 493	2 646	754	717	1 739	1 929	
International shipping	1 554	14	490	14	1 065	0	
Real estate	1 398	1 084	402	188	996	896	
Manufacturing	2 664	1 689	303	198	2 361	1 491	
Services	434	606	277	160	157	446	
Trade	1 389	239	571	164	817	75	
Oil and gas	0	327	0	156	0	171	
Transportation and communication	288	109	115	35	173	74	
Building and construction	399	173	106	79	293	94	
Power and water supply	1	1	1	0	0	1	
Seafood	6	389	1	25	6	364	
Hotels and restaurants	117	93	37	35	80	59	
Agriculture and forestry	139	122	33	25	106	97	
Central and local government	0	0	0	0	0	0	
Other sectors	123	1	11	0	113	1	
Total customers	11 006	7 493	3 100	1 795	7 905	5 698	
Credit institutions	0	9	0	9	0	0	
Total impaired loans and guarantees	11 006	7 502	3 100	1 804	7 905	5 698	
Non-performing loans and guarantees							
not subject to write-downs	1 501	853	-	-	1 501	853	
Total non-performing and impaired							
commitments	12 506	8 355	3 100	1 804	9 406	6 551	

Gross impaired Total individual commitments write-downs		DnB NOR Bank Grou Net impaired commitments				
Amounts in NOK million	31 Dec. 2009	31 Dec. 2008	31 Dec. 2009	31 Dec. 2008	31 Dec. 2009	31 Dec. 2008
Retail customers	4 659	3 970	1 589	1 077	3 070	2 893
International shipping	1 608	52	513	15	1 095	37
Real estate	3 300	3 005	1 205	1 067	2 095	1 938
Manufacturing	4 339	2 563	1 151	598	3 188	1 965
Services	1 606	1 313	913	636	693	677
Trade	1 309	471	764	315	545	156
Oil and gas	0	328	0	156	0	172
Transportation and communication	912	265	515	134	397	131
Building and construction	1 314	316	778	142	536	174
Power and water supply	10	27	5	1	5	26
Seafood	57	446	47	79	10	367
Hotels and restaurants	340	112	135	47	205	65
Agriculture and forestry	245	194	108	53	137	141
Central and local government	0	0	0	0	0	0
Other sectors	145	103	24	40	122	63
Total customers	19 846	13 167	7 748	4 360	12 098	8 807
Credit institutions	1	10	1	10	0	0
Total impaired loans and guarantees	19 847	13 177	7 749	4 370	12 098	8 807
Non-performing loans and guarantees						
not subject to write-downs	7 029	3 115	_	-	7 029	3 115
Total non-performing and impaired						
commitments	26 876	16 292	7 749	4 370	19 127	11 922

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 10 Write-downs on loans and guarantees

					DnB NOR Ba	ank ASA
		2009			2008	
Amounts in NOK million	Lending 1)	Guarantees	Total	Lending 1)	Guarantees	Total
Write-offs	419	0	419	196	0	196
New individual write-downs	2 275	20	2 295	1 313	18	1 331
Total new individual write-downs	2 694	20	2 714	1 509	18	1 527
Reassessed individual write-downs	286	18	304	94	33	127
Total individual write-downs	2 408	2	2 410	1 415	(15)	1 400
Recoveries on commitments previously written off	293	0	293	303	0	303
Changes in collective write-downs on loans	1 018	-	1 018	489	-	489
Write-downs on loans and guarantees	3 133	2	3 135	1 601	(15)	1 586
Write-offs covered by individual write-downs made in						
previous years	641	0	641	617	0	617

DnB NOR Bank Group

		2009			2008		
Amounts in NOK million	Lending 1)	Guarantees	Total	Lending 1)	Guarantees	Total	
Write-offs	547	7	554	334	1	335	
New individual write-downs	6 496	25	6 521	2 888	37	2 925	
Total new individual write-downs	7 043	32	7 075	3 222	38	3 260	
Reassessed individual write-downs	675	18	693	213	33	246	
Total individual write-downs	6 368	14	6 382	3 009	5	3 014	
Recoveries on commitments previously written off	317	0	317	335	0	335	
Changes in collective write-downs on loans	1 645	-	1 645	830	-	830	
Write-downs on loans and guarantees	7 696	14	7 710	3 504	5	3 509	
Write-offs covered by individual write-downs made in							
previous years	1 610	17	1 627	678	0	678	

¹⁾ Including write-downs on loans at fair value.

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 banking 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 seem to have stabilised. The banking group'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 banking group is exposed to the acquired companies, not the owners.

Over the past year, the banking 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 banking group's Norwegian and Norwegian-related credit operations.

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

DnB NOR Bank ASA

	2009				2008				
			Recoveries on				Recoveries on		
	New	Reassessed	commitments		New	Reassessed	commitments		
	individual	individual	previously	Net	individual	individual	previously	Net	
Amounts in NOK million	write-downs	write-downs	written off	write-downs	write-downs	write-downs	written off	write-downs	
Retail customers	643	45	237	361	647	6	262	379	
International shipping	521	1	23	497	2	0	0	2	
Real estate	272	29	0	243	202	17	8	177	
Manufacturing	294	69	0	225	161	28	0	133	
Services	213	21	4	188	146	18	6	122	
Trade	506	46	1	459	113	48	1	64	
Oil and gas	0	0	0	0	126	0	0	126	
Transportation and communication	79	10	16	53	13	(4)	16	1	
Building and construction	120	28	0	91	42	7	1	34	
Power and water supply	1	0	0	1	1	0	0	1	
Seafood	1	21	0	(20)	21	2	0	19	
Hotels and restaurants	14	6	0	8	25	2	0	23	
Agriculture and forestry	19	7	1	10	20	2	0	18	
Central and local government	0	0	0	0	0	0	0	0	
Other sectors	32	14	11	7	0	0	9	(9)	
Total customers	2 714	297	293	2 124	1 520	127	303	1 090	
Credit institutions	0	7	0	(7)	7	0	0	7	
Change in collective write-downs on loans	-	-	-	1 018	-	-	-	489	
Write-downs on loans and guarantees	2 714	304	293	3 135	1 527	127	303	1 586	
Of which individual write-downs									
on guarantees	20	18	0	2	18	33	0	(15)	

DnB NOR Bank Group

Recoveries or commitment previously written of 9 253 1 23 5 1 0 0 0 0 9 5 9 2 2 1 7 1 1 1 0 0 0 1 1 0 0 0 1 1 0 0 0 1 1 0 0 0 1 1 0 0 0 1 1 0 0 0 1 1 0 0 0 1 1 0 0 0 1 1 0 0 0 1 1 0 0 0 1 1 0 0 0 0 1 1 0 0 0 0 1 1 0 0 0 0 1 1 0 0 0 0 1 1 0 0 0 0 0 1 1 0 0 0 0 0 1 1 0 0 0 0 0 1 1 0 0 0 0 0 1 1 0 0 0 0 0 0 1 0	Net f write-downs 1 062 520 970 765 574 878 (0) 337 637	write-downs 931 4 973 349 408 173	Reassessed individual write-downs 23 1 39 64 29 59 0 1 16 0	Recoveries on commitments previously written off 274 0 8 2 11 2 0 16 1	Net write-downs 635 7 926 283 368 113 126 56
previously written of 9 253 1 23 5 1 0 0 0 5 9 2 2 17 1 1 1 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Net f write-downs 1 062 520 970 765 574 878 (0) 337 637	individual write-downs 931 4 973 349 408 173) 126 74	individual write-downs 23 1 39 64 29 59 0 1 16	previously written off 274 0 8 2 11 2 0 16	write-downs 635 7 926 283 368 113 126 56
ns written of 9 253 1 23 5 1 0 0 0 9 9 5 9 2 2 17 1 1 1 0 0 0	f write-downs 1 062 520 970 765 574 878 (0) 337 637	write-downs 931 4 973 349 408 173 126 74	write-downs 23 1 39 64 29 59 0 1 16	written off 274 0 8 2 11 2 0 16	write-downs 635 7 926 283 368 113 126 56
9 253 1 23 5 1 0 0 9 5 9 2 0 0 17 1 1 0 0 0	1 062 520 970 765 574 878 (0) 337 637	931 4 973 349 408 173) 126	23 1 39 64 29 59 0 1	274 0 8 2 11 2 0 16	635 7 926 283 368 113 126 56
1 23 5 1 0 0 9 5 9 2 0 0 17 1 1 0 0	520 970 765 574 878 (0) 337 637	4 973 349 408 173 126 74	1 39 64 29 59 0 1	0 8 2 11 2 0 16	7 926 283 368 113 126 56
5 1 0 C 9 5 9 2 0 C 2 17 1 1 0 C	970 765 574 878 (0) 337 637	973 349 408 173) 126 74	39 64 29 59 0 1	8 2 11 2 0 16	283 368 113 126 56
0 C S S S S S S S S S S S S S S S S S S	765 574 878 (0) 337 637	349 408 173 126 74	64 29 59 0 1	2 11 2 0 16 1	283 368 113 126 56
9 5 9 2 0 0 2 17 1 1	574 878 (0) 337 637	408 173) 126 74	29 59 0 1	11 2 0 16	368 113 126 56
9 2 0 0 2 17 1 1	878 (0) 337 637	173 126 74	59 0 1 16	2 0 16 1	113 126 56
0 C 2 17 1 1 0 C	(0) 337 637	126	0 1 16	0 16 1	126 56
2 17 1 1 0 0	337 637 1	74	1 16	16 1	56
1 1	637		16	1	
0 0	1	68		•	52
		1	0	0	1
1 C	(10)			O	1
	(10)) 37	4	8	25
3 0	92	34	7	0	26
6 1	62	35	4	1	31
3 0	(3)) (2)	0	0	(3)
5 14	187	43	0	13	26
5 317	6 072	3 253	247	335	2 672
7	(7)) 7	0	0	7
<u> </u>	1 645	-	-		830
3 317	7 710	3 260	247	335	3 509
36	36 317	66 317 6 072 7 0 (7) 1 645	317 6 072 3 253 7 0 (7) 7 - - 1 645 -	16 317 6 072 3 253 247 7 0 (7) 7 0 - - 1 645 - -	317 6 072 3 253 247 335 7 0 (7) 7 0 0 - - 1 645 - - -

¹⁾ 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 12 Developments in write-downs on loans and guarantees

						Dı	nB NOR Ba	nk ASA
		2	009			20	08	
Assessments in NOV welling	Lending to credit institutions	Lending to	Guarantees	Total	Lending to credit institutions	Lending to customers	Cuarantaga	Total
Amounts in NOK million								Total
Write-downs as at 1 January	10	3 190		3 237	2	1 935	51	1 988
New write-downs	0	1 983	14	1 997	7	1 235	16	1 258
Increased write-downs	0	292	6	298	0	70	3	73
Reassessed write-downs	10	276	18	304	0	94	33	127
Write-offs covered by write-downs	0	641	0	641	0	617	0	617
Changes in individual write-downs and accrued								
interest and amortisation	0	76	-	76	0	63	-	63
Changes in collective write-downs	0	1 018	-	1 018	0	489	-	489
Changes in group structure	0	0	0	0	0	0	0	0
Changes due to exchange rate movement	0	(187)) 0	(187)	0	113	0	113
Write-downs as at 31 December	0	5 455	39	5 494	9	3 191	37	3 237
Of which: Individual write-downs	0	3 061	39	3 100	9	1 758	37	1 804
Individual write-downs of								
accrued interest and amortisation	0	515	-	515	0	438	-	438
Collective write-downs	0	1 878	-	1 878	0	994	-	994

DnB NOR Bank Group

	2	009			2	800	
Lending to			_	Lending to			•
credit	Lending to			credit	Lending to		
institutions	customers	Guarantees	Total	institutions	customers	Guarantees	Total
11	6 358	104	6 473	3	3 053	95	3 151
1	4 816	19	4 835	7	2 640	19	2 666
0	1 679	6	1 685	0	241	18	259
11	664	18	693	0	213	33	246
0	1 610	17	1 627	0	678	0	678
0	129	-	129	1	89	-	90
0	1 645	-	1 645	0	830	-	830
0	(371)) (13)	(384)	0	12	0	12
0	(733)) (5)	(738)	0	384	5	389
1	11 249	76	11 325	11	6 358	104	6 473
1	7 673	76	7 749	10	4 256	104	4 370
0	607	-	607	1	477	-	478
0	2 969	-	2 969	0	1 625	-	1 625
	Credit institutions 11 1 0 11 0 0 11 0 0 1 1 1 0 1 1 0 0 0 0 0 0 1 1 1 0	Lending to credit institutions Lending to customers 11 6 358 1 4 816 0 1 679 11 664 0 1 610 0 129 0 1 645 0 (371) 0 (733) 1 11 249 1 7 673 0 607	credit institutions Lending to customers Guarantees 11 6 358 104 1 4 816 19 0 1 679 6 11 664 18 0 1 610 17 0 129 - 0 (371) (13) 0 (733) (5) 1 11 249 76 0 607 -	Lending to credit institutions Lending to customers Guarantees Total 11 6 358 104 6 473 1 4 816 19 4 835 0 1 679 6 1 685 11 664 18 693 0 1 610 17 1 627 0 129 - 129 0 1 645 - 1 645 0 (371) (13) (384) 0 (733) (5) (738) 1 1 249 76 11 325 1 7 673 7 749 0 607 - 607	Lending to credit institutions Lending to customers Guarantees Total institutions Lending to credit institutions 11 6 358 104 6 473 3 1 4 816 19 4 835 7 0 1 679 6 1 685 0 11 664 18 693 0 0 1 610 17 1 627 0 0 129 - 129 1 0 1 645 - 1 645 0 0 (371) (13) (384) 0 0 (733) (5) (738) 0 1 1 249 76 11 325 11 1 7 673 76 7 749 10 0 607 - 607 1	Lending to credit institutions Lending to customers Guarantees Total institutions Lending to customers 11 6 358 104 6 473 3 3 053 1 4 816 19 4 835 7 2 640 0 1 679 6 1 685 0 241 11 664 18 693 0 213 0 1 610 17 1 627 0 678 0 129 - 129 1 89 0 1 645 - 1 645 0 830 0 (371) (13) (384) 0 12 0 (733) (5) (738) 0 384 1 1 249 76 11 325 11 6 358 1 7 673 76 7 749 10 4 256 0 607 - 607 1 477	Lending to credit institutions Lending to customers Guarantees Total institutions Lending to customers Guarantees 11 6 358 104 6 473 3 3 053 95 1 4 816 19 4 835 7 2 640 19 0 1 679 6 1 685 0 241 18 11 664 18 693 0 213 33 0 1 610 17 1 627 0 678 0 0 129 - 129 1 89 - 0 1 645 - 1 645 0 830 - 0 (371) (13) (384) 0 12 0 0 (733) (5) (738) 0 384 5 1 1 249 76 11 325 11 6 358 104 1 7 673 76 7 749 10 4 256 104

Note 13 Sensitivity analyses - market risk

Conditions for calculating market risk

Market risk arises as a consequence of open positions in the foreign exchange, interest rate, commodity and equity instruments. Risk is linked to variations in financial results due to fluctuations in market prices and exchange rates.

DnB NOR uses a total risk model to quantify risk and calculates risk-adjusted capital for individual risk categories and for the Group's overall risk. Risk-adjusted capital should cover unexpected losses, which may occur in operations in exceptional circumstances. Quantifications are based on statistical probability calculations for the various risk categories, using historical data. Methods for calculating risk-adjusted capital for market risk are described in further detail below.

The risk-adjusted capital for market risk should, at a confidence level of 99.97 per cent, cover all potential losses related to market risk on positions on the balance sheet date over a period of one year. Calculations of risk-adjusted capital are based on statistical methods. Loss simulations imply that there is a greater probability of major losses than if normal distribution is applied. Risk-adjusted capital calculations also reflect the fact that volatility may vary over time. In addition, calculations of risk-adjusted capital require a certain level of discretion and estimation. Key assumptions are described below.

The model has a one-year time horizon. Exposure could be actual exposure or the expected maximum utilisation of limits and is a conservative estimate based on an extreme scenario where, in a hypothetical situation, the banking group is assumed at all times to be incorrectly positioned relative to market developments during the period. Each limit is modelled on the basis of a specific liquidation period. In addition, the model takes account of correlations between the defined portfolios. Longer liquidation periods result in higher risk-adjusted capital. A lower level of correlation results in reduced risk-adjusted capital.

Liquidation periods are estimated based on the time required to realise positions in highly volatile markets and vary from 250 trading days for the bank's investment portfolio for equity instruments to two days for positions in the most commonly traded currencies. To estimate annual losses, each underlying instrument is simulated over a period of one year. Subsequent to this, losses for each potential liquidation period are estimated. For most instruments, the banking group's positions may entail a potential for both gains and losses.

In the model calculations, losses from each limit are combined, and an overall loss is calculated for each day during the year simulations are made. Calculations are repeated 500 000 times, resulting in a probability distribution of what the greatest loss during the year might be, based on the assumption that the banking group is incorrectly positioned.

In 2009, financial instruments in the Group were divided into 24 portfolios, compared with 22 portfolios in 2008. Risk-adjusted capital for the portfolios is calculated on the basis of expected developments in the value of an instrument or index. An example of such a portfolio is the bank's equity investment portfolio, which is correlated against developments on Oslo Børs.

Market risk declined by NOK 0.5 billion from 2008 to 2009, to NOK 3.7 billion, reflecting a reduction in exposure from 2008 to 2009 following the sale of parts of the investment portfolio in DnB NOR Bank ASA to Vital Forsikring ASA. The exposure to equity instruments includes the guarantee issued by DnB NOR and the other owners for mark-to-market losses in Eksportfinans' liquidity portfolio. An increase in the unused guarantee limit raises the exposure to equity instruments and thus also market risk. Overall, there was a decline in market risk.

	DnB NOR Bank Gr	oup
Amounts in NOK billion	2009	2008
Market risk	3.7	4 2

Note 14 Interest rate sensitivity

Interest rate sensitivity for different intervals

The value of items on and off the balance sheet is affected by interest rate movements. The table shows potential losses for the DnB NOR Bank Group resulting from parallel one percentage point changes in all interest rates. The calculations are based on a hypothetical situation where interest rate movements in all currencies are unfavourable for the DnB NOR Bank Group relative to the bank's positions. Also, all interest rate movements within the same interval will be unfavourable for the banking group. The figures will thus reflect maximum losses for the DnB NOR Bank Group.

The calculations are based on the banking group's positions as at 31 December and market rates on the same date. The table does not include administrative interest rate risk and interest rate risk tied to non-interest-earning assets.

				Dr	B NOR Bank	Group 1)
		From	From	From		
	Up to	1 months	3 months	1 year	Over	
Amounts in NOK million	1 month	to 3 months	to 1 year	to 5 years	5 years	Total
31 December 2009						
NOK	81	259	20	60	214	4
USD	11	55	5	25	1	97
EUR	1	1	4	7	10	19
GBP	3	4	6	2	2	5
Other currencies	17	50	70	16	12	36
31 December 2008						
NOK	48	31	286	111	325	89
USD	31	31	130	3	2	135
EUR	9	2	26	9	63	53
GBP	2	7	4	1	0	12
Other currencies	4	30	17	26	16	30

¹⁾ The figures do not include the operations in DnB NORD, and are for the rest identical for DnB NOR Bank ASA.

Foreign

(1.965)

currencies

Note 15 Currency positions

Amounts in NOK million

The table shows net currency positions as at 31 December, including financial derivatives as defined by Norges Bank. Net positions in individual currencies may represent up to 15 per cent of eligible primary capital. Aggregate currency positions must be within 30 per cent of eligible primary capital. Foreign exchange risk related to investments in subsidiaries is included in the currency position by the amount recorded in the accounts.

Of which:

USD

(137)

DnB NOR Bank ASA

JPY

57

Other

(519)

Net currency positions as at 31 December 2009	(146)	(16)	(228)	9	41	25	19	4
Net currency positions as at 31 December 2008	(1 956)	(1)	(1 581)	48	8	(471)	(1)	40
						DnB ľ	NOR Bank	Group
	Foreign	Of which:						
Amounts in NOK million	currencies	USD	EUR	GBP	SEK	DKK	JPY	Other

EUR

(1306)

GBP

40

SEK

15

DKK

(116)

Net currency positions as at 31 December 2008

Note 16 Financial derivatives

General information on application of financial derivatives

Financial derivatives are contracts stipulating financial values in the form of interest rate terms, exchange rates and the value of equity instruments for fixed periods of time. Corresponding contracts stipulating prices on commodities and indexes are also defined as financial derivatives. Derivatives include swaps, forward contracts and options as well as combinations thereof, including forward rate agreements (FRAs), financial futures and agreements on the transfer of securities. Financial derivatives in the DnB NOR Bank Group are traded to manage liquidity and market risk arising from the banking group's ordinary operations. In addition, the banking group employs financial derivatives in its own account trading.

"Over the counter" (OTC) derivatives are contracts entered into outside the stock exchange. The contracts are tailor-made according to investor requirements with respect to the underlying object, number, price, expiration terms and maturity. The advantage of OTC derivatives is that customers are not limited to standardised contracts and can buy the precise position they wish. The disadvantage compared with the standardised market is that it can be difficult to find other contracting parties and to sell the contracts in the secondary market.

The following derivatives are employed for both trading and hedging purposes in the DnB NOR Bank Group:

- Forward contracts: a contract to buy or sell interest rate terms, amounts in foreign currencies, shares or commodities on a specified future date at a fixed price. Forward contracts are tailor-made contracts traded between counterparties in the OTC market.
- FRAs: agreements that fix the interest rate for a future period for an agreed amount. When the contract matures, only the difference between the agreed interest rate and the actual market interest rate is exchanged.
- Interest rate futures: standardised contracts where the counterparties agree to exchange specific interest rate instruments at a fixed price on a specified date. The contracts are traded on an exchange. The value of interest rate futures follows the price trend on underlying interest rate instruments.
- Swaps: transactions where two parties exchange cash flows on a fixed amount over an agreed period. The majority of swaps are tailor-made and traded outside exchanges. The most important types of swaps traded by DnB NOR are:
 - interest rate swaps in which fixed rates of interests are exchanged for floating or floating rates of interest are exchanged for fixed
 - cross-currency interest rate swaps in which parties exchange both currency and interest payments
 - equity swaps in which interest rate returns are exchanged for equity returns
- Options: agreements giving the buyer the right, but not the obligation, to either buy (call option) or sell (put option) a specific quantity of a financial instrument or commodity at a predetermined and fixed price. The buyer pays a premium to the seller for this right. Options are traded both as OTCs (tailor-made) and as standardised contracts.

Note 16 Financial derivatives (continued)

The tables show nominal values on financial derivatives according to type of derivative as well as positive and negative market values. Positive market values are entered as assets in the balance sheet, whereas negative market values are entered as liabilities. See Accounting principles for a more detailed description of measurement of financial derivatives.

					DnB NOR E	Bank ASA
	31 [December 2009		31	December 2008	
	Total	Positive	Negative	Total	Positive	Negative
	nominal	market	market	nominal	market	market
Amounts in NOK million	values	value	value	values	value	value
Interest rate contracts						
FRA-contracts	1 469 687	1 409	1 700	2 726 975	7 745	7 850
Swaps	2 332 983	46 563	34 187	2 522 492	66 356	49 989
OTC options, bought and sold	79 170	87	2	106 526	698	518
Other OTC contracts	1 687	38	0	287	19	0
Total OTC derivatives	3 883 527	48 097	35 889	5 356 280	74 818	58 357
Futures, bought and sold	804	0	0	35 095	1	1
Total exchange-traded contracts	804	0	0	35 095	1	1
Total interest rate contracts	3 884 331	48 097	35 889	5 391 375	74 819	58 358
Foreign exchange contracts						
Forward contracts	887 439	4 408	6 248	1 114 060	34 668	35 392
Swaps	456 793	16 505	19 754	552 860	26 749	24 860
OTC options, bought and sold	28 273	340	350	64 777	333	293
Total foreign exchange contracts	1 372 505	21 253	26 351	1 731 697	61 751	60 544
Equity-related contracts						
Forward contracts	3 849	72	689	5 440	654	15
OTC options, bought and sold	14 098	673	301	21 179	383	179
Total OTC derivatives	17 947	745	990	26 619	1 037	194
Futures, bought and sold	6 022	0	113	1 280	5	27
Options, bought and sold	388	54	34	2 101	62	26
Total exchange-traded contracts	6 410	54	147	3 381	67	53
Total equity-related contracts	24 357	799	1 137	30 000	1 104	247
Commodity-related contracts						
Swaps	6 869	853	961	7 184	78	18
Total commodity related contracts	6 869	853	961	7 184	78	18
Total financial derivatives	5 288 062	71 002	64 338	7 160 256	137 751	119 168
Of which: Applied for hedging purposes	113 272	4 633	668	126 906	5 766	865
Interest rate swaps		4 045	208		4 664	152
Interest rate- and currency swaps		588	460		1 102	714
Collaterals received/paid		(9 355)	(12 273)		(10 753)	(19 969)

Note 16 Financial derivatives (continued)

Amounts in NOK million Total nominal name market market market market market value Negative market market market market value Negative market market market value Positive market market market market value Negative value Ne		31 [December 2009			DnB NOR Ba December 2008	nk Group
Amounts in NOK million value value value value value value Interest rate contracts 1 469 687 1 409 1 700 2 726 975 7 745 7 85 FNA- contracts 1 469 687 1 409 1 700 2 726 975 7 745 2 659 Swaps 1 228 890 45 526 26 077 1 995 798 64 731 2 6 59 Off coptions, bought and sold 48 800 122 57 109 977 7223 35 001 Futures, bought and sold 47 095 27 834 4 833 057 7 323 35 001 Futures, bought and sold 60 0 35 095 1 1 1 Total exchange-traded contracts 804 0 0 35 095 1 1 1 Total exchange-traded contracts 809 4 503 6 287 1 127 675 35 237 35 665 Swaps 379 602 15 558 15 749 480 987 26 496 22 883 Off collorins, bought and sold of total contracts				Negative			Negative
PRA-contracts		nominal	market	market	nominal	market	market
FRA-contracts 1 469 687 1 409 1 700 278 675 7 745 2 808 Swaps 1 228 890 45 526 26 077 1 995 798 64 731 26 592 OTC options, bought and sold 18 48 800 1 22 57 1 999 79 728 559 Other OTC contracts 1 687 3.8 0 207 722 35 000 Itures, bought and sold 804 0 0 35 095 1 1 Itures, bought and sold 804 0 0 35 095 1 1 Itures, bought and sold 804 0 0 35 095 1 1 Itures, bought and sold 891 969 4 503 6287 1 127 675 35 237 35 868 Swaps 379 602 15 588 15 749 480 987 26 496 28 89 Otto pitions, bought and sold 28 359 341 351 66 39 39 35 86 Equity-related contracts 9 261 82 719 5 40	Amounts in NOK million	values	value	value	values	value	value
Swaps 1 228 890 45 526 26 077 1 995 798 64 731 26 592 OTC options, bought and sold 84 800 122 57 109 997 728 559 Otter OTC contracts 1 84 800 122 57 109 997 728 550 Otter OTC contracts 2 785 064 47 095 27 834 483 3057 73 223 35 005 Futures, bought and sold 80 0 0 35 095 1 1 1 Otal exchange-traded contracts 2 78 586 4 70 95 27 834 4 88 152 73 224 35 005 Total Interest rate contracts 2 78 586 4 70 95 27 834 4 88 152 73 224 35 005 Foreign exchange contracts 89 1969 4 503 6 287 1 127 675 35 237 35 688 OTC options bought and sold 28 399 341 35 1 66 399 399 36 95 Forward contracts 9 261 8 29 2 28 81 167 505 3 29 28 13 Foward	Interest rate contracts						
OTC options, bought and sold 84 800 122 57 109 907 728 58 Other OTC contracts 1 687 38 0 287 19 0 Total OTC derivatives 2 785 064 470 95 27 834 4 833 057 73 223 35 001 Eutures, bought and sold 804 0 0 35 095 1 1 Total exchange-traded contracts 804 0 0 35 095 1 1 Foreign exchange-traded contracts 808 0 0 35 095 1 1 Foreign exchange-traded contracts 891 969 4 503 6 287 1 127 675 35 237 35 608 Swaps 379 602 15 558 15 749 480 987 26 496 21 889 OTC options, bought and sold 28 395 341 351 66 395 399 359 Fequity-related contracts 9 261 82 719 5 400 654 15 Swaps 8 48 0 10 0 <td>FRA-contracts</td> <td>1 469 687</td> <td>1 409</td> <td>1 700</td> <td>2 726 975</td> <td>7 745</td> <td>7 850</td>	FRA-contracts	1 469 687	1 409	1 700	2 726 975	7 745	7 850
Other OTC contracts 1 687 38 0 287 19 0 Total OTC derivatives 2 785 064 47 095 27 834 4833 057 73 223 35 001 Futures, bought and sold 804 0 0 35 095 1 1 Total exchange-traded contracts 804 0 0 35 095 1 1 Total exchange-traded contracts 804 4 0 0 35 095 1 1 Foreign exchange contracts 801 969 4 503 6 287 1 127 675 35 237 35 085 Forward contracts 8 81 969 4 503 6 287 1 127 675 35 237 35 086 Swaps 379 602 15 558 15 749 480 987 26 496 21 889 OTC options, bought and sold 28 359 341 351 66 395 399 359 Equity-related contracts 9 261 82 719 5 440 654 15 Swaps 8 48 0 10 0	Swaps	1 228 890	45 526	26 077	1 995 798	64 731	26 592
Total OTC derivatives	OTC options, bought and sold	84 800	122	57	109 997	728	559
Futures, bought and sold 804 0 0 35 095 1 1 1 1 1 1 1 1 1	Other OTC contracts	1 687	38	0	287	19	0
Total exchange-traded contracts	Total OTC derivatives	2 785 064	47 095	27 834	4 833 057	73 223	35 001
Total interest rate contracts	Futures, bought and sold	804	0	0	35 095	1	1
Foreign exchange contracts	Total exchange-traded contracts	804	0	0	35 095	1	1_
Froward contracts 891 969 4 503 6 287 1 127 675 35 237 35 686 Swaps 379 602 15 558 15 749 480 987 26 496 21 889 OTC options, bought and sold 28 359 341 351 66 395 399 359 Total foreign exchange contracts 1 299 930 20 403 22 388 1 675 057 36 2132 57 934 Equity-related contracts Forward contracts Swaps 848 0 10 0	Total interest rate contracts	2 785 868	47 095	27 834	4 868 152	73 224	35 002
Swaps 379 602 15 558 15 749 480 987 26 496 21 899 OTC options, bought and sold 28 359 341 351 66 395 399 359 Total foreign exchange contracts 1 299 930 20 403 22 388 1 675 057 62 132 57 934 Equity-related contracts Forward contracts 9 261 82 719 5 440 654 15 Swaps 9 261 82 719 5 440 654 15 Swaps 848 0 10 0 0 0 0 OTC options, bought and sold 15 258 684 299 22 813 404 179 Futures, bought and sold 6 022 0 113 1 280 5 27 Options, bought and sold 388 54 34 2 101 62 26 Total equity-related contracts 6 410 54 147 3 381 67 53 Swaps 6 89 853	Foreign exchange contracts						
OTC options, bought and sold 28 359 341 351 66 395 399 359 Total foreign exchange contracts 1 299 930 20 403 22 388 1 675 057 62 132 57 934 Equity-related contracts Forward contracts Forward contracts 9 261 82 719 5 440 654 15 Swaps 848 0 10 0 0 0 0 OTC options, bought and sold 15 258 684 299 22 813 404 179 Futures, bought and sold 6 022 0 113 1 280 5 27 Options, bought and sold 388 54 34 2 101 62 26 Total exchange-traded contracts 6 410 54 147 3 381 67 53 Total equity-related contracts 3 1 777 820 1 175 3 1 63 1 124 247 Commodity-related contracts Swaps 6 889 853 961 7 184 <td>Forward contracts</td> <td>891 969</td> <td>4 503</td> <td>6 287</td> <td>1 127 675</td> <td>35 237</td> <td>35 686</td>	Forward contracts	891 969	4 503	6 287	1 127 675	35 237	35 686
Total foreign exchange contracts 1 299 930 20 403 22 388 1 675 057 62 132 57 934 Equity-related contracts 9 261 82 719 5 440 654 15 Swaps 848 0 10 0 0 0 OTC options, bought and sold 15 258 684 299 22 813 404 179 Total OTC derivatives 25 367 766 1 028 28 253 1 058 194 Futures, bought and sold 6 022 0 113 1 280 5 27 Options, bought and sold 388 54 34 2 101 62 26 Total exchange-traded contracts 6 410 54 147 3 381 67 53 Total equity-related contracts 31 777 820 1 175 31 634 1 124 247 Commodity-related contracts 8 853 961 7 184 78 18 Options, bought and sold 19 2 1 145	Swaps	379 602	15 558	15 749	480 987	26 496	21 889
Equity-related contracts Forward contracts 9 261 82 719 5 440 654 15 Swaps 848 0 10 0 0 0 OTC options, bought and sold 15 258 684 299 22 813 404 179 Total OTC derivatives 25 367 766 1 028 28 253 1 058 194 Futures, bought and sold 6 022 0 113 1 280 5 27 Options, bought and sold 388 54 34 2 101 62 26 Total exchange-traded contracts 6 410 54 147 3 381 67 53 Total equity-related contracts 31 777 820 1 175 31 634 1 124 247 Commodity-related contracts Swaps 6 869 853 961 7 184 78 18 Options, bought and sold 19 2 1 145 8 6 Total commodity related c	OTC options, bought and sold	28 359	341	351	66 395	399	359
Forward contracts 9 261 82 719 5 440 654 15 Swaps 848 0 10 0 0 0 OTC options, bought and sold 15 258 684 299 22 813 404 179 Total OTC derivatives 25 367 766 1028 28 253 1058 194 Futures, bought and sold 6 022 0 113 1 280 5 27 Options, bought and sold 388 54 34 2 101 62 26 Total exchange-traded contracts 6 410 54 147 3 381 67 53 Total equity-related contracts 31 777 820 1 175 31 634 1 124 247 Commodity-related contracts 858 853 961 7 184 78 18 Options, bought and sold 19 2 1 145 8 6 Total commodity related contracts 6 888 855 962 7 328 86 <	Total foreign exchange contracts	1 299 930	20 403	22 388	1 675 057	62 132	57 934
Swaps 848 0 10 0 0 0 OTC options, bought and sold 15 258 684 299 22 813 404 179 Total OTC derivatives 25 367 766 1 028 28 253 1 058 194 Futures, bought and sold 6 022 0 113 1 280 5 27 Options, bought and sold 388 54 34 2 101 62 26 Total exchange-traded contracts 6 410 54 147 3 381 67 53 Total equity-related contracts 31 777 820 1 175 31 634 1 124 247 Commodity-related contracts Swaps 6 869 853 961 7 184 78 18 Options, bought and sold 19 2 1 145 8 6 Total commodity related contracts 6 888 855 962 7 328 86 24 Total financial derivatives 4 124 463 69 173 <td>Equity-related contracts</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	Equity-related contracts						
OTC options, bought and sold 15 258 684 299 22 813 404 179 Total OTC derivatives 25 367 766 1 028 28 253 1 058 194 Futures, bought and sold 6 022 0 1113 1 280 5 27 Options, bought and sold 388 54 34 2 101 62 26 Total exchange-traded contracts 6 410 54 147 3 381 67 53 Total equity-related contracts 31 777 820 1 175 31 634 1 124 247 Commodity-related contracts Swaps 6 869 853 961 7 184 78 18 Options, bought and sold 19 2 1 145 8 6 Total commodity related contracts 6 888 855 962 7 328 86 24 Total financial derivatives 4 124 463 69 173 52 359 6 582 171 136 567 93 207 Of which: Applied for hed	Forward contracts	9 261	82	719	5 440	654	15
Total OTC derivatives 25 367 766 1 028 28 253 1 058 194 Futures, bought and sold 6 022 0 113 1 280 5 27 Options, bought and sold 388 54 34 2 101 62 26 Total exchange-traded contracts 6 410 54 147 3 381 67 53 Total equity-related contracts 31 777 820 1 175 31 634 1 124 247 Commodity-related contracts 8689 853 961 7 184 78 18 Options, bought and sold 19 2 1 145 8 6 Total commodity related contracts 6 888 855 962 7 328 86 24 Total financial derivatives 4 124 463 69 173 52 359 6 582 171 136 567 93 207 Of which: Applied for hedging purposes 114 170 4 633 770 126 906 5 766 956 Interest rate- and currency swaps 588	Swaps	848	0	10	0	0	0
Futures, bought and sold 6 022 0 113 1 280 5 27 Options, bought and sold 388 54 34 2 101 62 26 Total exchange-traded contracts 6 410 54 147 3 381 67 53 Total equity-related contracts 31 777 820 1 175 31 634 1 124 247 Commodity-related contracts Swaps 6 869 853 961 7 184 78 18 Options, bought and sold 19 2 1 145 8 6 Total commodity related contracts 6 888 855 962 7 328 86 24 Total financial derivatives 4 124 463 69 173 52 359 6 582 171 136 567 93 207 Of which: Applied for hedging purposes 114 170 4 633 770 126 906 5 766 956 Interest rate swaps 4 045 310 4 644 242 Interest rate- and currency swaps 588	OTC options, bought and sold	15 258	684	299	22 813	404	179
Options, bought and sold 388 54 34 2 101 62 26 Total exchange-traded contracts 6 410 54 147 3 381 67 53 Total equity-related contracts 31 777 820 1 175 31 634 1 124 247 Commodity-related contracts Swaps 6 869 853 961 7 184 78 18 Options, bought and sold 19 2 1 145 8 6 Total commodity related contracts 6 888 855 962 7 328 86 24 Total financial derivatives 4 124 463 69 173 52 359 6 582 171 136 567 93 207 Of which: Applied for hedging purposes 114 170 4 633 770 126 906 5 766 956 Interest rate- and currency swaps 588 460 1 102 714	Total OTC derivatives	25 367	766	1 028	28 253	1 058	194
Total exchange-traded contracts 6 410 54 147 3 381 67 53 Total equity-related contracts 31 777 820 1 175 31 634 1 124 247 Commodity-related contracts Swaps 6 869 853 961 7 184 78 18 Options, bought and sold 19 2 1 145 8 6 Total commodity related contracts 6 888 855 962 7 328 86 24 Total financial derivatives 4 124 463 69 173 52 359 6 582 171 136 567 93 207 Of which: Applied for hedging purposes 114 170 4 633 770 126 906 5 766 956 Interest rate swaps 4 045 310 4 644 242 Interest rate- and currency swaps 588 460 1 102 714	Futures, bought and sold	6 022	0	113	1 280	5	27
Total equity-related contracts 31 777 820 1 175 31 634 1 124 247 Commodity-related contracts Swaps 6 869 853 961 7 184 78 18 Options, bought and sold 19 2 1 145 8 6 Total commodity related contracts 6 888 855 962 7 328 86 24 Total financial derivatives 4 124 463 69 173 52 359 6 582 171 136 567 93 207 Of which: Applied for hedging purposes 114 170 4 633 770 126 906 5 766 956 Interest rate swaps 4 045 310 4 664 242 Interest rate- and currency swaps 588 460 1 102 714	Options, bought and sold	388	54	34	2 101	62	26
Commodity-related contracts Swaps 6 869 853 961 7 184 78 18 Options, bought and sold 19 2 1 145 8 6 Total commodity related contracts 6 888 855 962 7 328 86 24 Total financial derivatives 4 124 463 69 173 52 359 6 582 171 136 567 93 207 Of which: Applied for hedging purposes 114 170 4 633 770 126 906 5 766 956 Interest rate swaps 4 045 310 4 644 242 Interest rate- and currency swaps 588 460 1 102 714	Total exchange-traded contracts	6 410	54	147	3 381	67	53
Swaps 6 869 853 961 7 184 78 18 Options, bought and sold 19 2 1 145 8 6 Total commodity related contracts 6 888 855 962 7 328 86 24 Total financial derivatives 4 124 463 69 173 52 359 6 582 171 136 567 93 207 Of which: Applied for hedging purposes 114 170 4 633 770 126 906 5 766 956 Interest rate swaps 4 045 310 4 664 242 Interest rate- and currency swaps 588 460 1 102 714	Total equity-related contracts	31 777	820	1 175	31 634	1 124	247
Options, bought and sold 19 2 1 145 8 6 Total commodity related contracts 6 888 855 962 7 328 86 24 Total financial derivatives 4 124 463 69 173 52 359 6 582 171 136 567 93 207 Of which: Applied for hedging purposes 114 170 4 633 770 126 906 5 766 956 Interest rate swaps 4 045 310 4 664 242 Interest rate- and currency swaps 588 460 1 102 714	Commodity-related contracts						
Total commodity related contracts 6 888 855 962 7 328 86 24 Total financial derivatives 4 124 463 69 173 52 359 6 582 171 136 567 93 207 Of which: Applied for hedging purposes 114 170 4 633 770 126 906 5 766 956 Interest rate swaps 4 045 310 4 664 242 Interest rate- and currency swaps 588 460 1 102 714	Swaps	6 869	853	961	7 184	78	18
Total financial derivatives 4 124 463 69 173 52 359 6 582 171 136 567 93 207 Of which: Applied for hedging purposes 114 170 4 633 770 126 906 5 766 956 Interest rate swaps 4 045 310 4 664 242 Interest rate- and currency swaps 588 460 1 102 714	Options, bought and sold	19	2	1	145	8	6
Of which: Applied for hedging purposes 114 170 4 633 770 126 906 5 766 956 Interest rate swaps 4 045 310 4 664 242 Interest rate- and currency swaps 588 460 1 102 714	Total commodity related contracts	6 888	855	962	7 328	86	24
Interest rate swaps 4 045 310 4 664 242 Interest rate- and currency swaps 588 460 1 102 714	Total financial derivatives	4 124 463	69 173	52 359	6 582 171	136 567	93 207
Interest rate swaps 4 045 310 4 664 242 Interest rate- and currency swaps 588 460 1 102 714	Of which: Applied for hedging purposes	114 170	4 633	770	126 906	5 766	956
Interest rate- and currency swaps 588 460 1 102 714			4 045	310		4 664	242
	•		588	460			714
			(9 355)	(12 273)		(10 753)	(19 969)

Use of financial derivatives in DnB NOR Markets

DnB NOR Markets acts as market maker and is obliged to furnish both offer and bid prices for specified option, forward or futures series with a maximum differential between the offer and bid price, together with a minimum volume. Market makers always trade for their own account. The purpose of own account trading, in addition to making a market, is position taking, which means intentional risk-taking within the foreign exchange, interest rate and equity markets to achieve profits arising from favourable price, exchange rate and index fluctuations. Arbitrage, that is profit taking from fluctuations in prices, exchange rates and indices for the same product in various markets, is also part of own-account trading.

Customer trading entails structuring and marketing financial derivatives for customers, enabling them to transfer, modify, take or reduce prevailing or expected risk. The majority of derivative transactions relate to customer trading.

DnB NOR Bank uses interest rate and currency swaps to convert foreign currency borrowings into the desired currency. As a typical example, the bank raises a loan in euro, which is swapped to US dollars through a basis swap. In this case, the bank will pay a US dollar interest rate based on a swap curve and receive a euro interest rate reduced by a margin. In the second half of 2008, there was a steep rise in the margin requirement on such transactions due to greater market demand for US dollars. The fair value of the contracts entered into increased by NOK 1 058 million in consequence of rising margin requirements on such basis swaps, while in 2009 reduced margin requirements gave a reduction in the fair value by NOK 357 million.

Use of financial derivatives in DnB NOR Boligkreditt

The purpose of employing financial derivatives in DnB NOR Boligkreditt is to uncover and reduce foreign exchange and interest rate risk.

Note 16 Financial derivatives (continued)

Risk related to financial derivatives

Derivatives are traded in portfolios which also include balance sheet products. The market risk on derivatives is handled, monitored and controlled as an integral part of the market risk of these portfolios. See notes 5 and 13. Derivatives are traded with many different counterparties and most of these are also engaged in other types of business. The credit risk arising in connection with derivatives trading is included in the total credit risk of the DnB NOR Bank Group. Netting agreements or bilateral agreements on collateral are entered into with a number of counterparties, thus reducing credit risk. The authorities' capital adequacy requirements take into account such agreements, resulting in a reduction of capital adequacy requirements.

Note 17 Liquidity risk

Liquidity risk is the risk that the banking group will be unable to meet its payment obligations. Liquidity management in the DnB NOR Bank 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 Bank 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 net 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 banking group's ratio of deposits to lending was 54.4 per cent at end-December 2009, up from 50.3 per cent at end-December 2008. 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 Bank Group'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 banking group aims to achieve a sound and stable maturity structure for funding over the next five years.

Residual maturity as at 31 Decem	ber 2009 ¹⁾					D	nB NOR B	ank ASA
	Average		From	From	From	_		
	interest rate	Up to	1 month	3 months	1 year	Over	No fixed	
Amounts in NOK million	(per cent) 2)	1 month	to 3 months	to 1 year	to 5 years	5 years	maturity	Total
Loans and deposits from credit institutions	1.49	166 172	8 883	1 515	118 106			294 677
Deposits from customers	1.99	569 243	7 681	3 973				580 897
Debt securities issued	2.30	63 763	84 258	85 062	153 115	8 945		395 143
Sundry liabilities etc.		499	2 731				402	3 632
Subordinated loan capital 3)	2.63			289		21 111	15 299	36 698
Financial derivatives, gross settlement								
(outgoing cash flows) *)		472 231	455 626	346 578	478 480	148 566		1 901 480
Financial derivatives, net settlement		584	441	6 186	18 220	6 662		32 093
Total payments		1 272 492	559 621	443 603	767 920	185 284	15 701	3 244 620
*) Financial derivatives, gross settlement								
(incoming cash flows)		500 217	462 511	353 769	480 209	153 636		1 950 342
Residual maturity as at 31 Decem	ber 2008 ¹⁾					D	nB NOR B	ank ASA
Residual maturity as at 31 Decem	iber 2008 ¹⁾ Average		From	From	From	D	nB NOR B	ank ASA
Residual maturity as at 31 Decem	Average interest rate	Up to	From 1 month	From 3 months	From 1 year	D Over	nB NOR B	ank ASA
Residual maturity as at 31 Decem	Average	Up to 1 month						Sank ASA
	Average interest rate		1 month	3 months	1 year	Over	No fixed	
Amounts in NOK million	Average interest rate (per cent) 2)	1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	No fixed	Total
Amounts in NOK million Loans and deposits from credit institutions	Average interest rate (per cent) 2) 4.22	1 month 81 318	1 month to 3 months 26 238	3 months to 1 year 9 081	1 year to 5 years 29 659	Over 5 years 832	No fixed	Total 147 128
Amounts in NOK million Loans and deposits from credit institutions Deposits from customers	Average interest rate (per cent) 2) 4.22 4.47	1 month 81 318 535 558	1 month to 3 months 26 238 11 202	3 months to 1 year 9 081 8 927	1 year to 5 years 29 659 6 899	Over 5 years 832 7 569	No fixed	Total 147 128 570 155
Amounts in NOK million Loans and deposits from credit institutions Deposits from customers Debt securities issued	Average interest rate (per cent) 2) 4.22 4.47	1 month 81 318 535 558 70 193	1 month to 3 months 26 238 11 202 125 744	3 months to 1 year 9 081 8 927 89 391	1 year to 5 years 29 659 6 899	Over 5 years 832 7 569	No fixed maturity	Total 147 128 570 155 503 856
Amounts in NOK million Loans and deposits from credit institutions Deposits from customers Debt securities issued Sundry liabilities etc.	Average interest rate (per cent) 2) 4.22 4.47 5.04	1 month 81 318 535 558 70 193	1 month to 3 months 26 238 11 202 125 744	3 months to 1 year 9 081 8 927 89 391 85	1 year to 5 years 29 659 6 899	Over 5 years 832 7 569 23 422	No fixed maturity	Total 147 128 570 155 503 856 2 798
Amounts in NOK million Loans and deposits from credit institutions Deposits from customers Debt securities issued Sundry liabilities etc. Subordinated loan capital ³⁾	Average interest rate (per cent) 2) 4.22 4.47 5.04	1 month 81 318 535 558 70 193	1 month to 3 months 26 238 11 202 125 744	3 months to 1 year 9 081 8 927 89 391 85	1 year to 5 years 29 659 6 899	Over 5 years 832 7 569 23 422	No fixed maturity	Total 147 128 570 155 503 856 2 798
Amounts in NOK million Loans and deposits from credit institutions Deposits from customers Debt securities issued Sundry liabilities etc. Subordinated loan capital ³⁾ Financial derivatives, gross settlement	Average interest rate (per cent) 2) 4.22 4.47 5.04	1 month 81 318 535 558 70 193 86	1 month to 3 months 26 238 11 202 125 744 466	3 months to 1 year 9 081 8 927 89 391 85 379	1 year to 5 years 29 659 6 899 195 106	Over 5 years 832 7 569 23 422 23 843	No fixed maturity	Total 147 128 570 155 503 856 2 798 41 971
Amounts in NOK million Loans and deposits from credit institutions Deposits from customers Debt securities issued Sundry liabilities etc. Subordinated loan capital ³⁾ Financial derivatives, gross settlement (outgoing cash flows) *)	Average interest rate (per cent) 2) 4.22 4.47 5.04	1 month 81 318 535 558 70 193 86	1 month to 3 months 26 238 11 202 125 744 466	3 months to 1 year 9 081 8 927 89 391 85 379	1 year to 5 years 29 659 6 899 195 106	Over 5 years 832 7 569 23 422 23 843 92 104	No fixed maturity	Total 147 128 570 155 503 856 2 798 41 971 2 159 517
Amounts in NOK million Loans and deposits from credit institutions Deposits from customers Debt securities issued Sundry liabilities etc. Subordinated loan capital ³⁾ Financial derivatives, gross settlement (outgoing cash flows) *) Financial derivatives, net settlement	Average interest rate (per cent) 2) 4.22 4.47 5.04	1 month 81 318 535 558 70 193 86 600 337 (483)	1 month to 3 months 26 238 11 202 125 744 466 438 680 466	3 months to 1 year 9 081 8 927 89 391 85 379 454 132 1 065	1 year to 5 years 29 659 6 899 195 106 574 264 9 951	Over 5 years 832 7 569 23 422 23 843 92 104 1 139	No fixed maturity 2 161 17 749	Total 147 128 570 155 503 856 2 798 41 971 2 159 517 12 138

- 1) Not including value adjustments for financial instruments fair value.
- Average interest rate in per cent is calculated as total interest in NOK for the specific products in relation to the appurtenant average capital (nominal amount).
- 3) The maturity structure for subordinated loan capital is based on final maturities and does not reflect options to make early redemptions.

Note 17 Liquidity risk (continued)

Residual maturity as at 31 Decem	ber 2009 ¹⁾					DnE	NOR Bar	nk Group
	Average		From	From	From			
	interest rate	Up to	1 month	3 months	1 year	Over	No fixed	
Amounts in NOK million	(per cent) 2)	1 month	to 3 months	to 1 year	to 5 years	5 years	maturity	Total
Loans and deposits from credit institutions	1.58	158 531	12 480	8 093	124 078			303 182
Deposits from customers	2.02	594 757	10 875	7 183	250	546		613 611
Debt securities issued	2.93	63 779	87 026	100 485	210 999	30 912		493 201
Sundry liabilities etc.		499	3 346				638	4 483
Subordinated loan capital 3)	2.54			309	942	21 512	15 299	38 062
Financial derivatives, gross settlement								
(outgoing cash flows) *)		470 887	455 208	332 968	427 140	125 908		1 812 110
Financial derivatives, net settlement		(339)	534	4 328	12 091	5 452		22 066
Total payments		1 288 113	569 469	453 366	775 500	184 330	15 937	3 286 715
(incoming cash flows) Residual maturity as at 31 Decem	nber 2008 ¹⁾	498 982	462 285	336 539	415 813	123 569 Dnl	3 NOR Bar	1 837 187 nk Group
Residual maturity as at 31 Decem	ber 2008 ¹⁾					DnE	NOR Bar	nk Group
	Average		From	From	From			
	interest rate	Up to	1 month	3 months	1 year	Over	No fixed	
Amounts in NOK million	(per cent) 2)	1 month	to 3 months	to 1 year	to 5 years	5 years	maturity	Total
Loans and deposits from credit institutions	4.32	86 969	32 042	15 806	43 202	610		178 629
Deposits from customers	4.41	563 781	15 092	13 102	7 088	7 694		606 758
Debt securities issued	5.24	70 486	126 144	92 742	272 843	43 914		606 129
Sundry liabilities etc.		1 082	632	980	68	86	2 977	5 824
Subordinated loan capital 3)	5.61			403	719	24 713	17 749	43 585
Financial derivatives, gross settlement								
(outgoing cash flows) *)		599 683	437 460	451 025	506 112	78 678		2 072 957
Financial derivatives, net settlement		(493)	(22)	(301)	4 479	(613)		3 049
Total payments		1 321 508	611 349	573 756	834 511	155 080	20 726	3 516 932

¹⁾ Not including value adjustments for financial instruments fair value.

(incoming cash flows)

³⁾ The maturity structure for subordinated loan capital is based on final maturities and does not reflect options to make early redemptions.

Bank ASA	Credit lines, commitments and documentary credit	DnB NOR Ban	k Group
31 Dec.		31 Dec.	31 Dec.
2009	Amounts in NOK million	2009	2008
218 064	Unutilised credit lines under 1 year	222 557	210 478
165 970	Unutilised credit lines over 1 year	168 564	175 677
	31 Dec. 2009 218 064	31 Dec. 2009 Amounts in NOK million 218 064 Unutilised credit lines under 1 year	31 Dec. 31 Dec. 2009 Amounts in NOK million 2009 218 064 Unutilised credit lines under 1 year 222 557

436 891

455 201

2 070 850

²⁾ Average interest rate in per cent is calculated as total interest in NOK for the specific products in relation to the appurtenant average capital (nominal amount).

Note 18 Net interest income

					DnB NOR B	ank ASA
		2009			2008	
	Recorded	Recorded	_	Recorded	Recorded	_
	at fair	at amortised		at fair	at amortised	
Amounts in NOK million	value	cost 1)	Total	value	cost 1)	Total
Interest on loans to and deposits with credit institutions	2 145	5 098	7 244	2 678	7 537	10 215
Interest on loans to customers	6 810	21 255	28 065	12 302	39 267	51 569
Interest on impaired loans, individually written down	0	430	430	0	299	299
Interest on commercial paper and bonds	5 143	0	5 143	4 210	0	4 210
Interest on commercial paper and bonds, held to maturity	-	2 710	2 710	-	2 765	2 765
Front-end fees etc.	59	273	332	122	310	431
Other interest income	51	606	657	240	749	990
Total interest income	14 208	30 373	44 581	19 552	50 926	70 478
Interest on loans and deposits from credit institutions	3 663	544	4 206	4 325	1 773	6 099
Interest on deposits from customers	1 399	10 168	11 568	1 584	22 516	24 100
Interest on debt securities issued	3 164	4 579	7 743	5 205	11 708	16 912
Interest on subordinated loan capital	73	958	1 031	62	2 022	2 084
Other interest expenses ²⁾	3 983	651	4 634	3 916	262	4 179
Total interest expenses	12 283	16 900	29 183	15 092	38 282	53 373
Net interest income	1 925	13 473	15 398	4 461	12 644	17 105

					DnB NOR Bar	nk Group
		2009			2008	
Amounts in NOK million	Recorded at fair value	Recorded at amortised cost 1)	Total	Recorded at fair value	Recorded at amortised cost 1)	Total
Interest on loans to and deposits with credit institutions	893	838	1 731	885	1 276	2 161
Interest on loans to customers	7 616	39 975	47 591	12 518	58 952	71 470
Interest on impaired loans, individually written down	0	459	459	0	338	338
Interest on commercial paper and bonds	5 404	0	5 404	4 543	0	4 543
Interest on commercial paper and bonds, held to maturity	-	2 710	2 710	-	2 765	2 765
Front-end fees etc.	66	308	374	127	314	440
Other interest income	51	727	778	240	783	1 023
Total interest income	14 030	45 018	59 047	18 313	64 428	82 741
Interest on loans and deposits from credit institutions	3 565	1 260	4 824	4 194	3 062	7 256
Interest on deposits from customers	1 424	11 063	12 487	1 592	23 616	25 208
Interest on debt securities issued	8 240	5 529	13 769	9 105	12 479	21 583
Interest on subordinated loan capital	184	881	1 066	62	2 063	2 125
Other interest expenses 2)	3 018	772	3 790	3 827	407	4 234
Total interest expenses	16 430	19 505	35 935	18 779	41 626	60 406
Net interest income	(2 401)	25 513	23 112	(466)	22 801	22 335

¹⁾ Includes hedged items.

²⁾ Other interest expenses include interest rate adjustments resulting from interest rate swaps entered into. Derivatives are recorded at fair value.

Note 19 Interest rates on selected balance sheet items

		. 1)		R Bank ASA
	Average interest rat	e in per cent "	Average volum	e in NOK million
	2009	2008	2009	2008
Assets				
Lending to and deposits with credit institutions	1.97	5.34	364 769	225 766
Lending to customers	3.96	6.58	719 145	788 970
Commercial paper and bonds	3.25	8.43	206 386	76 288
Liabilities				
Loans and deposits from credit institutions	1.49	4.22	282 917	144 580
Deposits from customers	1.99	4.47	582 528	539 033
Securities issued	2.30	5.04	442 675	390 883

	Average interest rate	Average interest rate in per cent 1)		ne in NOK million	
	2009	2008	2009	2008	
Assets					
Lending to and deposits with credit institutions	0.96	3.83	176 610	104 166	
Lending to customers	4.11	6.68	1 167 539	1 074 771	
Commercial paper and bonds	6.80	9.18	112 694	74 703	
Liabilities					
Loans and deposits from credit institutions	1.58	4.32	305 299	167 853	
Deposits from customers	2.02	4.41	616 713	571 994	
Securities issued	2.93	5.24	545 743	465 361	

¹⁾ Average interest rate in per cent is calculated as total interest in NOK for the specific products in relation to the appurtenant average capital (nominal amount).

Note 20 Net other operating income

NOR E	Bank ASA		DnB NOR Bank	Group
2008	2009	Amounts in NOK million	2009	2008
2 678	2 781	Money transfer fees receivable	3 034	2 899
252	209	Fees on asset management services	263	293
372	268	Fees on custodial services	275	382
333	277	Fees on securities	279	334
295	259	Corporate Finance	335	378
112	102	Interbank fees	106	117
402	363	Credit broking commissions	367	406
287	266	Sales commissions on insurance products	411	443
543	455	Sundry commissions and fees receivable on banking services	886	985
5 274	4 980	Total commissions and fees receivable etc.	5 956	6 236
888	947	Money transfer fees payable	1 015	942
22	(16)	Commissions payable on asset management services	(16)	22
135	105	Fees on custodial services payable	107	135
174	147	Interbank fees	153	180
119	64	Credit broking commissions	52	119
4	0	Sale commissions on insurance products	12	27
537	505	Sundry commissions and fees payable on banking services	568	597
1 878	1 752	Total commissions and fees payable etc.	1 890	2 021
1 626	7 509	Net gains on financial instruments at fair value	6 180	3 430
0	o	Profit from companies accounted for by the equity method 1)	93	632
101	114	Income from owned/leased premises	29	45
0	0	Fees in real estate broking	774	658
0	0	Net unrealised gains on investments property	(109)	0
1 594	2 112	Miscellaneous operating income *)	792	866
1 695	2 226	Total other income	1 485	1 569
6 716	12 963	Net other operating income	11 824	9 847
567	651	*) Of which dividends from group companies/group contributions		

¹⁾ 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 200 million from the company in 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 2009, the accumulated effect of widening credit margins raised DnB NOR's share of profits in the company by approximately NOK 503 million.

Note 21 Net gains on financial instruments at fair value

B NOR B	ank ASA		DnB NOR Banl	k Group
2008	2009	Amounts in NOK million	2009	2008
36	22	Dividends	22	36
3 609	5 290	Net gains on foreign exchange and financial derivatives 1)	4 411	5 688
(819)	407	Net gains on commercial paper and bonds 2)	451	(884)
(67)	216	Net gains on shareholdings	216	(69)
407	138	Net gains on other financial assets	212	39
(892)	598	Net gains on financial liabilities	566	(855)
2 273	6 671	Net gains on financial instruments, trading	5 879	3 955
141	173	Dividends	135	126
842	(313)	Net gains on loans at fair value 3)	(362)	1 113
398	377	Net gains on financial guarantees	377	411
(150)	607	Net gains on commercial paper and bonds	195	120
(1 094)	124	Net gains on shareholdings 4)	123	(1 230)
(655)	(29)	Net gains on financial liabilities	(33)	(939)
(518)	939	Net gains on financial instruments, designated as at fair value	435	(398)
4 973	(227)	Net gains on financial derivatives, hedging 5)	94	8 757
0	0	Net gains on financial assets, hedged items	32	124
(5 102)	126	Net gains on financial liabilities, hedged items 5)	(261)	(9 008)
(129)	(101)	Net gains on hedged items ⁶⁾	(135)	(127)
1 626	7 509	Net gains on financial instruments at fair value	6 180	3 430

- 1) The figures for DnB NOR Bank ASA include the guarantee for mark-to-market losses in Eksportfinans' liquidity portfolio. In 2008, unrealised losses of NOK 1 090 million arising from the agreement were recorded, while unrealised gains of NOK 701 million were recorded in 2009. In the consolidated accounts, the portfolio guarantee is included in profit from associated companies.
- 2) The figures for 2008 include unrealised mark-to-market losses of NOK 1 333 million on DnB NOR Markets' liquidity portfolio up until the reclassification of the portfolio to the held-to-maturity category during the third quarter.
- 3) Throughout 2008, there was a pronounced decline in long-term Norwegian kroner interest rates, which resulted in significant unrealised gains on fixed-rate loans in Norwegian kroner. The 3-year interest rate was reduced from 5.59 to 3.18 per cent. In 2009, the 3-year rate increased to 3.89 per cent. Fixed-rate loans in Norwegian kroner primarily represent residential mortgages.
- 4) The financial turmoil during the second half of 2008 resulted in sizeable unrealised losses on shares in the investment portfolio.
- 5) Long-term US dollar and euro interest rates were significantly reduced during the fourth quarter of 2008. The 3-year US dollar interest rate declined from 3.67 to 1.75 per cent, while the corresponding euro interest rate was reduced from 4.63 to 2.96 per cent. This resulted in large unrealised losses on foreign currency borrowings, while the appurtenant derivatives used for hedging gave significant unrealised gains.
- 6) The DnB NOR Group uses hedge accounting for long-term borrowings in foreign currency in DnB NOR Boligkreditt and DnB NOR Bank ASA. Loans are hedged 1:1 through external contracts where there is a correlation between currencies, interest rate flows and the hedging instrument. At the time the loans are raised, DnB NOR Markets considers whether to enter into a hedging transaction for the relevant loan based on the Group's foreign currency positions and the underlying interest rate exposure for the loan. Hedging transactions which are entered into, are documented. For the bank, the NOK leg of a hedging transaction will be exposed to 3-month interest rates, while for DnB NOR Boligkreditt, hedging transactions are entered into to further reduce the interest rate risk on the NOK leg of the hedging transaction. In the table, the interest rate exposure of the NOK leg of the interest rate swaps are included in changes in value of the hedging instrument.

Note 22 Operating expenses

nB NOR Bank ASA			DnB NOR Ban	k Group
2008	2009	Amounts in NOK million	2009	2008
4 480	4 734	Salaries	6 323	6 033
678	672	Employer's national insurance contributions	949	920
796	652	Pension expenses	812	906
70	62	Restructuring expenses	133	70
283	466	Other personnel expenses	464	370
6 306	6 586	Total salaries and other personnel expenses	8 681	8 299
945	757	Fees 1)	913	1 092
1 241	1 218	EDP expenses	1 489	1 478
299	297	Postage and telecommunications	379	389
62	53	Office supplies	91	100
502	435	Marketing and public relations	529	670
168	145	Travel expenses	198	227
207	203	Reimbursement to Norway Post for transactions executed	203	207
53	45	Training expenses	67	80
988	1 064	Operating expenses on properties and premises 2)	1 272	1 188
87	88	Operating expenses on machinery, vehicles and office equipment	140	141
460	398	Other operating expenses	786	775
5 013	4 703	Total other expenses	6 067	6 348
0	0	Impairment losses for goodwill 3)	730	234
465	2 624	Depreciation and write-downs of fixed and intangible assets	1 364	1 062
465	2 624	Total depreciation and impairment of fixed and intangible assets	2 094	1 296
11 784	13 913	Total operating expenses	16 841	15 942

¹⁾ Systems development fees totalled NOK 555 million for DnB NOR Bank ASA and NOK 583 million for the DnB NOR Bank Group in 2009, compared with NOK 663 million and NOK 695 million, respectively, in 2008.

²⁾ Costs relating to leased premises were NOK 859 million and NOK 1005 million respectively for DnB NOR Bank ASA and the DnB NOR Bank Group in 2009, compared with NOK 805 million and NOK 953 million in 2008.

³⁾ 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 23 Pensions

Description of the pension schemes

The DnB NOR Bank Group has a defined benefit occupational pension scheme for all employees in Norway in the form of a group pension scheme funded by Vital Forsikring. Pension benefits include retirement pensions, disability pensions and pensions for spouses and dependent children, which supplement benefits from the National Insurance Scheme. Full pension entitlements require 30 years of pensionable service and give the right to a retirement pension corresponding to the difference between 70 per cent of the employee's salary and estimated benefits from the National Insurance Scheme. The pension scheme is in compliance with the Act on Occupational Pensions. In addition to this scheme, around 630 employees in the former Postbanken are covered by a closed group pension plan in the Norwegian Public Service Pension Fund.

The right to a paid-up policy upon termination of employment only applies to retirement pensions. Disability pensions and survivor's pensions for employees and survivor's pensions for retirement pensioners represent risk coverage without accumulation of capital. The annual risk coverage premium is included in pension expenses.

The Norwegian companies in the banking group have adopted the contractual pension (CPA) scheme for the banking and financial services industry. In addition, an agreement on contractual pensions according to public sector rules has been entered into with respect to employees who are members of the Public Service Pension Fund. Provisions have thus been made in the accounts to cover anticipated future CPA acceptance. Upon retirement under a contractual pension agreement, employees continue as members of the group pension scheme, earning benefits up till ordinary retirement age.

The CPA scheme is an early retirement option entitling employees aged between 62 and 66 to a pension. The scheme is coordinated with the National Insurance Scheme, where ordinary retirement pensions are granted from the age of 67. In consequence of changes in the National Insurance Scheme with effect from 2011 and the opportunity offered by the new scheme to take out a pension from the age of 62, a new act on contractual pensions has been adopted. The new CPA scheme will give a lifelong supplement to the retirement pension. The annual pension will be higher the later the pension is taken out. The new CPA scheme is regarded as a new defined benefit, multiple company scheme.

The former scheme will be wound up over a period of several years. Commitments will no longer apply in relation to employees who are not entitled to the former CPA scheme, i.e. employees born after 1948.

For members of the Norwegian Public Service Pension Fund, the CPA scheme will continue unchanged after 2011.

The banking group also has commitments relating to salaries exceeding 12G (12 times the National Insurance basic amount) and early retirement agreements. Commitments relating to salaries exceeding 12G and early retirement agreements are funded through the banking group's operations. The top salary pension scheme was closed with effect from 30 June 2008. Under other forms of early retirement than CPA, employees resign from the company pension plans but are, upon reaching the ordinary retirement age, compensated for the reduction in benefits earned.

Employer's contributions are included in pension expenses and commitments. In pension schemes where pension funds exceed pension commitments, no allocation has been made for employer's contributions.

Subsidiaries and branches outside Norway have separate schemes for their employees, mainly in the form of defined-contribution schemes. Pension expenses for employees outside Norway represent NOK 70 million of the banking group's total pension expenses of NOK 812 million.

Economic assumptions applied in calculating pension expenses and commitments:

Economic assumptions	Exp	Expenses		
Per cent	2009	2008	31 Dec. 09	31 Dec. 08
Discount rate 1)	3.8	4.7	4.4	3.8
Anticipated return ²⁾	5.8	5.8	5.6	5.8
Anticipated rise in salaries	4.00	4.50	4.25	4.00
Anticipated increase in basic amount	3.75	4.25	4.00	3.75
Anticipated rise in pensions	2.00	2.25	2.25	2.00
Anticipated CPA acceptance	35.0	35.0	35.0	35.0
Demographic assumptions about mortality 3)	K2005	K2005	K2005	K2005

- 1) The discount rate used is determined by reference to market yields at the balance sheet date on long term (10-year) government bonds, plus an addition that takes into account the relevant duration of the pension liabilities.
- 2) The anticipated return on pension funds was calculated by assessing the expected return on the assets encompassed by the current investment policy. The anticipated gain on fixed-rate investments is based on gross gains upon redemption on the balance sheet date. The anticipated return on equity and property investments reflects anticipated long-term real returns in the respective markets.
- 3) K2005 is a calculation base for statistical mortality assumptions, which includes two projected calculations of mortality based on empirical data from the period 1996 to 2001. One of the calculation bases is projected up until 2005, while the other is projected up until 2020. Mortality rates are expected to be lower in 2020 than in 2005. When calculating pension costs and pension commitments, a combination of both calculation bases has been used.

Note 23 Pensions (continued)

Pension	expenses
Pension	expenses

DnB NOR Bank ASA

	2009					
Amounts in NOK million	Funded	Unfunded	Total	Funded	Unfunded	Total
Net present value of pension entitlements	321	90	411	345	86	432
Interest expenses on pension commitments	374	70	444	428	95	523
Expected return on pension funds	(424)	0	(424)	(379)	(14)	(392)
Changes in pension schemes	0	0	0	0	0	0
Amortisation of changes in estimates not recorded in the accounts	32	(3)	29	73	5	78
Administrative expenses	40	0	40	6	0	6
Employer's contributions	42	23	65	55	22	77
Risk coverage premium	0	55	55	0	46	46
Defined-contribution pension schemes	0	31	31	0	27	27
Net pension expenses	385	266	652	528	268	796

Pension commitments				DnE	3 NOR Bar	ık ASA
		31 Dec. 2009				
Amounts in NOK million	Funded	Unfunded	Total	Funded	Unfunded	Total
Accrued pension commitments	8 177	1 551	9 728	8 635	1 541	10 177
Estimated effect of future salary adjustments	1 439	333	1 771	1 640	414	2 053
Total pension commitments	9 615	1 884	11 499	10 275	1 955	12 230
Value of pension funds	(7 879)	0	(7 879)	(7 494)	0	(7 494)
Net pension commitments	1 737	1 884	3 621	2 781	1 955	4 736
Changes in estimates not recorded in the accounts	(869)	258	(611)	(1 884)	238	(1 646)
Employer's contributions	233	265	498	388	275	663
Recorded pension commitments	1 101	2 407	3 508	1 285	2 469	3 754

Pension expenses				DnB l	NOR Bank	Group
		2008				
Amounts in NOK million	Funded	Unfunded	Total	Funded	Unfunded	Total
Net present value of pension entitlements	375	98	473	385	94	479
Interest expenses on pension commitments	404	76	480	458	103	560
Expected return on pension funds	(457)	0	(457)	(407)	(16)	(422)
Changes in pension schemes	0	0	0	0	0	0
Amortisation of changes in estimates not recorded in the accounts	61	5	66	75	6	82
Administrative expenses	45	0	45	8	0	8
Employer's contributions	43	24	67	61	24	85
Risk coverage premium	0	70	70	0	63	63
Defined-contribution pension schemes	0	69	69	0	52	52
Net pension expenses	470	342	812	580	326	906

Pension commitments **DnB NOR Bank Group** 31 Dec. 2009 31 Dec. 2008 Amounts in NOK million Funded Unfunded Funded Unfunded Total Total Accrued pension commitments 8 784 1 655 10 439 9 217 10 877 Estimated effect of future salary adjustments 1 611 372 1 983 1 824 451 2 275 10 394 11 041 13 152 Total pension commitments 2 027 12 422 2 111 (8 040) Value of pension funds (8 490) 0 (8 490) (8 040) 0 Net pension commitments 1 905 2 027 3 932 3 002 2 111 5 113 (987) 227 (760)(2 054) 182 (1 872) Changes in estimates not recorded in the accounts 291 706 Employer's contributions 253 281 534 415 Recorded pension commitments 1 171 2 535 3 706 1 363 2 584 3 947

Note 23 Pensions (continued)

DnB NOR Bank ASA		Pension commitments	DnB NOR Bank Group		
2008	2009	Amounts in NOK million	2009	2008	
11 830	12 230	Opening balance	13 152	12 580	
425	411	Accumulated pension entitlements	473	479	
523	444	Interest expenses	480	560	
(547)	(568)	Pension payments	(593)	(567)	
0	0	Changes in pension schemes	0	0	
(1)	(1 018)	Changes in estimates not recorded in the accounts	(1 090)	100	
12 230	11 499	Closing balance	12 422	13 152	

DnB NOR B	ank ASA	Pension funds	DnB NOR Bank	k Group
2008	2009	Amounts in NOK million	2009	2008
6 965	7 494	Opening balance	8 040	7 452
392	424	Expected return	457	422
559	585	Premium transfers	670	615
(316)	(349)	Pension payments	(363)	(326)
0	0	Changes in pension schemes	0	0
(101)	(236)	Changes in estimates not recorded in the accounts	(270)	(116)
(6)	(40)	Administrative expenses	(45)	(8)
7 494	7 879	Closing balance	8 490	8 040

Premium transfers for the banking group in 2010 are expected to be NOK 650 million. Payments through operations are estimated at NOK 270 million.

Past developments			DnB NOR Bank Group		
	31 Dec.	31 Dec.	31 Dec.	31 Dec.	31 Dec.
Amounts in NOK million	2009	2008	2007	2006	2005
Gross pension commitments 1)	12 956	13 859	13 243	13 869	13 070
Gross pension funds	(8 490)	(8 040)	(7 452)	(7 466)	(7 395)
Commitments not recorded in the accounts	(760)	(1 872)	(1 712)	(2 661)	(2 255)
Net recorded pension commitments	3 706	3 947	4 079	3 742	3 419

¹⁾ Gross pension commitments include employer's contributions.

DnB NOR	Bank ASA	Members	DnB NOR Bank	Group
31 Dec.	31 Dec.		31 Dec.	31 Dec.
2008	2009		2009	2008
12 853	12 495	Number of persons covered by the pension schemes	14 255	14 715
7 987	7 672	- in employment	9 159	9 595
4 866	4 823	- on retirement and disability pensions	5 096	5 120

Pension funds investments

The table below shows a percentage breakdown of pension funds in the group pension schemes administered by Vital Forsikring. Vital Forsikring administers NOK 8 466 million of the banking group's total pension funds. The recorded return on assets in the common portfolio administered by Vital Forsikring was 4.7 per cent in 2009 and 1.7 per cent in 2008.

	DnB NOR Bank Grou					
	31 Dec.	31 Dec.				
Per cent	2009	2008				
Commercial paper and bonds at fair value	23	30				
Commercial paper and bonds, held to maturity	36	29				
Money market	9	14				
Equities	14	4				
Real estate	17	17				
Other	2	7				
<u>Total</u>	100	100				

Note 23 Pensions (continued)

Sensitivity analyses for pension calculations

The following estimates are based on facts and conditions prevailing on 31 December 2009, assuming that all other parameters are constant. Actual results may deviate significantly from these estimates.

	DnB NOR Bank Gr							
		Annual rise in salaries/			Α	nnual rise		
	Discount rate		basic amount		in pensions		Retirem	nent rate
Change in percentage points	+ 1%	-1%	+1%	-1%	+ 1%	-1%	+1%	-1%
Percentage change in pensions								
Pension commitments	15-17	15-17	9-11	9-11	11-13	11-13	1-2	1-2
Net pension expenses for the period	16-18	17-19	19-21	17-19	17-19	15-17	1-2	1-2

Pension commitments are particularly susceptible to changes in the discount rate. A reduction in the discount rate will, as an isolated factor, result in an increase in pension commitments. A one percentage point change in the discount rate will cause a change in pension commitments in the order of 15 to 17 per cent.

Higher salary increases and adjustments in pensions will also cause a rise in pension commitments. A one percentage point rise in salaries or the basic amount will give an anticipated rise of 9 to 11 per cent, while a corresponding increase in pensions will give a 11 to 13 per cent rise in commitments.

Note 24 Number of employees/full-time positions

DnB NOR Bank ASA			DnB NOR Bank	Group
2008	2009 ¹⁾		2009 1)	2008
7 376	7 375	Number of employees as at 31 December	12 607	13 207
429	477	- of which number of employees abroad	4 415	4 806
7 140	7 146	Number of employees calculated on a full-time basis as at 31 December	12 263	12 848
422	471	- of which number of employees calculated on a full-time basis abroad	4 3 29	4 713
7 414	7 407	Average number of employees	12 943	12 965
7 145	7 167	Average number of employees calculated on a full-time basis	12 588	12 638

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 25 Taxes

1 B NOR E 2008	Bank ASA 2009	Taxes Amounts in NOK million	DnB NOR Ban 2009	k Grou 200
257	8 719	Payable taxes	8 818	17
2 632	(4 870)	Changes in deferred taxes	(4 467)	3 39
2 889	3 849	Total taxes	4 351	3 56
		Balancing tax charges against pre-tax operating profit		
2008	2009	Amounts in NOK million	2009	200
10 499	11 312	Operating profit before taxes	10 410	12 78
2 940	3 167	Estimated income tax - nominal tax rate (28 per cent)	2 915	3 58
(129)	(17)	Tax effect of income taxable abroad	1 165	(2
312	(36)	Tax effect of debt interest distribution with international branches	(36)	3
(124)	659	Tax effect of tax-exempt income and non-deductible expenses	394	(2
263	59	Taxes payable abroad	(104)	34
(239)	0	Other changes in estimates	0	(2
(134)	17	Excess tax provision previous year	17	(1:
2 889	3 849	Total taxes	4 351	3 56
28 %	34 %	Effective tax rate	42 %	28
		Deferred tax assets/(deferred taxes)		
		28 per cent deferred tax calculation on all temporary differences (Norway)		
2008	2009	Amounts in NOK million	2009	20
		Annual changes in deferred tax assets/(deferred taxes)		
(1 092)	(3 724)	Deferred tax assets/(deferred taxes) as at 1 January	(4 801)	(1 2
(2 632)	4 870	Changes recorded against profits	4 467	(3 3
		Other changes:		
0	0	Acquisition of companies	0	(1
(3 724)	1 146	Deferred tax assets/(deferred taxes) as at 31 December	(334)	(4 8
		Deferred tax assets and deferred taxes in the balance sheet		
31 Dec.	31 Dec.	affect the following temporary differences:	31 Dec.	31 De
2008	2009	Amounts in NOK million Deferred tax assets	2009	20
0	(105)		0	
0	(105) 966	Fixed assets	0	
	900 17	Net pension commitments		
0		Financial instruments Loan assessment rules	13 0	
0	(116)			2
10 0	98	Net other tax-deductable temporary differendes	75 153	2
10	293 1 153	Losses and credit allowances carried forward Total deferred tax assets	153 241	
10	1 155	Deferred taxes	241	2!
82	0	Fixed assets	882	1 0
(1 049)	0	Net pension commitments	(999)	(1 1
5 889	0	Financial instruments	800	10 9
233	0	Loan assessment rules	119	2
208	7	Net other taxable temporary differences	226	6
(1 629)	0	Losses and credit allowances carried forward	(453)	(6 8
3 734	7	Total deferred taxes	575	5 0!
	•	Total as-on-ou takes	0.0	
		Deferred taxes in the profit and loss accounts affect		
		the following temporary differences:		
2008	2009	Amounts in NOK million	2009	20
1	22	Fixed assets	(210)	6
32	92	Pensions	103	
5 519	(5 906)	Financial instruments	(10 160)	10 5
(117)	(116)	Loan assessment rules	(119)	(1
(1 175)	(298)	Other temporary differences	(331)	(8
(1 628)	1 336	Losses and credit allowances carried forward	6 250	(6 8 3 3 9
2 632	(4 870)	Losses and credit allowances carried forward Deferred taxes	6 250 (4 467)	

Deferred tax assets are capitalised to the extent it is probable that the Group will have taxable income against which temporary differences can be utilised. Net deferred taxes on temporary differences within the same tax group are assessed and entered net in the accounts.

Note 25 Taxes (continued)

The DnB NOR Bank Group's total tax charge for 2009 was NOK 4 351 million, a rise of NOK 783 million from 2008. Relative to pre-tax operating profits, the tax charge increased from 27.9 to 41.8 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 not recorded the change in 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. Unrecorded deferred tax assets relating to losses carried forward totalled NOK 354 million at year-end 2009. The increase in deferred taxes relating to financial instruments was mainly due to the reversal of exchange rate effects on currency instruments and bond holdings. Developments in share prices and exchange rates are other key factors with a negative impact on the 2009 tax charge.

Payable taxes for 2009 are strongly influenced by the reversal of taxable temporary differences for previous years. DnB NOR Bank Group's payable taxes were low for 2008, but high in 2009. Differences in payable tax levels mainly reflect different rules for the treatment of financial instruments in the accounts and for tax purposes. A significant share of the financial instruments are carried at fair value in the accounts, while for tax purposes, the same instruments are recorded on an accrual basis in accordance with the realisation principle. This gives rise to large differences between profits stated in the accounts and profits computed for tax purposes for the individual accounting years, especially in years with significant fluctuations in interest rate levels and exchange rates. These differences are offset in the longer term

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.

Tax group

DnB NOR Bank and Norwegian subsidiaries where DnB NOR Bank owns more than 90 per cent of the shares and has a corresponding share of the votes which can be cast at general meetings, are included in DnB NOR's tax group.

Note 26 Classification of financial instruments

As at 31 December 2009					DnB NOR	Bank ASA
	Financ	ial instruments	Financial			
		at fair value	derivatives	Financial		
	through	profit and loss	designated	instruments	Investments	
		Designated as	as hedging	carried at am-	held to	
Amounts in NOK million	Trading	at fair value	instruments	ortised cost 1)	maturity	Total
Cash and deposits with central banks				29 023		29 023
Lending to and deposits with credit institutions	82 228	4 481		189 375		276 084
Lending to customers	1 595	132 798		492 414		626 806
Commercial paper and bonds	44 073	260 875				304 948
Shareholdings	10 807	2 233				13 041
Financial derivatives	66 369		4 633			71 002
Commercial paper and bonds, held to maturity					113 302	113 302
Investments in associated companies				1 023		1 023
Investments in subsidiaries				26 174		26 174
Other assets				6 146		6 146
Total financial assets	205 071	400 387	4 633	744 154	113 302	1 467 548
Loans and deposits from credit institutions	142 690	118 074		33 426		294 190
Deposits from customers	46 039	19 551		515 323		580 913
Financial derivatives	63 670		668			64 338
Debt securities issued	168 033	26 142		204 056		398 231
Other liabilities				12 863		12 863
Subordinated loan capital		1 379		36 308		37 686
Total financial liabilities	420 432	165 145	668	801 975	0	1 388 221

As at 31 December 2008					DnB NOR	Bank ASA
	Financ	ial instruments	Financial			
		at fair value	derivatives	Financial		
	through	profit and loss	designated	instruments	Investments	
		Designated as	as hedging	carried at am-	held to	
Amounts in NOK million	Trading	at fair value	instruments	ortised cost 1)	maturity	Total
Cash and deposits with central banks				47 705		47 705
Lending to and deposits with credit institutions	87 212	4 240		154 200		245 652
Lending to customers	1 791	177 478		644 953		824 223
Commercial paper and bonds	28 170	53 888				82 058
Shareholdings	6 891	2 426				9 317
Financial derivatives	131 985		5 766			137 751
Commercial paper and bonds, held to maturity					100 278	100 278
Investments in associated companies				1 069		1 069
Investments in subsidiaries				19 192		19 192
Other assets				5 941		5 941
Total financial assets	256 050	238 033	5 766	873 060	100 278	1 473 187
Loans and deposits from credit institutions	89 334	29 181		28 857		147 371
Deposits from customers	36 349	22 620		511 343		570 312
Financial derivatives	118 303		865			119 168
Debt securities issued	190 109	21 130		296 441		507 680
Other liabilities				10 608		10 608
Subordinated loan capital		1 401		42 210		43 612
Total financial liabilities	434 095	74 333	865	889 458	0	1 398 750

¹⁾ Includes hedged liabilities.

Note 26 Classification of financial instruments (continued)

As at 31 December 2009 **DnB NOR Bank Group** Financial instruments Financial at fair value derivatives Financial through profit and loss designated instruments Investments as hedging carried at am-Designated as held to ortised cost 1) Amounts in NOK million Trading at fair value instruments maturity Total Cash and deposits with central banks 31 859 31 859 Lending to and deposits with credit institutions 9 214 58 751 48 844 694 Lending to customers 1 422 160 030 967 340 1 128 791 133 362 Commercial paper and bonds 44 251 177 613 Shareholdings 10 998 2 398 13 396 Financial derivatives 64 540 4 633 69 173 Commercial paper and bonds, held to maturity 113 302 113 302 Other assets 7 513 7 513 170 053 1 015 926 113 302 1 600 399 Total financial assets 296 484 4 633 Loans and deposits from credit institutions 134 833 118 074 49 787 302 694 Deposits from customers 45 982 19 860 547 784 613 627 51 589 770 52 359 Financial derivatives Debt securities issued 168 033 37 913 294 960 500 907 Other liabilities 9 839 9 839 Subordinated loan capital 1 379 37 672 39 051 Total financial liabilities 400 437 177 227 770 940 042 0 1 518 476

As at 31 December 2008				I	DnB NOR Ba	nk Group
	Financial instruments		Financial			
	at fair value		derivatives	Financial		
	through	profit and loss	designated	instruments	Investments	
		Designated as	as hedging	carried at am-	held to	
Amounts in NOK million	Trading	at fair value	instruments	ortised cost 1)	maturity	Total
Cash and deposits with central banks				51 147		51 147
Lending to and deposits with credit institutions	40 758	1 303		12 127		54 187
Lending to customers	1 791	185 540		1 019 511		1 206 842
Commercial paper and bonds	28 253	29 966				58 219
Shareholdings	6 989	2 653				9 642
Financial derivatives	130 801		5 766			136 567
Commercial paper and bonds, held to maturity					100 278	100 278
Other assets				6 781		6 781
Total financial assets	208 592	219 461	5 766	1 089 566	100 278	1 623 664
Loans and deposits from credit institutions	84 370	29 181		65 283		178 834
Deposits from customers	36 264	23 164		547 487		606 915
Financial derivatives	92 251		956			93 207
Debt securities issued	190 109	31 443		392 630		614 183
Other liabilities				12 380		12 380
Subordinated loan capital		1 401		43 824		45 225
Total financial liabilities	402 993	85 190	956	1 061 604	0	1 550 743

¹⁾ Includes hedged liabilities.

Note 27 Fair value of financial instruments at amortised cost

			DnB NO	R Bank ASA
	Recorded		Recorded	
	value	Fair value	value	Fair value
Amounts in NOK million	31 Dec. 2009	31 Dec. 2009	31 Dec. 2008	31 Dec. 2008
Cash and deposits with central banks	29 023	29 023	47 705	47 705
Lending to and deposits with credit institutions	189 375	189 375	154 200	154 200
Lending to customers	492 414	490 239	644 953	634 945
Commercial paper and bonds, held to maturity	113 302	112 846	100 278	97 277
Total financial assets	824 113	821 482	947 136	934 127
Loans and deposits from credit institutions	33 426	33 426	28 857	28 857
Deposits from customers	515 323	515 323	511 343	511 343
Securities issued	204 056	206 016	296 441	285 990
Subordinated loan capital	36 308	33 836	42 210	29 080
Total financial liabilities	789 112	788 601	878 850	855 270

			DnB NOR	Bank Group
	Recorded		Recorded	
	value	Fair value	value	Fair value
Amounts in NOK million	31 Dec. 2009	31 Dec. 2009	31 Dec. 2008	31 Dec. 2008
Cash and deposits with central banks	31 859	31 859	51 147	51 147
Lending to and deposits with credit institutions	9 214	9 214	12 127	12 127
Lending to customers	967 340	961 957	1 019 511	1 006 105
Commercial paper and bonds, held to maturity	113 302	112 846	100 278	97 277
Total financial assets	1 121 715	1 115 876	1 183 063	1 166 656
Loans and deposits from credit institutions	49 787	49 787	65 283	65 283
Deposits from customers	547 784	547 784	547 487	547 487
Securities issued	294 960	296 242	392 630	380 973
Subordinated loan capital	37 672	35 200	43 824	30 694
Total financial liabilities	930 204	929 014	1 049 224	1 024 437

Financial instruments at amortised cost

Most assets and liabilities in the DnB NOR Bank Group's balance sheet are carried at amortised cost. This primarily applies to loans, deposits and borrowings in the banking group's balance sheet, but also investments in bonds held to maturity. Long-term borrowings in Norwegian kroner are carried at fair value, while long-term borrowings in other currencies are carried at amortised cost. Hedge accounting may be applied.

Recording balance sheet items at amortised cost implies that the originally agreed cash flows are used, possibly adjusted for impairment. Such valuations will not always give values which are consistent with market assessments of the same instruments. Discrepancies may be due to diverging views on macro-economic prospects, market conditions, risk aspects and return requirements, as well as varying access to accurate information. The above table shows estimated fair values of items carried at amortised cost. Values are measured based on prices quoted in an active market where such information is available, internal models calculating a theoretical value when no such active market exists, or comparisons of prices on instruments in the portfolio relative to the last available transaction prices.

Valuations are based on the individual instruments' characteristics and values on the balance sheet date. However, these values do not include the total value of customer relationships, market access, brands, organisational aspects, employees and structural capital.

Consequently, such intangible assets are generally not recorded in the accounts. In addition, most transactions with customers are assessed and priced collectively for several products, and products recorded in the balance sheet are considered along with other products and services used by the customer. Individual assets and liabilities recorded in the balance sheet thus give no adequate reflection of the total value of the Bank Group's operations.

Note 27 Fair value of financial instruments at amortised cost (continued)

Lending to and deposits with credit institutions and lending to customers

The valuation of loans in a turbulent financial market is a highly challenging process. The market for the purchase and sale of loan portfolios was restricted at year-end 2009.

Through 2009, there was a gradual normalisation in credit margins, though the margins remain significantly higher than before the onset of the financial crisis. When valuing loans, the loan portfolio has been divided into the following categories: retail customers, shipping/offshore/logistics, international corporates, Nordic corporates, regional corporate clients, credit institutions, Sweden, DnB NOR Finans and Nordlandsbanken. In addition, separate calculations have been made for DnB NORD.

The valuations are based on average margins in December, considered relative to the business units' best estimate of the potential margin requirement at year-end 2009 if the loans had been extended at that time. Differentiated margin requirements have been calculated for each category, as specified above, based on estimated costs related to lending. The margin requirement includes costs covering normalised losses, which, as opposed to write-downs recorded in the annual accounts, represent a long-term assessment of loss levels. Normalised losses for shipping, offshore and logistics and in DnB NORD are above the Group's average normalised losses.

In DnB NORD loan terms, especially in Poland, are much longer than for other units in the Bank Group. These calculations are based on the units' best estimates for duration. An additional dimension with respect to the valuation of loans in the Baltic region and Poland is the country risk associated with economic developments, which is reflected in funding costs when calculating margin requirements.

There is fierce competition in the Norwegian retail market. There were no notified interest rate adjustments which had not been implemented in this market at year-end 2009. The fair value of retail loans and deposits at current prices has thus been set at amortised cost.

With respect to impaired loans, an assessment has been made of potential cash flows for the loans discounted by the effective rate of interest adjusted for changes in market conditions for corresponding non-impaired loans. Lending rates prior to provisions being made reflect the increased credit risk of the commitment. Given the general uncertainty in fair value measurements, DnB NOR believes that the impaired value gives a good reflection of the fair value of these loans.

Customers will often use loan products which are carried partly at amortised cost and partly at fair value. The profitability of a customer relationship is considered on an aggregate basis, and prices are set based on an overall evaluation. Correspondingly, a possible reduction in the customer relationship value is based on an overall assessment of all products. Any decline or change in the value of products recorded at fair value is assessed based on the difference between the agreed price and the corresponding price of new products on the balance sheet date. Any decline in value apart from price changes on specific products is included in the overall assessment of credits in the relevant customer relationship. Any reduction in the total customer relationship value is measured on the basis of amortised cost and reported under write-downs on loans.

Commercial paper and bonds, held to maturity (see note 30 Commercial paper and bonds, held to maturity)

The bond market improved somewhat through 2009, though it is still not possible to observe prices for large parts of the portfolio. Thus, models have been used to stipulate the value of parts of the bond portfolios. These models are based on available indices representing credit risk and liquidity aspects.

Lending to and deposits from credit institutions and deposits from customers

The estimated fair value equals the balance sheet value for credit institutions. With respect to deposits from customers, fair value is assessed to equal amortised cost.

Securities issued and subordinated loan capital

Fair value measurement of securities issued and subordinated loan capital raised in foreign currency is based on future cash flows and assessed credit risk on the balance sheet date. The valuation is based on broker quotes. Values in connection with potential new issues are used, in the same way as for loans.

Note 28 Financial instruments at fair value

31 December 2009				DnB NOR E	Bank ASA
	Valuation		Valuation		
	based on	Valuation	based on		
	quoted prices	based on	other than		
	in an active	observable	observable		
	market	market data	market data	Accrued	
Amounts in NOK million	Level 1	Level 2	Level 3	interest 1)	Total
Assets					
Lending to and deposits with credit institutions	0	86 573	0	137	86 709
Lending to customers	0	1 598	132 093	701	134 392
Commercial paper and bonds	150 433	151 856	2 019	640	304 948
Shareholdings ²⁾	11 207	946	888		13 041
Financial derivatives	0	70 549	453		71 002
Liabilities					
Loans and deposits from credit institutions	0	260 106	0	658	260 764
Deposits from customers	0	65 344	0	246	65 590
Debt securities issued	0	193 640	0	535	194 175
Subordinated loan capital	0	1 367	0	12	1 379
Financial derivatives	0	63 988	350		64 338

31 December 2008				DnB NOR I	Bank ASA
	Valuation		Valuation		
	based on	Valuation	based on		
	quoted prices	based on	other than		
	in an active	observable	observable		
	market	market data	market data	Accrued	
Amounts in NOK million	Level 1	Level 2	Level 3	interest 1)	Total
Assets					
Lending to and deposits with credit institutions	0	91 080	0	372	91 452
Lending to customers	0	1 791	175 597	1 882	179 270
Commercial paper and bonds	26 469	52 007	2 832	751	82 058
Shareholdings ²⁾	6 800	1 640	877		9 317
Financial derivatives	0	135 959	1 792		137 751
Liabilities					
Loans and deposits from credit institutions	0	118 164	0	350	118 515
Deposits from customers	0	58 831	0	138	58 969
Debt securities issued	0	210 887	0	352	211 239
Subordinated loan capital	0	1 388	0	13	1 401
Financial derivatives	0	117 891	1 277		119 168

¹⁾ Accrued interest on financial derivatives is included in the amounts in levels 2 and 3.

²⁾ In addition to pure equity investments, this item includes mutual fund holdings and equity-related derivatives linked to DnB NOR Markets' market-making activities (level 2). See note 29 Shareholdings.

Note 28 Financial instruments at fair value (continued)

31 December 2009 **DnB NOR Bank Group** Valuation Valuation Valuation based on based on quoted prices based on other than in an active observable observable market market data market data Accrued interest 1) Amounts in NOK million Level 1 Level 2 Level 3 Total Lending to and deposits with credit institutions 0 49 503 0 34 49 537 0 1 425 159 224 802 161 452 Lending to customers Commercial paper and bonds 155 572 19 196 2 148 697 177 613 Shareholdings 2) 11 399 949 1 047 13 396 Financial derivatives Ω 68 720 453 69 173 Liabilities Loans and deposits from credit institutions 0 252 251 0 656 252 907 Deposits from customers 0 65 596 0 65 842 Debt securities issued 0 204 744 0 1 203 205 947 1 367 Subordinated loan capital Ω Ω 12 1 379 Financial derivatives 0 52 009 350 52 359

31 December 2008				DnB NOR Ba	nk Group
	Valuation		Valuation		
	based on	Valuation	based on		
	quoted prices	based on	other than		
	in an active	observable	observable		
	market	market data	market data	Accrued	
Amounts in NOK million	Level 1	Level 2	Level 3	interest 1)	Total
Assets					
Lending to and deposits with credit institutions	0	41 986	0	74	42 061
Lending to customers	0	1 791	183 633	1 907	187 331
Commercial paper and bonds	30 451	23 029	3 875	864	58 219
Shareholdings ²⁾	6 941	1 640	1 061		9 642
Financial derivatives	0	134 775	1 792		136 567
Liabilities					
Loans and deposits from credit institutions	0	113 211	0	339	113 551
Deposits from customers	0	59 290	0	138	59 428
Debt securities issued	0	220 766	0	787	221 552
Subordinated loan capital	0	1 388	0	13	1 401
Financial derivatives	0	91 930	1 277		93 207

- 1) Accrued interest on financial derivatives is included in the amounts in levels 2 and 3.
- 2) In addition to pure equity investments, this item includes mutual fund holdings and equity-related derivatives linked to DnB NOR Markets' market-making activities (level 2). See note 29 Shareholdings.

Valuation based on prices in an active market

Classified as level 1 are financial instruments valued by using quoted prices in active markets for identical assets or liabilities.

Instruments in this category include listed shares, Treasury bills and commercial paper traded in active markets.

Valuation based on observable market data

Classified as level 2 are financial instruments which are valued by using inputs other than quoted prices, but where prices are directly or indirectly observable for the assets or liabilities, including quoted prices in non-active markets for identical assets or liabilities.

Included in this category are, among others, interbank derivatives such as interest rate swaps, currency swaps and forward contracts with prices quoted on Reuters or Bloomberg, basis swaps between the currencies NOK, EUR, USD and GBP and cross-currency interest rate derivatives with customers with insignificant credit margins. Exchange-traded options are classified as level 2 if it is possible to scan or interpolate/extrapolate implicit volatility based on observable prices.

Valuation based on other than observable market data

Included in this category are loans to customers and instruments where credit margins constitute a major part of adjustments to market value

Lending to and deposits with credit institutions (level 2)

Lending to and deposits with credit institutions are primarily relevant for DnB NOR Markets. The valuation is mainly based on agreed interest rate terms measured against a swap curve. The fixed-rate period is relatively short.

Note 28 Financial instruments at fair value (continued)

Lending to customers (level 3)

Loans consist primarily of fixed-rate loans in Norwegian kroner and parts of the portfolio of margin loans in Norwegian kroner. The value of fixed-rate loans is determined by discounting agreed interest flows over the term of the loan, using a discount factor adjusted for margin requirements. A margin requirement is calculated for margin loans, and the difference between the agreed and the actual margin is discounted over the average expected time to the repricing of the loan.

In addition, DnB NORD has a small portfolio of loans carried at fair value. The value of this portfolio converted into Norwegian kroner will be affected by exchange rate movements when converting the company's balance sheet from local currency.

Commercial paper and bonds (levels 2 and 3)

The valuation under level 2 is primarily based on observable market data in the form of interest rate curves, exchange rates and credit margins related to the characteristics of the individual credit or bond. For paper classified as level 3, the valuation is based on indicative prices from third parties or comparable paper.

The value of DnB NORD's portefolio converted into Norwegian kroner will be affected by exchange rate movements in connection with the conversion of the company's balance sheet from local currency.

Equities including mutual fund holdings and equity-related derivatives related to market-making (levels 2 and 3)

Equities classified as level 2 comprise equity derivatives used in DnB NOR Markets' market-making activities. Most of these derivatives are related to the most traded equities on Oslo Børs, and the valuation is based on the price development of the relevant/underlying equity and observable or estimated volatility. Instruments which are classified as level 3 essentially comprise property funds, limited partnership units, private equity investments and investments in unquoted equities.

Financial derivatives (levels 2 and 3)

The market values classified as level 2 are primarily currency forward contracts and interest rate and currency swaps. The valuation is based on swap curves, and credit margins constitute a minor part of the value. In addition, the item comprises derivatives related to commodities and forward rate agreements. These are valued based on observable market prices. The market values classified as level 3 are primarily connected to currency options, interest rate options in Norwegian kroner, as well as index derivatives. The valuation is based on indicative prices from third parties.

Loans and deposits from credit institutions (level 2)

See "Lending to and deposits with credit institutions" above. The item also includes borrowings from Norges Bank in connection with the Norwegian government's covered bonds exchange scheme. The funding obtained through this scheme totalled NOK 118.1 billion at year-end 2009. See note 45 Information on related parties.

Deposits from customers (level 2)

Deposits carried at fair value include special-term deposits. The valuation is primarily based on measurement in relation to a swap curve, and changes in credit margins have an insignificant effect.

Debt securities issued (level 2)

The valuation is primarily based on observable market data in the form of interest rate curves and credit margins. The item consists mainly of funding in Norwegian kroner. For foreign currency funding, hedge accounting is used. In all other respects, securities are carried at amortised cost.

Subordinated loan capital (level 2)

Subordinated loans carried at fair value consist of two loans in Norwegian kroner, and the valuation is based on observable interest rate curves and credit margins.

Financial instruments at fair value, level 3

DnB NOR Bank ASA

					Financial
		Financial a	assets		liabilities
		Commercial			
	Lending to	paper and	Share-	Financial	Financial
Amounts in NOK million	customers	bonds	holdings ¹⁾	derivatives	derivatives
Balance as at 31 December 2008	175 597	2 832	877	1 792	1 277
Net gains on financial instruments	(313)	(12)	50	(311)	(107)
Additions/purchases	1 460	5 390	28		
Sales	11 152	5 068	67		
Settled	33 499	1 123		1 028	821
Transferred from Level 1 or Level 2	0	0	0		
Transferred to Level 1 or Level 2	0	0	0		
Other	0	0	0		
Balance as at 31 December 2009	132 093	2 019	888	453	350

Note 28 Financial instruments at fair value (continued)

Financial instruments at fair value, level 3

DnB NOR Bank Group

Financial

					i ii iai iciai
		Financial a	assets		liabilities
		Commercial			
	Lending to	paper and	Share-	Financial	Financial
Amounts in NOK million	customers	bonds	holdings ¹⁾	derivatives	derivatives
Balance as at 31 December 2008	183 633	3 875	1 061	1 792	1 277
Net gains on financial instruments	(362)	(13)	55	(311)	(107)
Additions/purchases	10 793	5 390	30		
Sales	0	5 204	99		
Settled	34 558	1 123		1 028	821
Transferred from Level 1 or Level 2	0	42	0		
Transferred to Level 1 or Level 2	0	661	0		
Other ²⁾	(282)	(157)	0		
Balance as at 31 December 2009	159 224	2 148	1 047	453	350

- 1) Equities classified as level 3 comprise, in addition to pure equity investments, property fund units, limited partnership units and private equity investments
- 2) Includes exchange rate effects arising from the translation of foreign operations.

Lending to customers

The portfolio of loans carried at fair value consists primarily of fixed-rate loans in Norwegian kroner and a share of margin loans in Norwegian kroner. In addition, DnB NORD has a small loan portfolio which is recorded at fair value.

Fixed-rate loans

The valuation of the loans is based on interest rates agreed with the customers concerned, discounted by a margin requirement based on the market situation at year-end 2009, as evaluated by Retail Banking. Fierce competition and transparency in the form of interest rate barometers within this market segment mean that there is relatively little uncertainty surrounding the margin requirement for such loans. With respect to these loans, customers have, as a rule, no possibility to withdraw from the agreements without paying compensation for the difference between the estimated and the registered margin. Fixed-rate loans carried at fair value totalled NOK 23 526 million at year-end 2009.

Margin loans carried at fair value

A typical margin loan is a loan with a reference interest rate and a margin add-on. Reference rates will normally be set for a period of three months, but the margin can be determined for considerably longer periods. In times of significant interest rate fluctuations and reduced liquidity in the market, as was the case during the financial turmoil, long-term funding costs increased. This is of significance for the margin requirements used by the bank in its calculations. The margin requirements are measured against agreed margins, and discrepancies are discounted over average periods up until the expected margin adjustment. This period is based on feedback from the Group's business areas, but will require significant judgment based on past experience. The period up until the actual adjustment of the margin represents the largest element of uncertainty in these calculations. Margin loans carried at fair value totalled NOK 135 698 million at year-end 2009.

Commercial paper and bonds

Investments classified as level 3 primarily consisted of municipal and government securities with short fixed-interest terms. The securities were of high quality, but with limited liquidity. NOK 500 million of the portfolio represented investments in savings banks, county municipalities and energy companies. For this part of the portfolio, the value of one basis point was NOK 0.15 million. In total, there was an unrealised loss on commercial paper and bonds classified as level 3 of NOK 22 million at year-end 2009.

Equities including mutual fund holdings

Of the total invested amount of NOK 1 047 million, NOK 343 million was invested in private equity funds, NOK 84 million in property funds, NOK 17 million in limited partnerships and NOK 602 million in unquoted equities. A common denominator for these investments is that there is a lag in the access to information from the units. In times of financial market turmoil, there may be considerable uncertainty related to the valuation of these investments.

Financial derivatives, assets and liabilities

Items classified as level 3 are primarily currency options, interest rate options in Norwegian kroner and derivatives related to developments in the consumer price index.

Note 29 Shareholdings

31 Dec

31 Dec

Investments in shares, mutual funds and equity certificates ¹⁾ DnB NOR Bank ASA

DnB NOR Bank Group

31 Dec

31 Dec

2008	2009	Amounts in NOK million	2009	2008
9 317	13 041	Total investments in shares, mutual funds and equity certificates	13 396	9 642

Specification of the largest investments in shares, mutual funds and equity certificates as at 31 December 2009

	D	nB NOR B Ownership	ank ASA		Dni	3 NOR Bar Ownership	ık Group
	Number	share in	Recorded		Number	share in	Recorded
Recorded value in NOK 1 000	of shares	per cent 2)	value	Recorded value in NOK 1 000	of shares	per cent 2)	value
Financial institutions				Financial institutions			
Storebrand 3)	3 167 172	0.7	125 515	Storebrand 3)	3 167 172	0.7	125 515
Other financial institutions			364 817	Other financial institutions			368 029
Total financial institutions			490 332	Total financial institutions			493 544
Norwegian companies				Norwegian companies			
Aker Solutions 3)	1 786 963	0.7	135 237	Aker Solutions 3)	1 786 963	0.7	135 237
TGS NOPEC Geophysical Company 3)	876 528	0.8	92 123	TGS NOPEC Geophysical Company 3)	876 528	0.8	92 123
IT-Fornebu	1 464 294	12.6	179 707	IT-Fornebu	1 464 294	12.6	179 707
Kongsberg Automotive Holding	26 835 050	6.6	149 203	Kongsberg Automotive Holding	26 835 050	6.6	149 203
Marine Harvest 3)	126 201 415	3.5	533 832	Marine Harvest 3)	126 201 415	3.5	533 832
Norsk Hydro 3)	7 758 224	0.6	378 058	Norsk Hydro 3)	7 758 224	0.6	378 058
Odfjell ser. A 3)	2 987 305	4.5	156 475	Odfjell ser. A 3)	2 987 305	4.5	156 475
Orkla 3)	9 529 267	0.9	542 025	Orkla 3)	9 529 267	0.9	542 025
Petroleum Geo-Services 3)	3 258 084	1.6	217 216	Petroleum Geo-Services 3)	3 258 084	1.6	217 216
Renewable Energy Corporation 3)	5 732 174	0.9	256 515	Renewable Energy Corporation 3)	5 732 174	0.9	256 515
Statoil 3)	10 592 211	0.3	1 534 811	Statoil 3)	10 592 211	0.3	1 534 811
Hurtigruten	26 979 125	6.4	103 870	Hurtigruten	26 979 125	6.4	103 870
Tandberg 3)	934 510	0.8	154 661	Tandberg 3)	934 510	0.8	154 661
Telenor 3)	8 958 095	0.5	725 864	Telenor 3)	8 958 095	0.5	725 864
Schibsted 3)	652 010	0.6	84 990	Schibsted 3)	652 010	0.6	84 990
Yara International 3)	2 365 485	0.8	625 316	Yara International 3)	2 365 485	0.8	625 316
Other Norwegian companies			700 435	Other Norwegian companies			741 042
Total Norwegian companies			6 570 339	Total Norwegian companies			6 610 946
Companies based abroad				Companies based abroad			
Acergy 3)	1 705 902	0.9	156 653	Acergy 3)	1 705 902	0.9	156 653
Noble 3)	470 000	0.2	111 421	Cape Investment	9 261	13.9	106 731
Norvestor IV LP	1	19.2	149 946	Noble 3)	470 000	0.2	111 421
Pride International 3)	8 070 800	4.7	1 485 904	Norvestor IV LP	1	19.2	149 946
Royal Caribbean Cruises 3)	1 083 473	1.3	159 758	Pride International 3)	8 070 800	4.7	1 485 904
Scorpion Offshore 3)	12 000 000	13.4	294 000	Royal Caribbean Cruises 3)	1 083 473	1.3	159 758
Seadrill 3)	10 762 141	2.7	1 592 259	Scorpion Offshore 3)	12 000 000	13.4	294 000
Subsea 7 3)	816 716	0.6	78 462	Seadrill 3)	10 762 141	2.7	1 592 259
Teekay 3)	2 000 000	0.3	271 409	Subsea 7 3)	816 716	0.6	78 462
Transocean 3)	250 006	0.1	123 016	Teekay 3)	2 000 000	0.3	271 409
Other companies based abroad			575 205	Transocean 3)	250 006	0.1	123 016
				Other companies based abroad			575 473
Total companies based abroad			4 998 032	Total companies based abroad			5 105 032
Equity related derivatives 3)			(341 210)	Equity related derivatives 3)			(341 210)
Mutual funds				Mutual funds			
Interest funds			1 177 831	Interest funds			1 375 795
Combination funds			0	Combination funds			1 941
Mutual funds			128 106	Mutual funds			130 060
Other funds			17 296	Other funds			19 429
Total mutual funds			1 323 232	Total mutual funds			1 527 225

¹⁾ Primary capital certificates were savings banks' form of "shares", but did not give full ownership rights to equity, as is the case with shares. During 2009, a change was made to primary capital certificates, whereby the name was changed to equity certificates. The main difference between equity certificates and primary capital certificates is that investors' ownership interests in savings banks can now be held stable. This is possible as a larger share of profits can be distributed in the form of gifts. Savings banks can thus avoid dilution effects.

²⁾ Ownership share in per cent is based on the company's total share capital and does not include derivative contracts.

³⁾ Shares and funds carried at fair value in DnB NOR Markets totalled NOK 10 448 million at year-end 2009, and equity-related derivatives represented minus NOK 341 million. DnB NOR Markets' equity investment are mainly an instrument in hedging its equity derivative exposure through the business area's market making activities. Value at Risk for the equity operations in DnB NOR Markets represented approximately NOK 1 million at year-end 2009.

Note 30 Commercial paper and bonds, held to maturity

As part of ongoing liquidity management, DnB NOR Bank has invested in a portfolio of securities. The portfolio 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. With effect from 1 July 2008, the liquidity portfolio in DnB NOR Markets was reclassified from the category "fair value through profit or loss" to "held-to-maturity investments". Portfolios in this category are recorded at amortised cost and written down if there is objective evidence of a decrease in value.

Measurement

The reclassification in accordance with the amendments to IAS 39 Financial Instruments: Recognition and Measurements 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, there were no such observable prices in the market. The markets normalised during 2009, though there are still no observable prices for large parts of the portfolio. In order to meet the disclosure requirement at end-December 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 2 275 million.

Effects of the reclassifications of the liquidity portfolio

The reclassification of the liquidity portfolios resulted in a rise in profits of NOK 741 million at end- December 2009 compared with the result if the previous valuation principle had been retained. On the reclassification date, the book value of the portfolio was NOK 88.0 billion, compared with NOK 68.6 billion at year-end 2009.

Effects of the reclassification of the liquidity portfolio	DnB NOR Bar	nk Group
	Full year	Full year
Amounts in NOK million	2009	2008
Effects on profits		
Recorded amortisation effect	544	339
Net gain if valued at fair value	2 819	(2 678)
Effects of reclassification on profits	(2 275)	3 017
Effects on the balance sheet		
Recorded, unrealised losses at end of period	1 662	2 206
Unrealised losses, if valued at fair value	2 404	5 223
Effects of reclassification on the balance sheet	741	3 017
Development in the liquidity portfolio after the reclassification	DnB NOR Bar	nk Group
	31 Dec.	31 Dec.
Beløp i millioner kroner	2009	2008
Liquidity portfolio, recorded value	68 600	92 914
Liquidity portfolio, if valued at fair value	67 859	89 898
Effects of reclassification on the balance sheet	741	3 017

DnB NOR Markets' liquidity portfolio

After the reclassification date, DnB NOR Markets has chosen to increase its investments in held-to-maturity securities. As at 31 December 2009, DnB NOR Markets' portfolio represented NOK 113 billion. 97.2 per cent of the securities in the portfolio had an AAA rating, while 2.5 per cent were rated AA. There were no synthetic securities in the portfolio and no investments in US sub-prime bonds or Collateralised Debt Obligations, CDOs. The structure of DnB NOR Markets' liquidity portfolio is shown below.

Note 30 Commercial paper and bonds, held to maturity (continued)

DnB NOR	Bank ASA			DnB NOR Bar	nk Group
NOK million	Per cent			Per cent	NOK million
31 Dec.	31 Dec.			31 Dec.	31 Dec.
2009	2009		Rating	2009	2009
		Asset class			
3 316	3	Consumer credit	AAA	3	3 316
66 872	58	Residential mortgages	AAA/AA	58	66 872
7 221	6	Corporate loans	AAA/AA/A	6	7 221
37 596	33	Government-related	AAA	33	37 596
66	0	Insurance	AAA/AA/A/BB	0	66
115 070	100	Total liquidity portfolio DnB NOR Markets, nominal values		100	115 070
(2 101)		Accrued interest, including amortisation effects			(2 101)
112 969	100	Total liquidity portfolio DnB NOR Markets		100	112 969
68 600		Of which reclassified portfolio			68 600

The average 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.

Commercial paper and bonds, held to maturity

DnB NOR Bank ASA			DnB NOR Ba	nk Group
31 Dec.	31 Dec.		31 Dec.	30 Dec.
2008	2009	Amounts in NOK million	2009	2008
99 106	112 969	DnB NOR Markets	112 969	99 106
1 172	333	Other units	333	1 172
100 278	113 302	Commercial paper and bonds, held to maturity	113 302	100 278

Note 31 Investment properties

	DnB NOR Bank Group
Amounts in NOK million	Investment properties
Recorded value as at 31 December 2007	170
Additions, capitalised investments	21
Net gains resulting from adjustment to fair value	0
Disposals	24
Exchange rate movements	0
Recorded value as at 31 December 2008	167
Additions, purchases of new properties	13
Additions, capitalised investments	30
Additions, acquired companies	520
Net gains resulting from adjustment to fair value	(109)
Disposals	13
Exchange rate movements	6
Recorded value as at 31 December 2009	614
Amounts included in the income statement:	
Rental income from investment properties	18
Direct expenses (including repairs and maintenance) related to investment properties generating rental income	20
Direct expenses (including repairs and maintenance) related to investment properties not generating rental income	0
Contractual commitments related to the acquisition or construction of investment properties, not capitalised as at 31 December 20	009 0

Note 32 Investments in associated companies

	DnB NOR Ban	k Group
Amounts in NOK million	2009	2008
Recorded value as at 1 January	2 499	1 416
Share of profits after tax	93	632
Additions/disposals	17	478
Dividends	(106)	(26)
Recorded value as at 31 December 1)	2 502	2 499

						OnB NOR Ba	nk Group
					Ownership	Recorded	Recorded
	Assets	Liabilities			share (%)	value	value
	31 Dec.	31 Dec.	Income	Profit	31 Dec.	31 Dec.	31 Dec.
Amounts in NOK million	2009 2)	2009 ²⁾	2009 2)	2009 ²⁾	2009	2009 ³⁾	2008
Eksportfinans AS	225 254	219 846	2 088	1 913	40	1 911	2 112
Nordito AS	3 226	1 850	1 998	262	40	395	309
Doorstep AS	10	0	3	2	50	8	7
Other associated companies						187	71_
Total						2 502	2 499

- 1) Recorded values as at 31 December include deferred tax positions and value adjustments not reflected in the company's balance sheet.
- 2) Values in the accounts of associated companies.
- 3) Through a guarantee agreement, a syndicate consisting of the owners of Eksportfinans AS took over the risk of potential losses in value in the company's liquidity portfolio with effect from 1 March 2008. After this time, Eksportfinans AS will be compensated for shortfalls in portfolio values for up to NOK 5 billion. Any increase in value will accrue to the guarantors. DnB NOR's costs related to the guarantee are recorded in the accounts under the same items as profits from and investments in Eksportfinans AS, and totalled NOK 249 million as at 31 December 2009 and NOK 772 million as at 31 December 2008.

Note 33 Investments in subsidiaries

						DnB NO	R Bank ASA
						Ownership	
Amounts in NOK 1 000		Share	Number		Nominal	share in	Book
Values in NOK unless otherwise indicated		capital	of shares		value	per cent	value
Foreign subsidiaries							
DnB NORD	EUR	1 082 095	551 868 501	EUR	551 868	51.0	3 081 142
Den Norske Syndicates	GBP	200	200 000	GBP	200	100.0	1 861
DnB NOR Asia	SGD	20 000	20 000 000	SGD	20 000	100.0	82 217
DnB NOR Luxembourg	EUR	17 352	70 000	EUR	17 352	100.0	144 079
DnB NOR Markets Inc.	USD	1	1 000	USD	1	100.0	2 111
DnB NOR Monchebank	RUB	500 000	500 000 000	RUB	500 000	100.0	197 836
DnB NOR Reinsurance		21 000	21 000		21 000	100.0	21 000
SalusAnsvar	SEK	85 614	21 403 568	SEK	85 614	100.0	472 305
Svensk Fastighetsförmedling	SEK	8 940	89 400	SEK	8 940	100.0	218 868
Domestic subsidiaries							
DnB NOR Bogstadveien 45 A		12 181	12 181 162		12 181	100.0	12 716
DnB NOR Boligkreditt		1 577 000	15 770 000		1 577 000	100.0	9 920 000
DnB NOR Bygg		112 826	112 826		112 826	100.0	83 886
DnB NOR Eiendom		10 003	100 033		10 003	100.0	150 349
DnB NOR Eiendomsutvikling		91 000	91 000 000		91 000	100.0	129 229
DnB NOR Finans		1 032 000	10 320 000		1 032 000	100.0	4 017 791
DnB NOR Invest Holding		100 000	200 000		100 000	100.0	443 000
DnB NOR Meglerservice		1 200	12		1 200	100.0	10 221
DnB NOR Næringskreditt		550 000	550 000		550 000	100.0	5 240 942
DnB NOR Næringsmegling		1 000	10 000		1 000	100.0	24 000
Hafjell Holding		10 000	1 000		10 000	100.0	12 400
Lørenfaret NE 1		500	5 000		500	100.0	500
Nordlandsbanken		625 062	50 004 984		625 062	100.0	1 864 444
Postbanken Eiendom		2 000	20 000		2 000	100.0	31 455
Viul Hovedgård		7 500	750 000		7 500	100.0	11 766
Total investments in subsidiaries							26 174 124

Hedging of investments in subsidiaries

In DnB NOR Bank ASA, currency risk associated with foreign currency investments in subsidiaries is subject to fair value hedging. The hedging instruments used are debt securities issued and loans from credit institutions. Changes in value of the investments and hedging instruments resulting from exchange rate movements, are recorded in the income statement. At group level, net investments in subsidiaries are hedged through cash flow hedges for an amount corresponding to DnB NOR Bank's investments. Changes in the value of investments and hedging instruments recorded in the income statement are offset against other equity and the reserve for exchange rate movements. As there is a correlation between the hedged amount in DnB NOR ASA and the hedged net investment, this has no effect on the banking group's income statement. The strengthening of the Norwegian krone through 2009 reduced the value of investments in subsidiaries by NOK 985 million, which was offset by a corresponding increase in the value of hedging contracts.

Note 34 Intangible assets

DnB NOR I	Bank ASA		DnB NOR Ban	k Group
31 Dec.	31 Dec.		31 Dec.	31 Dec.
2008	2009	Amounts in NOK million	2009	2008
1 657	1 650	Goodwill 1)	3 605	4 548
51	51	Postbanken brand name 1)	51	51
448	629	Capitalised systems development	1 199	860
18	232	Sundry intangible assets	699	645
2 173	2 562	Total intangible assets	5 554	6 105

¹⁾ See note 35 for information regarding goodwill and intangible assets with an indefinite useful life.

				DnB NOR I	Bank ASA
			Capitalised	Sundry	
		Postbanken	systems	intangible	
Amounts in NOK million	Goodwill	brand name	development	assets	Total
Recorded value as at 31 December 2007	1 653	51	362	22	2 087
Additions			158		158
Additions from the acquisition/establishment of other companies					0
Disposals			11		11
Impairment					0
Depreciation			62	4	66
Exchange rate movements	4				4
Recorded value as at 31 December 2008	1 657	51	448	18	2 173
Original cost	2 040	119	782	174	3 114
Total depreciation and impairment	383	68	333	156	931
Recorded value as at 31 December 2008	1 657	51	448	18	2 173
Additions			280	219	499
Additions from the acquisition/establishment of other companies					0
Disposals					0
Impairment					0
Depreciation	(0)		99	4	104
Exchange rate movements	(7)				(7)
Recorded value as at 31 December 2009	1 650	51	629	232	2 562
Original cost	2 036	119	787	393	3 335
Total depreciation and impairment	387	68	158	161	773
Recorded value as at 31 December 2009	1 650	51	629	232	2 562

				DnB NOR Ba	nk Group
		Postbanken	Capitalised systems	Sundry intangible	
Amounts in NOK million	Goodwill	brand name	development	assets	Total
Recorded value as at 31 December 2007	3 850	51	464	367	4 733
Additions			462		462
Additions from the acquisition/establishment of other companies	673			487	1 160
Disposals	10		12	103	126
Impairment	175			14	190
Depreciation			74	135	209
Exchange rate movements	211		20	44	275
Recorded value as at 31 December 2008	4 548	51	860	645	6 105
Original cost	5 213	119	1 189	938	7 458
Total depreciation and impairment	665	68	329	292	1 353
Recorded value as at 31 December 2008	4 548	51	860	645	6 105
Additions			585	254	839
Additions from the acquisition/establishment of other companies	29				29
Disposals	24				24
Impairment	730		50	16	797
Depreciation			183	130	313
Exchange rate movements	(218)		(13)	(54)	(285)
Recorded value as at 31 December 2009	3 605	51	1 199	699	5 554
Original cost	5 109	119	1 493	1 165	7 886
Total depreciation and impairment	1 504	68	294	466	2 332
Recorded value as at 31 December 2009	3 605	51	1 199	699	5 554

Note 35 Goodwill and intangible assets with an indefinite useful life

The DnB NOR Bank Group continually reviews whether the value of recorded goodwill and other intangible assets with an indefinite useful life is intact, and a complete impairment test of all cash-generating units is performed at least once a year. In the DnB NOR Bank Group's balance sheet, the individual goodwill items and intangible assets with an indefinite useful life are allocated to cash-generating units according to which units benefit from the acquired asset. The cash-generating unit is chosen based on considerations relating to where it is possible to identify and distinguish cash flows related to the unit. A cash-generating unit may record goodwill from several transactions, and an impairment test is then performed on the total goodwill entered in the accounts in the cash-generating unit.

Testing of values and key assumptions used in value in use calculations

Impairment testing of capitalised values is done by discounting expected future cash flows from the unit. The assessments are based on value in use of the different cash-generating units. The value in use represents the sum total of the estimated present value of expected cash flows for the plan period and projected cash flows after the plan period. Cash flows for the plan period normally have a three-year perspective based on budgets and plans approved by management. It must be possible to prove that budgets and plans based on past performance in the relevant unit are realistic. Projections beyond the plan period are based on the general expected economic growth rate, unless there are strong arguments for using a different growth rate. In the medium term, up until 2019, an annual growth rate of 5 per cent has been set, which corresponds to the anticipated long-term nominal GDP growth rate. After 2019, annual growth of 2.5 per cent is anticipated, which equals the expected long-term inflation rate. When a deviating growth rate is used for cash-generating units, an explanation is provided in the description below.

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. Impairment tests are generally performed on cash flows after tax in order to be able to directly employ the market's required rate of return. If the test shows that there may be a need for impairment, an assessment is also made of the pre-tax value of the cash flows. In assessments for the 2009 accounting year, a discount rate of 9 per cent after tax is generally used. For units in countries outside the Nordic region, such as the Baltic States, Poland and Russia, the discount rate is adjusted for country risk and long-term interest rates in the respective units' home markets.

For units where recorded goodwill approximates the estimated value in use, DnB NOR has carried out sensitivity analyses. These consider whether a change of key assumptions used in valuations of a unit would result in its capitalised value exceeding its value in use.

Goodwill and intangible assets with an indefinite useful life

DnB NOR B	Bank ASA	Goodwill	DnB NOR B	ank Group
Recorded	Recorded		Recorded	Recorded
31 Dec. 2008	31 Dec. 2009	Unit	31 Dec. 2009	31 Dec. 2008
		DnB NORD 1)	223	874
987	987	Retail Norge	987	987
502	502	Cresco	502	502
		Nordlandsbanken	478	478
		DnB NOR Finans - Car financing in Norway	365	365
		DnB NOR Finans - Car financing in Sweden	319	357
		Svensk Fastighetsförmedling AB	188	290
		SalusAnsvar	215	349
168	161	Other	328	345
1 657	1 650	Total goodwill	3 605	4 548

DnB NOR Bank ASA	Intangible assets with an indefinite useful life	DnB NOR Bank Group
Recorded Recorded		Recorded Recorded
31 Dec. 2008 31 Dec. 2009	Unit	31 Dec. 2009 31 Dec. 2008
51 51	Postbanken	51 51

¹⁾ DnB NOR's share (51 per cent) of recorded goodwill in DnB NORD.

Note 35 Goodwill and intangible assets with an indefinite useful life (continued)

DnB NORD

DnB NORD was established in 2005 and thus took over NORD/LB's existing subsidiaries in the Baltic States and Poland. Recorded goodwill in DnB NORD stems from the establishment and from the acquisition of BISE Bank in Poland in 2007. Valuations are made by DnB NORD, which regards the various subsidiary banks as separate cash-generating units. Goodwill recorded by DnB NOR represents 51 per cent of recorded goodwill in DnB NORD. Key assumptions for cash flows during the plan period are expected growth, developments in funding costs and margins and the level of write-downs on loans. DnB NORD has prepared specific plans for the period up until 2019 which are used in the impairment tests.

Retail Banking - parent bank

The unit encompasses banking operations (loans and deposits) in the regional network in Norway, excluding Nordlandsbanken and Postbanken, and recorded goodwill mainly represents goodwill from the merger between DnB and Gjensidige NOR and some goodwill from previously acquired offices in Gjensidige NOR. The new Retail Banking business area was established with effect from 1 July 2009. After the reorganisation, activities in the regional network in Norway were coordinated in one cash-generating unit, while there was previously a distinction between personal customers in Retail Banking and SME clients in Corporate Banking and Payment Services. Key assumptions for cash flows during the plan period are developments in margins, volumes and write-downs on loans.

Cresco

The unit encompasses external distribution of credit cards under the Cresco brand. Goodwill stems from the merger between DnB and Gjensidige NOR and the previous acquisition premium from the acquisition of Gjensidige Bank's credit card portfolio. Key assumptions for cash flows during the plan period are developments in margins, volumes and write-downs on loans. Due to the assumption of rising interest rate levels combined with high funding costs, margins are expected to be under pressure.

Nordlandsbanken

The unit encompasses banking operations (loans and deposits) in Nordlandsbanken. Goodwill represents the acquisition premium from the acquisition of Nordlandsbanken. Nordlandsbanken remains a separate company in the DnB NOR Group and is a logical cash-generating unit. Key assumptions for cash flows during the plan period are developments in margins, volumes and write-downs on loans.

DnB NOR Finans - car financing in Norway

The unit encompasses DnB NOR's car financing operations in Norway, and goodwill stems from DnB NOR's acquisition of SkandiaBanken Bilfinans' operations in Norway with effect from 31 January 2008. Critical assumptions for cash flows during the plan period are car sales figures in Norway and DnB NOR Finans' ability to retain customer relations with important car dealers, along with long-term margin developments and the level of write-downs on loans.

DnB NOR Finans – car financing in Sweden

The unit encompasses DnB NOR Finans' car financing operations and leasing portfolio in Sweden. Goodwill stems from the previous acquisition of leasing portfolios and operations within vendor-based car financing in Sweden, and from the acquisition of SkandiaBanken's car financing operations in Sweden in 2008. For 2008, the respective acquired operations were classified as separate cash-generating units, but from 2009, operations in Sweden are integrated and followed up as one cash-generating unit. Key assumptions for cash flows are car sales figures in Sweden, DnB NOR Finans' ability to retain customer relations with important car dealers, along with long-term margin developments and the level of write-downs on loans.

Svensk Fastighetsförmedling

The unit encompasses Svensk Fastighetsförmedling, real estate broking in Sweden, which was acquired in the second quarter of 2007, and the value of greater distribution power in the Swedish market for the sale of housing loans. The cash-generating unit thus represents overall results from real estate broking and housing loan sales. Key assumptions for cash flows during the plan period are housing sales in Sweden and long-term developments in margins, volumes and write-downs on loans.

SalusAnsvar

In the fourth quarter of 2007, DnB NOR acquired 96 per cent of the shares in SalusAnsvar, which is an independent distributor of life and pension insurance, non-life insurance and banking products to members of associations and trade unions in Sweden. The remaining 4 per cent of the shares was acquired in 2008. Key assumptions for cash flows during the plan period are developments in the sales volume of insurance and banking products.

Postbanken - brand

The capitalised value of the brand stems from the merger with Postbanken in 1999. Postbanken is a strong brand in the Norwegian retail market.

Note 35 Goodwill and intangible assets with an indefinite useful life (continued)

Impairment losses for goodwill in 2009

DnB NOR Bank ASA	Impairment losses per unit	DnB NOR Bank Group
31 Dec. 2009	Amounts in NOK million	31 Dec. 2009
	Svensk Fastighetsförmedling AB	99
	SalusAnsvar	102
	DnB NORD 1)	529
0	Total impairment losses on intangible assets	730

1) DnB NOR's share of impairment losses for DnB NORD.

Recorded goodwill for <u>Svensk Fastighetsförmedling</u> AB including the housing loan portfolio in Sweden was SEK 232 million, the equivalent of NOK 188 million, at year-end 2009. In the third quarter of 2009, impairment losses of SEK 120 million, the equivalent of NOK 99 million, were recorded. In addition, impairment losses corresponding to NOK 100 million were recorded in 2008. The impairment losses for 2009 were based on updated plan figures according to the company's current strategy, whereby housing loans will continue to be recorded in the company's balance sheet. Housing loan activity in Sweden is in a start-up phase, and future income from the sale of housing loans has been conservatively estimated. No income is assumed to be generated from sales of other types of financial products in the Swedish market. No further impairment losses were required in the fourth quarter of 2009, though the Group's strategy in Sweden is being reviewed, and a revised strategy could require a new assessment in the first quarter of 2010. A required rate of return of 9.0 per cent after tax has been used, which corresponds to around 10.8 per cent before tax. The cash-generating unit is included in the Retail Banking profit centre, see note 3 Segments.

Goodwill relating to <u>SalusAnsvar</u> 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. A required rate of return of 9.0 per cent after tax has been used, which corresponds to around 10.8 per cent before tax. The test identified an impairment loss of SEK 124 million, which is the equivalent of NOK 102 million. The cash-generating unit is included in the Retail Banking profit centre, see note 3 Segments.

DnB NORD has major parts of its operations in the Baltic States and Poland, a region which experienced very strong economic growth for an extended period. There was a serious cool-down in the Baltic economies in 2008, and the macroeconomic situation deteriorated through 2009, creating greater uncertainty regarding operations in the region. Extensive write-downs on loans were recorded in 2009, causing large net losses, in spite of sound underlying operations in the banks. DnB NORD has prepared plans covering the period up till 2019 which have been used in the impairment tests. Plan figures for the banks are based on continuing large write-downs on loans in the Baltic region, and a gradual normalisation of the situation is not expected until 2012. The cash flows underlying the valuation thus reflect expectations of low growth and relatively large write-downs on loans. Lower profit estimates and the need for capital injections in the banks to enable them to meet capital adequacy requirements will cause pressure on cash flows from operations. The cash flows are based on financial plans approved by DnB NORD's Board of Directors.

At year-end 2009, recorded goodwill in DnB NORD relating to operations in Lithuania, Latvia and Estonia was impaired to nil. These entities were tested for impairment at end-June 2009, whereby total impairment losses of EUR 63.5 million. New tests carried out at year-end 2009 identified impairment losses for the remaining goodwill in the Baltic States, in relation to the unit in Lithuania, of EUR 6.0 million. Total impairment losses in the Baltic States were thus 69.5 million euro in 2009, the equivalent of NOK 613 million, of which DnB NOR's share was NOK 313 million. A required rate of return of 12.2 per cent after tax has been used in valuations of Lithuania, which corresponds to around 14.9 per cent before tax.

DnB NORD's recorded goodwill relating to operations in Poland represented EUR 52.7 million or NOK 437 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 write-downs on loans is better than in the Baltic States. DnB NORD has initiated measures to reduce costs and increase income. Combined with relatively strong annual growth of 11 per cent in net lending during the plan period, these measures are gradually expected to increase profitability. Long-term growth is estimated at 3 per cent. The test identified an impairment loss of EUR 35.3 million, the equivalent of NOK 311 million, relating to operations in Poland, of which DnB NOR's share was NOK 159 million. A required rate of return of 10.7 per cent after tax has been used in valuations of Poland, which corresponds to around 13.2 per cent before tax.

At year-end 2008, DnB NORD had recorded goodwill of EUR 2.0 million related to he Finnish operations. The Finnish branch was closed down in 2009 and most of the loan portfolio was transferred to DnB NOR. At year-end 2009, the goodwill relating to this unit was impaired to nil. Total impairment losses for goodwill recorded in DnB NORD's income statement for 2009 amounted to EUR 106.7 million, the equivalent of NOK 941 million. The cash-generating units are included in the DnB NORD profit centre, see note 3 Segments.

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 529 million in DnB NOR's accounts for 2009.

Note 36 **Fixed assets**

	DnB No	DnB NOR Bank ASA			
Amounts in NOK million	31 Dec. 2009	31 Dec. 2008			
Bank buildings and other properties	64	50			
Machinery, equipment and vehicles	750	794			
Other fixed assets	3	1_			
Total fixed assets	817	844			

บทธ	NOR	Bank	ASA

		DIID NON	K Dalik ASA	
	Bank buildings	Machinery,		
	and other	equipment and		
Amounts in NOK million	properties	vehicles	Total 1)	
Recorded value as at 31 December 2007	45	837	881	
Additions	11	218	229	
Additions from the aquisition/establishment of other companies				
Fixed assets, reclassified as held for sale				
Disposals	4	14	18	
Impairment				
Depreciation ²⁾	3	259	262	
Exchange rate movements	1	12	13	
Recorded value as at 31 December 2008	50	794	843	
Original cost	85	2 969	3 054	
Total depreciation and impairment	35	2 175	2 211	
Recorded value as at 31 December 2008	50	794	843	
Additions	21	245	266	
Additions from the aquisition/establishment of other companies				
Fixed assets, reclassified as held for sale				
Disposals	0	33	33	
Impairment				
Depreciation ²⁾	5	251	255	
Exchange rate movements	(2)	(6)	(8)	
Recorded value as at 31 December 2009	64	750	813	
Original cost	92	2 944	3 036	
Total depreciation and impairment	28	2 194	2 223	
Recorded value as at 31 December 2009	64	750	813	

DnB NOR Bank ASA has not furnished security for loans/funding of fixed assets, including property.

Technical installations 10 years 3-10 years Machinery Fixtures and fittings 5-10 years Computer equipment 3-5 years Means of transport 5-7 years

¹⁾ The total does not include "Other fixed assets".

²⁾ Based on cost less any residual value, other assets are subject to straight-line depreciation over their expected useful life within the following limits:

Note 36 Fixed assets (continued)

	DnB NOF	DnB NOR Bank Group		
Amounts in NOK million	31 Dec. 2009	31 Dec. 2008		
Bank buildings and other properties	506	569		
Machinery, equipment and vehicles	4 813	4 522		
Other fixed assets	115	180		
Total fixed assets	5 434	5 271		

		DnB NOR B	ank Group
	Bank buildings	Machinery,	-
	and other	equipment and	
Amounts in NOK million	properties	vehicles	Total 1)
Recorded value as at 31 December 2007	424	2 897	3 321
Additions	120	2 350	2 470
Additions from the aquisition/establishment of other companies			
Fixed assets, reclassified as held for sale			
Disposals	10	334	344
Impairment	1	2	2
Depreciation ²⁾	21	757	778
Exchange rate movements	57	368	426
Recorded value as at 31 December 2008	569	4 522	5 092
Original cost	675	8 144	8 819
Total depreciation and write-downs	106	3 622	3 728
Recorded value as at 31 December 2008	569	4 522	5 092
Additions	185	1 790	1 975
Additions from the aquisition/establishment of other companies			
Fixed assets, reclassified as held for sale			
Disposals	161	469	631
Impairment			
Depreciation ²⁾	29	962	991
Exchange rate movements	(59)	(68)	(127)
Recorded value as at 31 December 2009	506	4 813	5 319
Original cost	632	8 663	9 294
Total depreciation and write-downs	126	3 850	3 976
Recorded value as at 31 December 2009	506	4 813	5 319
Recorded value as at 31 December 2007	300	4 013	3 3 1 9

DnB NOR Bank Group has not furnished security for loans/funding of fixed assets, including property.

Technical installations10yearsMachinery3-10yearsFixtures and fittings5-10yearsComputer equipment3-5yearsMeans of transport5-7years

¹⁾ The total does not include "Other fixed assets".

²⁾ Based on cost less any residual value, other assets are subject to straight-line depreciation over their expected useful life within the following limits:

Note 37 Leasing

DnB NOR I	Bank ASA	Financial leasing (as lessor)	DnB NOR Ban	k Group
31 Dec.	31 Dec.		31 Dec.	31 Dec.
2008	2009	Amounts in NOK million	2009	2008
		Gross investment in the lease		
0	0	Due within 1 year	8 126	5 607
0	0	Due in 1-5 years	25 099	25 492
0	0	Due in more than 5 years	2 900	2 980
0	0	Total gross investment in the lease	36 126	34 079
		Present value of minimum lease payments		
0	0	Due within 1 year	7 775	3 475
0	0	Due in 1-5 years	20 674	20 777
0	0	Due in more than 5 years	1 975	5 081
0	0	Total present value of lease payments	30 425	29 332
0	0	Unearned financial income	5 701	4 746
0	0	Unguaranteed residual values accruing to the lessor	38	34
0	0	Accumulated loan-loss provisions	759	367
0	0	Variable lease payments recognised as income during the period	133	28
DnB NOR I	Bank ASA	Operational leasing (as lessor)	DnB NOR Banl	k Group
31 Dec.	31 Dec.		31 Dec.	31 Dec.
2008	2009	Amounts in NOK million	2009	2008
		Future minimum lease payments under non-cancellable leases		
9	7	Due within 1 year	80	186
11	2	Due in 1-5 years	1 042	1 067
0	0	Due in more than 5 years	35	135
19	9	Total future minimum lease payments under non-cancellable leases	1 158	1 388

DnB NOR Bank ASA Operational leasing (as lessee)		DnB NOR Bank	c Group	
31 Dec.	31 Dec.		31 Dec.	31 Dec.
2008	2009	Amounts in NOK million	2009	2008
		Minimum future lease payments under non-cancellable leases		
91	66	Due within 1 year	91	113
1 251	932	Due in 1-5 years	1 022	1 385
7 725	7 517	Due in more than 5 years	7 611	7 841
9 068	8 514	Total minimum future lease payments under non-cancellable leases	8 724	9 339
		Total minimum future sublease payments expected to be received under		
461	466	non-cancellable subleases	154	144
		Leases recognised as an expense during the period		
765	804	Minimum lease payments	815	784
0	0	Variable lease payments	0	1
765	804	Total leases recognised as an expense during the period	815	785
19	17	Write-downs on leases	17	19

Financial leasing (as lessor)

The DnB NOR Bank Group's financial leasing operations apply to DnB NOR Finans and DnB NORD in Poland and the Baltic States.

Operational leasing (as lessor)

Comprises operational leasing operations in DnB NOR Finans and DnB NORD in Poland.

Operational leasing (as lessee)

Mainly comprises premises leased by DnB NOR Bank. The strong growth in contractual minimum lease payments which are due in more than five years must be seen in conjunction with the agreement to lease new headquarters in Bjørvika in Oslo, which will be ready in 2012.

Note 38 Other assets

	5 941	6 146	Total other assets	7 513	6 781
_	4 131	3 855	Other amounts outstanding	4 846	4 468
	557	730	Amounts outstanding on documentary credits and other payment services	744	585
	366	641	Accrued expenses and prepaid revenues	953	801
	888	920	Unsettled contract notes	970	927
_	2008	2009	Amounts in NOK million	2009	2008
	31 Dec.	31 Dec.		31 Dec.	31 Dec.

Note 39 Deposits from customers for principal sectors 1)

DnB NOR Bank ASA			DnB NOR Bank G	roup
31 Dec.	31 Dec.		31 Dec. 3	31 Dec.
2008	2009	Amounts in NOK million	2009	2008
211 397	216 620	Retail customers	234 199 22	29 737
57 973	48 307	International shipping	48 335	58 123
29 686	28 916	Real estate	30 192	30 511
26 960	19 927	Manufacturing	21 115	28 555
101 088	87 831	Services	92 729 10	04 684
29 371	26 650	Trade	28 102	30 915
21 571	26 007	Oil and gas	26 011	21 573
14 716	25 339	Transportation and communication	26 255	17 194
9 542	12 059	Building and construction	13 652	11 133
10 340	10 108	Power and water supply	11 521	11 497
2 580	2 864	Seafood	3 442	3 287
1 625	1 658	Hotels and restaurants	1 782	1 805
2 205	2 117	Agriculture and forestry	2 665	2 677
18 474	16 049	Central and local government	17 160	23 924
32 154	56 131	Finance	56 015	30 525
569 681	580 583	Total deposits from customers	613 173 60	06 138
632	330	Adjustments	454	777
570 312	580 913	Deposits from customers	613 627 60	6 915

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 40 Debt securities issued

	DnB NOR Ba	DnB NOR Bank ASA	
	31 Dec.	31 Dec.	
Amounts in NOK million	2009	2008	
Commercial paper issued, nominal amount	167 989	194 700	
Bond debt, nominal amount 1)	224 418	305 356	
Adjustments	5 824	7 623	
Total debt securities issued	398 231	507 680	

Changes in debt securities issued					DnB NO	R Bank ASA
	Balance sheet		Matured/	Exchange rate	Changes in	Balance sheet
	31 Dec.	Issued	redeemed	movements	adjustments	31 Dec.
Amounts in NOK million	2009	2009	2009	2009	2009	2008
Commercial paper issued, nominal amount	167 989	167 989	194 700	0		194 700
Bond debt, nominal amount 1)	224 418	38 157	89 569	(29 526)		305 356
Adjustments	5 824				(1 799)	7 623
Total debt securities issued	398 231	206 147	284 270	(29 526)	(1 799)	507 680

Maturity of debt securities issued recorded at amortised cost as at 31 Decem	ber 2009	^{1) 2)} DnB NOI	R Bank ASA
Amounts in NOK million	NOK	Foreign currency	Total
2010	0	57 978	57 978
2011	0	58 304	58 304
2012	0	20 719	20 719
2013	0	20 649	20 649
2014	0	32 805	32 805
2015	0	1 852	1 852
2016 and later	0	6 771	6 771
Total bond debt, recorded at amortised cost, nominal amount	0	199 078	199 078

Maturity of debt securities issued recorded at fair value as at 31 December 2009 1)		DnB NOI	R Bank ASA	
Amounts in NOK million	NOK	Foreign currency	Total	
2010	60	167 929	167 989	
Total commercial paper issued, nominal amount	60	167 929	167 989	
2010	4 380	0	4 380	
2011	5 293	0	5 293	
2012	1 406	0	1 406	
2013	1 968	0	1 968	
2014	11 971	0	11 971	
2015	4	0	4	
2016 and later	318	0	318	
Total bond debt, nominal amount	25 340	0	25 340	
Total debt securities issued recorded at fair value, nominal amount	25 400	167 929	193 329	
Adjustments	775	5 049	5 824	
Securities debt issued	26 175	372 057	398 231	

¹⁾ Minus own bonds

²⁾ Includes hedged items.

Note 40 Debt securities issued (continued)

	DnB NOR Bar	DnB NOR Bank Group		
	31 Dec.	31 Dec.		
Amounts in NOK million	2009	2008		
Commercial paper issued, nominal amount	168 028	194 852		
Bond debt, nominal amount 1)	319 917	405 040		
Adjustments	12 962	14 291		
Total debt securities issued	500 907	614 183		

Changes in debt securities issued					DnB NOR Bank Group		
	Balance sheet		Matured/	Exchange rate	Changes in	Balance sheet	
	31 Dec.	Issued	redeemed	movements	adjustments	31 Dec.	
Amounts in NOK million	2009	2009	2009	2009	2009	2008	
Commercial paper issued, nominal amount	168 028	168 028	194 852	0		194 852	
Bond debt, nominal amount 1)	319 917	50 373	91 343	(44 152)		405 040	
Adjustments	12 962				(1 328)	14 291	
Total debt securities issued	500 907	218 400	286 195	(44 152)	(1 328)	614 183	

Maturity of debt securities issued recorded at amortised cost as at	31 December 2009	1) 2) DnB NOR I	DnB NOR Bank Group	
Amounts in NOK million	NOK	Foreign currency	Total	
2010	0	38	38	
Total commercial paper issued, nominal amount	0	38	38	
2010	0	72 218	72 218	
2011	0	77 218	77 218	
2012	0	34 619	34 619	
2013	0	38 210	38 210	
2014	0	32 805	32 805	
2015	0	2 267	2 267	
2016 and later	0	26 473	26 473	
Total bond debt, recorded at amortised cost, nominal amount	0	283 811	283 811	
Total debt securities issued recorded at amortised cost, nominal amount	0	283 849	283 849	

Maturity of debt securities issued recorded at fair value as at 3	DnB NOR Bank Grou		
Amounts in NOK million	NOK	Foreign currency	Total
2010	60	167 930	167 990
Total commercial paper issued, nominal amount	60	167 930	167 990
2010	5 779	9	5 788
2011	5 293	3	5 296
2012	1 406	6	1 412
2013	1 968	0	1 968
2014	19 471	0	19 471
2015	254	0	254
2016 and later	1 918	0	1 918
Total bond debt, nominal amount	36 089	17	36 106
Total debt securities issued recorded at fair value, nominal amount	36 149	167 947	204 096
Adjustments	1 779	11 183	12 962
Securities debt issued	37 929	462 978	500 907

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⁾ Includes hedged items.

Note 41 Subordinated loan capital and perpetual subordinated loan capital securities

	DnB NOR Ba	nk ASA
	31 Dec.	31 Dec.
Amounts in NOK million	2009	2008
Term subordinated loan capital, nominal amount	21 111	23 843
Perpetual subordinated loan capital, nominal amount	6 830	8 007
Perpetual subordinated loan capital securities, nominal amount 1)	8 468	9 742
Adjustments	1 277	2 019
Total subordinated loan capital and perpetual subordinated loan capital securities	37 686	43 612

Changes in subordinated loan capital and perpetual subordinated loan capital securities				DnB NOR Bank ASA		
			Matured/	Exchange rate	Changes in	
	Balance sheet	Issued	redeemed	movements	adjustments	Balance sheet
Amounts in NOK million	31 Dec. 2009	2009	2009	2009	2009	31 Dec. 2008
Term subordinated loan capital, nominal amount	21 111			(2 732)		23 843
Perpetual subordinated loan capital,						
nominal amount	6 830			(1 177)		8 007
Perpetual subordinated loan capital securities,						
nominal amount 1)	8 468			(1 274)		9 742
Adjustments	1 277				(743)	2 019
Total subordinated loan capital and perpetual						
subordinated loan capital securities	37 686	0	0	(5 183)	(743)	43 612

					DnB NOR	Bank ASA
	Book	k value in				Book value
Year raised	foreign	currency	Interest rate	Maturity	Call date	in NOK
Term subordinated loan capital						
2003	GBP	200	5.125% p.a.	2015	2010	1 861
2004	EUR	200	3-month EURIBOR + 0.30%	2016	2011	1 661
2005	EUR	200	3-month EURIBOR + 0.20%	2015	2010	1 661
2006	EUR	500	3-month EURIBOR + 0.20%	2017	2012	4 152
2006	USD	500	3-month LIBOR + 0.23%	2016	2011	2 881
2007	GBP	150	6.52% p.a.	2017	2012	1 396
2008	GBP	250	6.17% p.a.	2018	2013	2 327
2008	NOK	1 200	3-month NIBOR +1.60%	2018	2013	1 200
2008	NOK	250	7.60% p.a.	2018	2013	250
2008	GBP	400	7.25% p.a.	2020	2015	3 723
Total, nominal amount						21 111
Perpetual subordinated loan capital						
1985	USD	215	3-month LIBOR + 0.25%			1 239
1986	USD	150	6-month LIBOR + 0.15%			864
1986	USD	200	6-month LIBOR + 0.125%			1 152
1996	JPY	3 000	4.00% p.a.		2011	187
1996	JPY	7 000	4.00% p.a.		2011	437
1999	JPY	10 000	4.51% p.a.		2029	624
2006	GBP	250	4.875% p.a.		2011	2 327
Total, nominal amount						6 830
Perpetual subordinated loan capital securities						
2001	USD	400	7.729% p.a.		2011	2 305
2002	EUR	350	7.068% p.a.		2012	2 906
2007	GBP	350	6.0116% p.a.		2017	3 257
Total, nominal amount						8 468

¹⁾ Perpetual subordinated loan capital securities are eligible for inclusion in core capital by an amount not exceeding 15 per cent of total core capital. Finanstilsynet may require the securities to 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 41 Subordinated loan capital and perpetual subordinated loan capital securities (continued)

	DNB NOR Ban	к Group
	31 Dec.	31 Dec.
Amounts in NOK million	2009	2008
Term subordinated loan capital, nominal amount	22 455	25 432
Perpetual subordinated loan capital, nominal amount	6 830	8 007
Perpetual subordinated loan capital securities, nominal amount 1)	8 468	9 742
Adjustments	1 297	2 044
Total subordinated loan capital and perpetual subordinated loan capital securities	39 051	45 225

Changes in subordinated loan capital and perpetual subordinated loan capital securities					DnB NOR Bank Group	
			Matured/	Exchange rate	Changes in	
	Balance sheet	Issued	redeemed	movements	adjustments	Balance sheet
Amounts in NOK million	31 Dec. 2009	2009	2009	2009	2009	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 1)	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

					DnB NOR B	ank Group
		k value in				Book value
Year raised	foreign	currency	Interest rate	Maturity	Call date	in NOK
Term subordinated loan capital						
2003	GBP	200	5.125% p.a.	2015	2010	1 861
2003	EUR	15	6-month EURIBOR + 0.61%	2013		125
2004	EUR	200	3-month EURIBOR + 0.30%	2016	2011	1 661
2004	EUR	11	6-month EURIBOR + 2.40%	2014	2009	91
2004	EUR	14	6 mnd EURIBOR + 0.61%	2014		116
2005	EUR	200	3-month EURIBOR + 0.20%	2015	2010	1 661
2005	EUR	3	4.39% p.a.	2015		21
2005	EUR	15	6-month EURIBOR + 0.60%	2015		125
2005	EUR	13	6-month EURIBOR + 0.60%	2015		108
2006	USD	500	3-month LIBOR + 0.23%	2016	2011	2 881
2006	EUR	500	3-month EURIBOR + 0.20%	2017	2012	4 152
2007	GBP	150	6.52% p.a.	2017	2012	1 396
2007	EUR	19	6-month EURIBOR + 0.90%	2017		154
2008	GBP	250	6.17% p.a.	2018	2013	2 327
2008	NOK	1 200	3-month LIBOR	2018	2013	1 200
2008	NOK	250	7.60% p.a.	2018	2013	250
2008	GBP	400	7.25% p.a.	2020	2015	3 723
2008	EUR	49	6-month EURIBOR + 2.40%	2013		407
2008	EUR	25	6-month EURIBOR + 2.40%	2013		203
Other						(5)
Total, nominal amount						22 455
Perpetual subordinated loan capital						
1985	USD	215	3-month LIBOR + 0.25%			1 239
1986	USD	150	6-month LIBOR + 0.15%			864
1986	USD	200	6-month LIBOR + 0.125%			1 152
1996	JPY	3 000	4.00% p.a.		2011	187
1996	JPY	7 000	4.00% p.a.		2011	437
1999	JPY	10 000	4.51% p.a.		2029	624
2006	GBP	250	4.875% p.a.		2011	2 327
Total, nominal amount						6 830
Perpetual subordinated loan capital securities						
2001	USD	400	7.729% p.a.		2011	2 305
2002	EUR	350	7.068% p.a.		2012	2 906
2007	GBP	350	6.0116% p.a.		2017	3 257
Total, nominal amount						8 468

¹⁾ Perpetual subordinated loan capital securities are eligible for inclusion in core capital by an amount not exceeding 15 per cent of total core capital. Finanstilsynet may require the securities to 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.

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Note 42 Provisions

			DnB NOR	Bank ASA
	Issued			
	financial	Pension	Other	Total
Amounts in NOK million	guarantees 1)	commitments 2)	provisions 3)	provisions
Recorded value as at 31 December 2008	132	3 754	414	4 299
New provisions, recorded in the accounts	141	0	224	365
Amounts used	3	0	53	56
Reversals of unutilised provisions	17	0	77	94
Other changes	0	(245)	(21)	(267)
Recorded value as at 31 December 2009	252	3 508	487	4 247

		DnB NOR Bank Group		
	Issued			
	financial	Pension	Other	Total
Amounts in NOK million	guarantees 1)	commitments 2)	provisions 3)	provisions
Recorded value as at 31 December 2008	203	3 948	457	4 607
New provisions, recorded in the accounts	156	0	272	428
Amounts used	35	0	76	111
Reversals of unutilised provisions	18	0	80	98
Other changes	(4)	(241)	(28)	(272)
Recorded value as at 31 December 2009	303	3 707	544	4 553

- 1) Issued financial guarantees are measured at the higher of the consideration received for the guarantee excluding any amortised amounts recorded in the income statement and the best estimate of the consideration due if the guarantee is honoured. The liabilities are of a short-term nature.
- Pension commitments before net overfunding are included. See note 23 Pensions for a specification of changes in pension commitments recorded in 2009.
- 3) Other provisions mainly include short-term liabilities which are assumed to be settled during 2010.

Note 43 Other liabilities

DnB NOR	Bank ASA		DnB NOR Ban	k Group
31 Dec.	31 Dec.		31 Dec.	31 Dec.
2008	2009	Amounts in NOK million	2009	2008
1 055	402	Short-term funding	638	1 307
2 798	2 731	Accrued expenses and prepaid revenues	3 346	3 576
0	0	Liabilities related to factoring	102	154
895	662	Documentary credits, cheques and other payment services	682	925
2 522	1 766	Unsettled contract notes	1 766	2 522
0	5 208	Group contribution/dividends	-	-
280	262	Accounts payable	484	417
3 058	1 831	Other liabilities	2 820	3 479
10 608	12 863	Total other liabilities	9 839	12 380

Note 44 Remunerations etc.

Pursuant to Section 6-16a of the Norwegian Public Limited Companies Act, the Board of Directors will present the following remuneration guidelines to the Annual General Meeting:

"The Board of Directors' statement on the stipulation of salaries and other remunerations to senior executives

DnB NOR's guidelines for determining remunerations to the group chief executive and other members of the group management team should, at all times, support prevailing strategy and values, while contributing to the attainment of the Group's targets. The remunerations should inspire conduct to build the desired corporate culture with respect to performance and profit orientation. In connection with this statement, the Board of Directors has passed no resolution entailing changes to the principles for the stipulation of remunerations compared with statements presented previously.

Decision-making process

The Board of Directors in DnB NOR ASA has established a compensation committee consisting of three members: the chairman of the Board, the vice-chairman and one board member.

The Compensation Committee prepares matters for the Board of Directors and has the following main responsibilities:

- · Annually evaluate and present its recommendations regarding the total remuneration awarded to the group chief executive
- Annually prepare a recommendation for the group chief executive's score card
- Based on suggestions from the group chief executive, decide the remuneration and other key benefits awarded to the group executive vice president, Group Audit
- Act in an advisory capacity to the group chief executive regarding remunerations and other key benefits for members of the group management team and, when applicable, for others who report to the group chief executive
- · Consider other matters as decided by the Board of Directors and/or the Compensation Committee
- Evaluate other personnel-related issues which can be assumed to entail great risk to the Group's reputation

A. Guidelines for the coming accounting year

Remuneration to the group chief executive

The total remuneration to the group chief executive consists of basic salary (main element), benefits in kind, variable salary, and pension and insurance schemes. The total remuneration is determined based on a total evaluation, and the variable part of the salary is primarily based on the following elements: financial performance, customer satisfaction, employee satisfaction and the DnB NOR Group's reputation

The basic salary is subject to an annual evaluation and is determined based on general salary levels in the labour market and especially in the financial industry.

Variable salary to the group chief executive is determined based on specific performance measurements of defined target areas stipulated in the group chief executive's score card and an overall discretionary assessment. Variable salary cannot exceed 50 per cent of fixed salary. The group chief executive is not awarded performance-based payments other than the stated bonus.

In addition to variable salary, the group chief executive can be granted benefits in kind such as company car, newspapers/periodicals and telephone schemes. Benefits in kind should be relevant to the group chief executive's function or in line with market practice, and should not be significant relative to the group chief executive's basic salary.

The Group will respect the agreement entered into with the group chief executive, whereby his retirement age is 60 years with a pension representing 70 per cent of fixed salary. If employment is terminated prior to the age of 60, the pension will be paid from the age of 60 with the deduction of 1/14 of the pension amount for each full year remaining to his 60th birthday. According to the agreement, the group chief executive is entitled to a termination payment for two years if employment is terminated prior to the age of 60. If, during this period, the group chief executive receives income from other employment, the termination payment will be reduced by an amount corresponding to the salary received from this employment. Benefits in kind will be maintained for a period of three months.

Remuneration to other senior executives

The group chief executive determines the remunerations to senior executives in agreement with the Chairman of the Board of Directors. The Board of Directors will honour existing binding agreements.

The total remuneration to senior executives consists of basic salary (main element), benefits in kind, variable salary, and pension and insurance schemes. The total remuneration is determined based on the need to offer competitive terms in the various business areas. The remunerations should promote the Group's competitiveness in the relevant labour market, as well as the Group's profitability, including the desired trend in income and costs. The total remuneration must neither pose a threat to DnB NOR's reputation nor be market-leading, but should ensure that DnB NOR attracts and retains senior executives with the desired skills and experience.

The basic salary is subject to an annual evaluation and is determined based on general salary levels in the labour market and especially in the financial industry.

Benefits in kind may be offered to senior executives to the extent the benefits have a relevant connection to the employee's function in the Group or are in line with market practice. The benefits should not be significant relative to the employee's basic salary.

Variable salary is determined based on specific performance measurements of defined target areas stipulated in the executive's score card and an overall discretionary assessment. The scheme should be performance-based without exposing the Group to unwanted risk, nor should the scheme pose a threat to DnB NOR's reputation. Variable salary (bonus) cannot exceed 50 per cent of fixed salary. The Board of Directors can make exceptions for certain positions if this is necessary to ensure competitive terms. Though the total remuneration in the latter case should be competitive, it should not be market-leading.

Note 44 Remunerations etc. (continued)

Pension schemes and any agreements on termination payments etc. should be considered relative to other remuneration and should ensure competitive terms. The various components in pension schemes and severance pay, either alone or together, must not be such that they could pose a threat to DnB NOR's reputation.

As a main rule, senior executives are entitled to a pension at the age of 65, though this can be deviated from. In accordance with the Group's pension scheme for all employees, defined-benefit pension entitlements should not exceed 70 per cent of fixed salary and should constitute maximum 12 times the National Insurance basic amount. However, the DnB NOR Group will honour existing agreements.

As a main rule, no termination payment agreements will be signed. However, the Group will honour existing agreements.

When entering into new agreements, the guidelines generally apply and comprise all senior executives.

See table of remunerations for senior executives below.

B. Binding guidelines for shares, subscription rights, options etc. for the coming accounting year

An amount corresponding to 20 per cent of the gross earned variable salary of the group chief executive and senior executives is invested in shares in DnB NOR ASA. The shares have a minimum holding period of two years. Guidelines have been established.

No additional shares, subscription rights, options or other forms of remuneration only linked to shares or only to developments in the share price of the company or other companies within the Group, will be awarded to the group chief executive or senior executives. The group chief executive and senior executives are, however, given the opportunity to participate in a share subscription scheme on the same terms as other employees in the DnB NOR Group.

C. Statement on the senior executive salary policy in the previous account year

A new group executive vice president joined the Group on 1 April 2009, whose employment agreement stipulates ordinary pension terms and a retirement age of 65 years. In addition, a group executive vice president was appointed on 1 July 2009 from another position in the Group, whose existing pension agreement has been retained.

Group chief executive Rune Bjerke chose to renounce nominal wage increases and bonus payments in 2009 (based on the Group's financial performance in 2008).

As in previous years, the performance-based pay agreement for 2009 for the head of DnB NOR Markets deviates from the model used for the other group executive vice presidents. The agreement has a higher maximum limit, and the performance-based pay earned in 2009, excluding tax, will in its entirety be invested in shares in DnB NOR ASA. The shares have a minimum holding period of three years.

In all other respects, the guidelines determined for 2009 have been followed.

D. Statement on the effects for the company and the shareholders of remuneration agreements awarding shares, subscription rights, options etc.

An amount corresponding to 20 per cent of the gross earned variable salary of the group chief executive and senior executives is invested in shares in DnB NOR ASA. The Board of Directors believes that the awarding of shares to senior executives, in view of the total number of shares in the company, will have no negative consequences for the company or the shareholders."

Terms for the chairman of the Board of Directors

Anne Carine Tanum has been chairman of the Board of Directors of DnB NOR Bank ASA since 18 June 2008. She received a total remuneration of NOK 355 000 in 2009, compared with NOK 188 000 in 2008. In addition, she received NOK 430 000 as chairman of the Board of Directors of DnB NOR ASA, compared with NOK 358 000 in 2008.

Terms for the group chief executive

Rune Bjerke received an ordinary salary of NOK 4 639 000 in 2009, compared with NOK 4 311 000 in 2008. The increase is due to the full-year effect of the salary increase granted in 2008. The Board of Directors of DnB NOR ASA stipulated the group chief executive's bonus payment for 2009 at NOK 676 000. The bonus will be paid in 2010. Rune Bjerke chose to renounce the bonus earned in 2008. Benefits in kind were estimated at NOK 305 000, compared with NOK 246 000 in 2008. Costs for DnB NOR in connection with the group chief executive's pension scheme were NOK 3 272 000 for the 2009 accounting year, compared with NOK 2 995 000 in 2008. Costs are divided between DnB NOR ASA and DnB NOR Bank ASA.

Note 44 Remunerations etc. (continued)

Remunerations etc. in 2009								DnB N	IOR Bank	Group
	Fixed annual	Paid		Bonus		В	onus earned		(Current value
	salary as	remunera-	Paid	earned in	Benefits	Total	in 2009,	Loans as	Accrued	of pension
	at 31 Dec.	tion in	salaries	2008, paid	in kind	remunera-	to be paid	at 31 Dec.	pension	agree-
Amounts in NOK 1 000	2009 1)	2009 2)	in 2009 ³⁾	in 2009 ^{4) 5)}	in 2009 °)	tion in 2009	in 2010 ⁵⁾	2009 7)	expenses	ment 8)
The Board of Directors of DnB NOR Bank ASA										
Anne Carine Tanum (chairman)	-	785	-	-	0	785	-	0	-	-
Bent Pedersen (vice-chairman)	-	630	-	-	0	630	-	0	-	-
Per Hoffmann	561	520	573	0	23	1 116	10	1 656	44	1 706
Kari Lotsberg	-	260	-	-	0	260	-	0	-	-
Kai Nyland	-	260	-	-	749	1 009	-	133	-	-
Torill Rambjør	-	260	-	-	0	260	-	13	-	-
Ingjerd Skjeldrum	613	520	637	0	12	1 169	10	496	70	1 966
Total Board of Directors	1 174	3 235	1 210	0	785	5 229	20	2 299	115	3 672
Group management										
Rune Bjerke, CEO	4 437	-	4 639	0	305	4 945	676	106	3 272	8 846
Bjørn Erik Næss, CFO	3 186	-	3 187	956	195	4 339	1 045	2 644	2 704	4 646
Ottar Ertzeid, group EVP	1 650	-	2 520	6 300	166	8 986	8 410	6	509	5 598
Liv Fiksdahl, group EVP	1 715	-	1 744	497	184	2 425	696	2 728	637	5 543
Solveig Hellebust, group EVP										
(from 1 April 2009)	1 850	-	1 308	0	127	1 435	565	0	142	107
Cathrine Klouman, group EVP	2 098	-	2 133	629	161	2 923	797	3 639	952	5 657
Kari Olrud Moen, group EVP (until 1 April 2009)	1 383	-	1 498	277	146	1 921	598	0	381	1 327
Jarle Mortensen, group EVP (until 1 July 2009)	1 500	_	1 718	200	176	2 094	710	2 722	382	5 829
Karin Bing Orgland, group EVP (from 1 July 2009)	2 700	_	2 351	1 144	160	3 655	924	67	1 113	15 055
Tom Rathke, group EVP	2 800	_	3 005	420	219	3 644	1 200	362	2 019	11 814
Åsmund Skår, group EVP	2 000		3 003	420	217	5 044	1 200	302	2017	11 014
(until 20 February 2009)	2 913	-	3 058	437	91	3 586	701	269	1 335	17 366
Leif Teksum, group EVP	3 195	-	3 244	959	233	4 436	1 048	1 939	2 071	30 137
Total Group management	29 426	-	30 406	11 818	2 165	44 390	17 370	14 482	15 517	111 923
Control Committee										
Frode Hassel (chairman)	-	389	-	-	-	389	-	0	-	-
Svein Brustad	-	243	-	-	-	243	-	0	-	-
Svein Norvald Eriksen	-	245	-	-	-	245	-	1 264	-	-
Ingebjørg Harto (until 21 April 2009)	-	216	-	-	-	216	-	0	-	-
Karl Olav Hovden (from 21 April 2009)	-	36	-	-	122	158	-	0	-	-
Merete Smith	-	282	_	-	_	282	-	0	-	-
Thorstein Øverland	-	283	-	_	_	283	-	0	_	-
Total Control Committee	-	1 694	-	-	122	1 816	-	1 264	-	-
Total Supervisory Board	-	1 272	-	-	-	1 272	-	-	-	-
Total	30 600	6 201	31 616	11 818	3 072	52 707	17 390	18 045	15 632	115 595

Total lending to other employees

12 851 777

Note 44 Remunerations etc. (continued)

Remunerations etc. in 2008								DnB N	OR Bank	Group
	Fixed annual	Paid		Bonus		E	onus earned		C	Current value
	salary as	remunera-	Paid	earned in	Benefits	Total	in 2008,	Loans as	Accrued	of pension
	at 31 Dec.	tion in	salaries	2007, paid	in kind	remunera-	to be paid	at 31 Dec.	pension	agree-
Amounts in NOK 1 000	2008 1)	2008 2)	in 2008 ³⁾	in 2008 ⁵⁾	in 2008 ⁶⁾	tion in 2008	in 2009 ^{4) 5)}	2008 7)	expenses	ment 83
The Board of Directors of DnB NOR Bank ASA										
Olav Hytta (chairman until 18 June 2008)	-	393	-	-	4	396	-	164	-	-
Anne Carine Tanum (chairman from 18 June 2008)	-	545	_	-	1	546	-	0	_	-
Bent Pedersen (vice-chairman)	-	610	-	-	0	610	-	0	-	-
Per Hoffmann	559	505	588	16	192	1 301	0	1 699	47	1 762
Kari Lotsberg	-	253	-	-	0	253	-	0	-	-
Kai Nyland (from 18 June 2008)	_	138	-	-	824	961	-	162	-	-
Torill Rambjør	-	253	-	-	1	253	-	0	-	-
Tore Olaf Rimmereid (until 18 June 2008)	_	253	_	_	1	253	_	0	_	_
Ingjerd Skjeldrum	600	505	656	16	325	1 502	0	93	68	1 978
Total Board of Directors	1 159	3 453	1 244	32	1 347	6 076	0	2 117	115	3 739
Group management										
Rune Bjerke, CEO	4 437	_	4 311	1 276	246	5 833	0	98	2 995	5 583
Tom Grøndahl, deputy CEO (until 1 March 2008)	_	_	2 893	819	349	4 061	_	675	2 492	31 196
Ottar Ertzeid, group EVP	1 650	_	2 600	7 016	357	9 973	6 300	0	617	6 385
Liv Fiksdahl, group EVP	1 715		1 794	725	417	2 936	497	2 908	768	6 206
Anne-Brit Folkvord, group EVP (until 29 September 2008)	. ,		1 755	500	339	2 594	.,,	819	1 054	10 148
Cathrine Klouman, group EVP	2 098		2 140	610	191	2 941	629	3 185	1 146	6 012
Bjørn Erik Næss, CFO (from 9 March 2008)	3 186	-	2 422	0	150	2 573	956	7 844	3 593	3 489
Kari Olrud Moen, acting group EVP		-								
(from 29 September 2008)	1 383	-	1 486	447	146	2 079	277	0	506	1 322
Tom Rathke, group EVP	2 800	-	3 144	797	194	4 135	420	1 610	2 042	10 472
Åsmund Skår, group EVP	2 912	-	3 035	841	551	4 427	437	1 539	1 641	20 618
Leif Teksum, group EVP	3 195	-	3 283	916	359	4 558	959	2 070	2 118	30 361
Total Group management	23 376	-	28 862	13 948	3 300	46 110	10 474	20 747	18 974	131 793
Control Committee										
Frode Hassel (chairman)	-	385	-	-	-	385	-	0	-	-
Svein Brustad	-	240	-	-	-	240	-	0	-	-
Svein Norvald Eriksen	-	245	-	-	-	245	-	1 398	-	-
Ingebjørg Harto	-	240	-	-	-	240	-	0	-	-
Merete Smith (from 30 April 2008)	-	200	-	-	-	200	-	0	-	-
Thorstein Øverland	-	270	-	-	-	270	-	0	-	-
Total Control Committee	-	1 581	-	-	-	1 581	-	1 398	-	-
Total Supervisory Board	-	1 226	-	-	-	1 226	-	-	-	-
Total	24 535	6 259	30 107	13 980	4 647	54 992	10 474	24 261	19 089	135 532

1) Fixed annual salary at year-end for employees who were members of the Board of Directors or the group management team during the year.

2) Includes remuneration received from all companies within the DnB NOR Group for service on Boards of Directors and committees. For those who have received remuneration for more than one position in 2009, the following amounts are related to their board positions in DnB NOR Bank ASA:

Anne Carine Tanum: NOK 355 000 Bent Pedersen: NOK 285 000 Per Hoffmann: NOK 260 000 Ingjerd Skjeldrum: NOK 260 000

- 3) Includes salary payments for the entire year and holiday pay on bonuses. Some employees were members of the Board of Directors or the group management team for only parts of the year.
- 4) 20 per cent of bonuses paid in 2009 was in the form of shares at the market price prevailing at the time of allotment, which was 7 May 2009. A total of 20 436 shares were bought in the market at a price of NOK 44.89 per share. The shares have a minimum holding period of two years.
- 5) Group executive vice president Ottar Ertzeid, head of DnB NOR Markets, has a performance-based salary including both fixed and variable payments. The size of the performance-based pay depends on results achieved by the business area and on long-term performance. The performance-based pay earned in 2009, excluding tax, will in its entirety be invested in shares in DnB NOR ASA. The shares have a minimum holding period of three years.
- 6) Benefits in kind include payments from the employee investment funds in 2008 and pension payments.
- 7) Loans to shareholder-elected representatives are extended on ordinary customer terms. Loans to DnB NOR employees are extended on special terms, which are close to ordinary customer terms.
- 8) The net present value of pension agreements represents accrued pension commitments excluding payments into funded pension schemes. Assumptions used in actuarial calculations of accrued pension expenses and the present value of pension agreements are shown in note 23 Pensions.

Note 44 Remunerations etc. (continued)

Other information on pension agreements

Rune Bjerke has a pension agreement entitling him to a pension representing 70 per cent of fixed salary from the age of 60. Ottar Ertzeid, Liv Fiksdahl, Cathrine Klouman, Bjørn Erik Næss, Kari Olrud Moen, Tom Rathke and Leif Teksum have pension agreements entitling them to a pension representing 70 per cent of fixed salary from the age of 62. Karin Bing Orgland has a pension agreement entitling her to a pension representing 70 per cent of fixed salary from the age of 65. Solveig Hellebust has a pension agreement entitling her to a pension representing 70 per cent of fixed salary, limited to 12 times the National Insurance basic amount, from the age of 65.

Subscription rights programme for employees

There was no subscription rights programme for employees in the DnB NOR Bank Group at year-end 2009.

DnB NOR E	Bank ASA	Remuneration to the statutory auditor	tion to the statutory auditor DnB NOR Bank	
2008	2009	Amounts in NOK 1 000	2009	2008
4 539	4 662	Statutory audit	15 731	12 328
1 126	250	Other certification services	1 208	2 747
2 191	281	Tax-related advice 1)	501	2 532
407	0	Other services	489	903
8 263	5 193	Total remuneration to the statutory auditor	17 929	18 510
413		Additional services 1 January - 30 April 2008 2)		716

- 1) Mainly related to assistance in tax matters for employees outside Norway.
- 2) The auditing firm Ernst & Young AS was elected new auditor for DnB NOR Bank ASA with effect from 2008 at the general meeting on 30 April 2008. Additional services in the period 1 January to 30 April 2008 were performed by the previous auditor.

Note 45 Information on related parties

... . . .

DnB NOR Bank ASA is 100 per cent owned by DnB NOR ASA. The largest owner of the DnB NOR Group is the Norwegian government, represented by the Ministry of Trade and Industry, which owns and controls 34 per cent of the shares in the parent company DnB NOR ASA.

A large number of bank transactions are entered into with related parties as part of ordinary business transactions, comprising loans, deposits and foreign exchange transactions. These transactions are based on market terms. The table below shows transactions with related parties, including balance sheets at year-end and related expenses and income for the year. Related companies in the table are associated companies plus Sparebankstiftelsen DnB NOR (the Savings Bank Foundation). See note 32 for a specification of associated companies. Loans to board members and their spouses/partners and under-age children are extended on ordinary customer terms. Loans to group management, like loans to other group employees, are extended on special terms, which are close to ordinary customer terms. Transactions with other DnB NOR Bank Group companies are shown in a separate table.

Transactions with related parties			DnB NOR E	Bank Group
	Group management and Boar	Related companies		
Amounts in NOK million	2009	2008	2009	2008
Loans as at 1 January	26	15	9	14
New loans/repayments during the year	(7)	6	372	(5)
Changes in related parties	3	4	-	-
Loans as at 31 December	22	26	381	9
Interest income	1	1	o	1
Deposits as at 1 January 1)	20	11	11 084	10 109
Deposits/withdrawals during the year	7	11	(1 382)	984
Changes in related parties	(2)	(2)	-	(9)
Deposits as at 31 December	24	20	9 702	11 084
Interest expenses	1	1	188	400
Guarantees 1)	+	-	20 869	17 220

¹⁾ DnB NOR carries loans in its balance sheets which according to a legal agreement have been transferred to Eksportfinans and are guaranteed by DnB NOR. According to the agreement, DnB NOR still carries interest rate risk and credit risk associated with the transferred portfolio. These portfolios totalled NOK 9 215 million and NOK 9 999 million respectively at year-end 2009 and 2008. The loans are set off by deposits/payments from Eksportfinans. DnB NOR has also issued guarantees for other loans in Eksportfinans.

No write-downs were made on loans to related parties in 2009 and 2008. Reference is made to note 44 for information on loans to group management members and directors. Transactions with deputy members of the Board of Directors are not included in the table above. In general, DnB NOR employee loans should be paid by automatic debit in monthly instalments in arrear. Employees' commitments are within the term limits applying to general customer relationships. Security is furnished for employee loans in accordance with legal requirements.

Note 45 Information on related parties (continued)

DnB NOR Bank ASA		Transactions with other DnB NOR Group companies	DnB NOR Bank Group		
2008	2009	Amounts in NOK million	2009	2008	
208 713	223 140	Loans as at 31 December	14 168	15 126	
7 830	4 591	Other receiveables as at 31 December	1 783	4 675	
16 158	35 182	Deposits as at 31 December	20 134	7 091	
27 711	12 497	Other liabilities as at 31 December 1)	437	1 666	
9 693	6 299	Interest income	719	835	
856	474	Interest expenses	208	342	
1 965	2 346	Net other operating income ²⁾	802	910	
86	60	Operating expenses	48	46	

¹⁾ Other liabilities in DnB NOR Bank ASA as at 31 December 2009 were mainly financial derivative contracts with DnB NOR Boligkreditt as counterparty.

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.

DnB NOR Boligkreditt

DnB NOR Boligkreditt is 100 per cent owned by DnB NOR Bank ASA. As part of ordinary business transactions, a large number of banking transactions are entered into between DnB NOR Boligkreditt (Boligkreditt) and DnB NOR Bank ASA (the bank), including loans, deposits and financial derivatives used in currency and interest rate risk management. Transactions are carried out on market terms and are regulated in the "Agreement relating to transfer of loan portfolio between DnB NOR Bank ASA and DnB NOR Boligkreditt AS" (the transfer agreement) and the "Contract concerning purchase of management services" (the servicing agreement).

The transfer agreement regulates the transfer of loan portfolios qualifying as collateral for the issue of covered bonds. In 2008, portfolios representing NOK 93.6 billion were transferred from the bank to Boligkreditt. Portfolios transferred in 2009 represented a total of NOK 88.5 billion. The transfers are based on market terms.

Pursuant to the management agreement, Boligkreditt purchases services from the bank, including administration, bank production, distribution, customer contact, IT operations, financial and liquidity management. Boligkreditt pays an annual management fee for these services based on the lending volume under management. For new loans approved through the bank's channels, a sales commission for each loan is also paid. The fee paid for the period January through December 2009 totalled NOK 761 million.

As at 31 December 2009, the total invested amount was NOK 130.3 billion in covered bonds issued by Boligkreditt. The bank uses bonds issued by Boligkreditt as security for Treasury bills purchased from Norges Bank as part of the stimulus package for the Norwegian financial services industry.

DnB NOR Næringskreditt

DnB NOR Næringskreditt (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. In its stimulus packages, the Norwegian Ministry of Finance has opened up for the use of such bonds in the swap scheme with Treasury bills on a par with covered bonds issued by Boligkreditt. 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. At end-December 2009, commitments with a total value of NOK 11.5 billion had been transferred from DnB NOR Bank ASA. The transfers are made in agreement with the customers based on markets terms. The portfolio will be diversified with respect to property types, sizes and locations. Like Boligkreditt, Næringskreditt purchases management and administrative services from DnB NOR Bank ASA.

²⁾ DnB NOR Bank ASA recorded NOK 545 million and NOK 552 million in group contributions from subsidiaries in 2009 and 2008, respectively.

Note 45 Information on related parties (continued)

Vital Forsikring

As part of the company's ordinary investment activity, Vital Forsikring ASA (Vital) has subscribed for covered bonds issued by Boligkreditt. Vital's investments in Boligkreditt are limited to listed covered bonds. Vital's holding of Boligkreditt bonds was valued at NOK 7.2 billion at end-December 2009

DnB NOR Bank ASA has sold foreign currency loans guaranteed by GIEK, the Norwegian Guarantee Institute for Export Credits, to Vital for an accumulated amount equivalent to NOK 2.8 billion. In connection with the sale, interest rate and currency swaps were entered into, protecting Vital against currency risk and providing a total return based on Norwegian interest rates. DnB NOR Bank ASA still carries interest rate, settlement and credit risk associated with the relevant loans. According to the IFRS regulations, the loans have therefore not been removed from the balance sheet. The set-offs to the loans are recorded as deposits from customers.

The transactions with Vital 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 sixmonth 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 46 Off-balance sheet transactions, contingencies and post-balance sheet events

nb Nor I	Bank ASA	Off-balance sheet transactions	DnB NOR Ban	k Group
31 Dec.	31 Dec.		31 Dec.	31 Dec.
2008	2009	Amounts in NOK million	2009	2008
32 575	24 621	Performance guarantees	26 000	34 367
22 553	18 138	Payment guarantees	19 250	24 582
14 871	10 702	Loan guarantees 1)	11 774	16 202
0	939	Guarantees to the Norwegian Banks' Guarantee Fund	939	0
4 759	4 617	Guarantees for taxes etc.	4 655	4 801
4 764	3 643	Other guarantee commitments	3 892	5 448
79 522	62 659	Total guarantee commitments	66 510	85 399
0	0	Support agreements	8 045	4 499
79 522	62 659	Total guarantee commitments etc. *)	74 555	89 899
322 651	369 299	Unutilised credit lines and loan offers	376 282	361 259
24 627	14 734	Documentary credit commitments	14 839	24 896
496	390	Other commitments	516	540
347 774	384 424	Total commitments	391 638	386 695
427 296	447 083	Total guarantee and off-balance commitments	466 193	476 594
202 611	151 067	Securities	151 067	202 611
202 464	150 934	- are pledged as security for: Loans 2)	150 934	202 464
147	133	Other activities	133	147
360	206	*) Of which counter-guaranteed by financial institutions	209	566

¹⁾ DnB NOR Bank carries loans in its balance sheet that subject to legal agreement have been transferred to Eksportfinans and for which DnB NOR Bank has issued guarantees. According to the agreement, DnB NOR Bank 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.

As a member of Continuous Linked Settlement Bank (CLS Bank) DnB NOR Bank ASA has an obligation to contribute to cover any deficit in CLS Bank's central settlement account for member banks, even if the default is caused by another member bank. Initially, such deficit will be sought covered by other member banks based on transactions the respective banks have had with the member bank which has caused the deficit in CLS Bank. Should there remain an uncovered deficit in CLS Bank, this will be covered pro rata by the member banks in CLS (currently 71 of the world's largest banks), according to Article 9 "Loss Allocations" of CLS Bank's International Rules. According to the agreements between CLS and the member banks, the pro rata payment obligations related to such coverage of any remaining deficit are limited to USD 30 million per member bank. At the end of 2009, DnB NOR Bank ASA had not recorded any obligations in relation to CLS.

Contingencies

In the autumn of 2008, an investigation was initiated against DnB NOR following allegations that the bank had traded Treasury bills after receiving insider information in connection with the Norwegian government's stimulus package. The investigation was closed on 17 February 2010 and resulted in a fine of NOK 12 million against DnB NOR ASA and the forfeiture of estimated gains of NOK 14 million. At the same time, the case against two employees was dropped. DnB NOR accepted the fine without a judicial review, but maintains that no unlawful insider information was given in the case. Thus, DnB NOR is also of the opinion that no employees broke the law on behalf of the bank. In its assessment, DnB NOR emphasised that a judicial review would be resource-intensive for management and other employees over a long period.

Due to its extensive operations in Norway and abroad, the DnB NOR Banking 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 banking group's financial position.

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.

²⁾ NOK 60 780 million in securities as at 31 December 2009 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.

Note 46 Off-balance sheet transactions, contingencies and post-balance sheet events (continued)

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.

Post balance sheet events

No new information has come to light about important matters which had occurred on the balance sheet date 31 December 2009 and up until the Board of Directors' final consideration of the annual accounts on 17 March 2010.

Oslo, 17 March 2010
The Board of Directors of DnB NOR Bank ASA

Anne Carine Tanum
(chairman)

Rent Pedersen
(vice-chairman)

Per Hoffmann

Kari Lotsberg

Kai Nyland

Torill Rambjør

Ingjerd Skjeldrum

Rune Bjerke (group chief executive)

Statement pursuant to Section 5-5 of the Securities Trading Act

We hereby confirm that the annual accounts for the banking group and the company for 2009 to the best of our knowledge have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the banking group and the company taken as a whole.

The directors' report gives a true and fair review of the development and performance of the business and the position of the banking group and the company, as well as a description of the principal risks and uncertainties facing the banking group.

Oslo, 17 March 2010
The Board of Directors of DnB NOR Bank ASA

Anne Carine Tanum (chairman) Bent Pedersen (vice-chairman)

Per Hoffmann Kari Lotsberg Kai Nyland

Torill Rambjer Ingjerd Skjeldrum

Rune Bjerke (group chief executive) (chief financial officer)

Auditor's report for 2009

To the Annual Shareholders' Meeting and Supervisory Board of DnB NOR Bank ASA

We have audited the annual financial statements of DnB NOR Bank ASA as of 31 December 2009, showing a profit of NOK 7,463 million for the Parent Company and a profit of NOK 6,139 million for the Group. We have also audited the information in the Directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit. The financial statements comprise the financial statements for the Parent Company and the Group. The financial statements of the Parent Company comprise the balance sheet, the statements of income, comprehensive income, cash flows and changes in equity as well as the accompanying notes. The financial statements of the Group comprise the balance sheet, the statements of income, comprehensive income, cash flows and changes in equity as well as the accompanying notes. Simplified IFRSs pursuant to the Norwegian Accounting Act § 3-9 have been applied in the preparation of the financial statements of the Parent Company. IFRSs as adopted by the EU have been applied in the preparation of the financial statements of the Group. These financial statements and the Directors' report are the responsibility of the Company's Board of Directors and Group Chief Executive. Our responsibility is to express an opinion on these financial statements and on other information according to the requirements of the Norwegian Act on Auditing and Auditors.

We conducted our audit in accordance with laws, regulations and auditing standards and practices generally accepted in Norway, including the auditing standards adopted by the Norwegian Institute of Public Accountants. These auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. To the extent required by law and auditing standards, an audit also comprises a review of the management of the Company's financial affairs and its accounting and internal control systems. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- the financial statements of the Parent Company are prepared in accordance with laws and regulations and present fairly, in all material
 respects the financial position of the Company as of 31 December 2009, and the results of its operations, cash flows and changes in
 equity for the year then ended, in accordance with simplified IFRSs pursuant to the Norwegian Accounting Act § 3-9
- the financial statements of the Group are prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Group as of 31 December 2009, and the results of its operations, cash flows and changes in equity for the year then ended, in accordance with IFRSs as adopted by the EU
- the Company's management has fulfilled its duty to properly record and document the Company's accounting information as required by law and bookkeeping practice generally accepted in Norway
- the information in the Directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit is consistent with the financial statements and complies with law and regulations.

Oslo, 17 March 2010 Ernst & Young AS

Erik Mamelund State Authorised Public Accountant (Norway) (sign.)

Note: The translation to English has been prepared for information purposes only.

Control Committee's Report

To the Supervisory Board and the Annual General Meeting of DnB NOR Bank ASA

The Control Committee has carried out supervision of DnB NOR Bank ASA and the banking group in accordance with law and instructions laid down by the Supervisory Board.

In connection with the closing of the accounts for the 2009 financial year, the Control Committee has examined the Director's Report, the annual accounts and the Auditor's Report for DnB NOR Bank ASA.

The Committee finds that the Board of Directors gives an adequate description of the financial position of DnB NOR Bank and the banking group, and recommends the approval of the Director's Report and annual accounts for the 2009 financial year.

Oslo, 17 March 2010

Frode Hassel (chairman)

Svein N. Eriksen Karl Olav Hovden Thorstein Øverland

Svein Brustad (deputy) Merete Smith (deputy)

Key figures

		-	^
DNB	NOR	Bank	Group

		2009	2008
Int	erest rate analyses		
1.	Combined weighted total average spread for lending and deposits (%)	1.14	1.02
2.	Spread for ordinary lending to customers (%)	1.59	1.00
3.	Spread for deposits from customers (%)	0.29	1.07
Rat	te of return/profitability		
4.	Net other operating income, per cent of total income	33.8	30.6
5.	Cost/income ratio (%)	46.1	48.8
6.	Return on equity (%)	10.0	14.0
Fin	ancial strength		
7.	Core (Tier 1) capital ratio at end of period (%)	8.4	6.9
8.	Capital adequacy ratio at end of period (%)	11.4	9.9
9.	Core capital at end of period (NOK million)	80 400	77 671
10.	Risk-weighted volume at end of period (NOK million)	960 208	1 120 428
Loa	an portfolio and write-downs		
11.	Individual write-downs relative to average net lending to customers, annualised	0.52	0.25
12.	Write-downs relative to average net lending to customers, annualised	0.66	0.33
13.	Net non-performing and impaired commitments, per cent of net lending	1.69	0.98
14.	Net non-performing and impaired commitments at end of period (NOK million)	19 127	11 922
Liq	uidity		
15.	Ratio of customer deposits to net lending to customers at end of period (%)	54.4	50.3
Sta	ıff		
16.	Number of full-time positions at end of period	12 263	12 848

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
- 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.

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For information about press contacts, see www.dnbnor.com

Governing bodies in DnB NOR Bank ASA

Supervisory Board

Members elected by shareholders

Nils Halvard Bastiansen, Bærum Jan-Erik Dyvi, Oslo Toril Fidesvik, Bergen Anne Cathrine Frøstrup, Hønefoss Elisabeth Grændsen, Lillehammer Herbjørn Hansson, Sandefjord Leif O. Høeah, Oslo Knut Hartvig Johannson, Snarøya Alf I. Kirkesæther, Hammerfest Tomas Leire, Kristiansand Eldbjørg Løwer, Kongsberg Dag J. Opedal, Oslo Gudrun B. Rollefsen, Hammerfest Amund Skarholt, Oslo (chairman) Arthur Sletteberg, Stabekk Merethe Smith, Oslo Birger Solberg, Oslo

Deputies elected by shareholders

Hanne Rigmor Egenæss Wiig, Halden

Tove Storrødvann, Ski

Gine Wang, Stavanger

Erik Buchmann, Oslo
Turid Dankertsen, Oslo
Rolf Domstein, Måløy
Harriet Hagan, Alta
Bente Hagem, Ås
Rolf Hodne, Stavanger
Liv Johannson, Oslo
Herman Mehren, Nevnlunghamn
Gry Nilsen, Drammen
Einar Nistad, Rådal
Asbjørn Olsen, Skedsmo
Oddbjørn Paulsen, Bodø
Anne Bjørg Thoen, Oslo
Lars Wenaas, Måndalen

Members elected by employees

Else Carlsen, Bødalen Bente H. Espenes, Oslo Marion Hagland, Tønsberg Lillian Hattrem, Ski Bjørn Hennum, Drammen Svein Ove Kvalheim, Bergen Tove Nakken, Trondheim Einar Pedersen, Kristiansund Eli Solhaug, Oslo Marianne Steinsbu, Oslo

Deputies elected by employees

Tore Müller Andresen, Bergen Terje Bakken, Alta Randi Bergsveen, Vestre Toten Rune André Bernbo, Ås Solvor Hagen, Sørum Arve Hatlevoll, Oslo Eli Jotun, Lillehammer Bjørg Dalberg Karlstad, Ringebu Vigdis Mathisen, Asker Henrik Strand, Songdalen Per Storstad, Molde Viktor Sæther, Oslo Astrid Waaler, Oslo Arvid Åsen, Fjell

Control Committee

Members

Svein Norvald Eriksen, Oslo Frode Hassel, Trondheim (chairman) Thorstein Øverland, Oslo Karl Olav Hovden, Kolbotn

Deputies

Svein Brustad, Hvalstad Merete Smith, Oslo

Board of Directors

Members

Per Hoffmann, Oslo Kari Lotsberg, Enebyberg Kai Nyland, Hamar Bent Pedersen, Stenløse (vice-chairman) Torill Rambjør, Tjøme Ingjerd Skjeldrum, Drammen Anne Carine Tanum, Rømskog (chairman)

Deputies for the employee representatives

Sverre Finstad, Moelv Jorunn Løvås, Fjell

Election Committee

Eldbjørg Løwer, Kongsberg Per Otterdahl Møller, Skien Amund Skarholt, Oslo (chairman) Arthur Sletteberg, Stabekk Reier Søberg, Oslo

Group management

Group chief executive

Rune Bjerke

CFO

Bjørn Erik Næss

Group executive vice president Retail Banking

Karin Bing Orgland

Group executive vice president Large Corporates and International

Leif Teksum

Group executive vice president DnB NOR Markets

Ottar Ertzeid

Group executive vice president Life and Asset ManagementTom Rathke

Group executive vice president

HK .

Solveig Hellebust

Group executive vice president Operations

Liv Fiksdahl

Group executive vice president

ΙT

Cathrine Klouman

Internal auditor

Tor Steenfeldt-Foss

Extenal auditor

Erik Mamelund



> DnB NOR is *the* Norwegian bank and a leading international niche player. Our vision is to create value through the art of serving the customer. All customers should feel valued in their contact with DnB NOR.