

A photograph of a forest with tall trees and a field of white flowers in the foreground. The trees have green leaves, and the ground is covered with a dense carpet of small white flowers. The scene is bright and sunny.

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**DnB NOR**  
**QUARTERLY REPORT 2010**  
(unaudited)



# Financial highlights

## First quarter 2010

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- Pre-tax operating profits before write-downs were NOK 4.9 billion (6.1)
- Profit for the period was NOK 2.9 billion (2.9)
- Profit after minority interests was NOK 3.1 billion (3.1)
- Earnings per share were NOK 1.92 (2.32)
- Return on equity was 12.5 per cent (15.8)
- The ordinary cost/income ratio was 49.5 per cent (43.6)
- The Tier 1 capital ratio, including 50 per cent of interim profits, was 9.4 per cent (7.0)

Comparable figures for the first quarter of 2009 in parentheses.

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

# Report for the first quarter of 2010

## Introduction

Though the recession still affected the Group's operations, DnB NOR recorded healthy profits in the first quarter of 2010. Profit for the period was NOK 2 917 million, down from NOK 2 934 million in the first quarter of 2009. Profits attributable to DnB NOR's shareholders increased from NOK 3 095 million in the first quarter of 2009, to NOK 3 117 million. Pre-tax operating profits before write-downs were NOK 4 940 million, down from NOK 6 109 million in the year-earlier period.

The first quarter of 2009 was characterised by financial turmoil and significant financial market volatility, resulting in extensive income from hedging transactions related to currency and interest rate products in DnB NOR Markets and higher market values on group liabilities. Income returned to a more normalised level in the first quarter of 2010.

Lending volumes declined somewhat through 2009, mainly due to exchange rate movements. Adjusted for these effects, average lending remained virtually unchanged from the first quarter of 2009. Costs for required long-term funding increased considerably compared with the situation prior to the financial crisis, which necessitated wider lending spreads. Average lending spreads were thus somewhat higher than in 2008, but unchanged from the first quarter of 2009.

Reduced costs partly compensated for lower income. Ordinary operating expenses, adjusted for the reversal of costs relating to contractual early retirement pensions, were reduced by NOK 233 million or 4.9 per cent from the first quarter of 2009, which was largely attributable to the Group's cost programme. The cost reductions resulted from measures such as the streamlining of production functions and customer service, and from reduced procurement costs relating to IT operating services.

Write-downs on loans were reduced from NOK 1 598 million in the first quarter of 2009 to NOK 947 million. The level of write-downs reflected a positive development in the risk situation and a slight improvement in the global economy.

Return on equity was 12.5 per cent, down from 15.8 per cent in the first quarter of 2009. Earnings per share were NOK 1.92 in the first quarter of 2010 and NOK 2.32 in the year-earlier period.

Performance in the first quarter of 2010 still reflected sluggish credit demand and lower demand for some of the Group's other products. However, market activity increased in the business areas, which is expected to be gradually reflected in the Group's business volumes and profit figures.

The funding markets functioned normally in the first quarter of 2010, though long-term funding costs were still significantly higher than before the onset of the financial crisis. Expectations in the market of extensive future long-term borrowing needs among banks contributed to keeping banks' funding costs high.

As a result of the financial turmoil, the market and the authorities presented stricter capitalisation requirements for the

financial services industry. The capital increase in December 2009 and developments through the first quarter of 2010 helped raise the Tier 1 capital ratio from 7.0 per cent at end-March 2009 to 9.4 per cent, including 50 per cent of interim profits. The Board of Directors considers the Group to be well capitalised in relation to regulatory requirements and its Nordic competitors.

Through a legislative enactment, the Norwegian contractual early retirement pension scheme was discontinued in the first quarter of 2010 and replaced by a new scheme. However, all the detailed regulations and the calculations of the Group's obligations under the new scheme are not yet finalised. The Norwegian Accounting Standards Board (NASB)

has recommended that the changes be recorded as a scaling down and a settlement to the former scheme, and that the new scheme be treated as a multi-company defined benefit pension scheme. In consequence of the enactment, DnB NOR recorded income of NOK 367 million in the first quarter accounts.

The evaluation of the cooperation with NORD/LB and the possible purchase of their 49 per cent ownership interest in DnB NORD, initiated at year-end 2009, is on schedule.

DnB NOR ASA has had a 40 per cent ownership interest in the company Nordito AS, which has been engaged in payment transfers for Norwegian banks through its subsidiaries Teller AS and BBS (the Banks' Central Clearing House). A letter of intent on a merger between Nordito and the corresponding Danish company PBS was signed on 1 November 2009, but required concessions from the authorities in the respective countries. The merger was completed on 14 April 2010. After the merger, DnB NOR's ownership interest in the merged company is 18.2 per cent. The transaction is expected to generate gains of approximately NOK 1 billion for DnB NOR, which will be recorded in the accounts for the second quarter of 2010.

## Income statement

### Net interest income

<i>Amounts in NOK million</i>	1st quarter		1st quarter
	2010	Change	2009
Net interest income	5 561	(72)	5 633
Lending and deposit volumes		145	
Lending and deposit spreads		(110)	
Exchange rate movements		(205)	
Other net interest income		98	

Net interest income declined by 1.3 per cent from the first quarter of 2009, reflecting a reduction in lending volume in the market in consequence of depreciating exchange rates and limited credit demand. The falling interest rate level in the first quarter of 2009 gave a temporary increase in margin income, while rising interest rate levels in 2010 had corresponding negative effects.

Lending volumes continued to reflect weak credit demand in the first quarter of 2010, especially in the corporate market. The average lending volume declined by NOK 56 billion from the first quarter of 2009, though there was a slight increase through the first quarter of 2010 after a decrease through 2009. Adjusted for exchange rate movements, lending volumes remained virtually unchanged from the first quarter of 2009.

Relative to the 3-month NIBOR rate, average lending spreads were unchanged from the first quarter of 2009, but narrowed slightly compared with the fourth quarter. This was a result of intensifying competition in the market and lags resulting from notification periods for interest rate increases in the retail market.

There was also continued strong competition for deposits, and deposit spreads narrowed by 4 basis points from the first quarter of 2009. However, deposit spreads widened by 6 basis points from the fourth quarter.

### Net other operating income

<i>Amounts in NOK million</i>	1st quarter 2010	Change	1st quarter 2009
Net other operating income	3 493	(1 697)	5 190
Net stock market-related income		236	
Net financial and risk result from Vital <sup>1)</sup>		94	
Real estate broking		12	
Profits from associated companies		(836)	
Net gains on foreign exchange and interest rate instruments <sup>2)</sup>		(1 136)	
Other operating income		(67)	

1) *Excluding guaranteed returns and allocations to policyholders.*

2) *Excluding guarantees.*

Net other operating income declined by 32.7 per cent from the first quarter of 2009. The market situation during the financial crisis ensured particularly high income at the start of 2009 due to significant market volatility and rising sales of hedging products. There was also strong income from associated companies, particularly Eksportfinans, in the first quarter of 2009 after recognising the effects of changes in credit margins in the income statement. Such income was thus reduced by NOK 836 million in the first quarter of 2010.

The net financial and risk result from Vital increased by NOK 94 million from the first quarter of 2009 due to sound returns on financial assets. The result included a NOK 243 million charge on the risk result, mainly to strengthen provisions within individual pension agreements.

### Operating expenses

The Group's total expenses were reduced by NOK 600 million from the first quarter of 2009 and by NOK 542 million from the fourth quarter of 2009. While the fourth quarter of 2009 reflected impairment losses for goodwill of NOK 338 million, the first quarter of 2010 saw the reversal of provisions for contractual early retirement pensions of NOK 367 million.

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

<i>Amounts in NOK million</i>	1st quarter 2010	Change	1st quarter 2009
Total ordinary operating expenses	4 482	(233)	4 714
Cost programme		(146)	
Restructuring expenses, cost programme		6	
Performance-based pay		(143)	
Pensions		(32)	
Wage and price inflation		144	
Operational leasing		45	
Other operating expenses, including lower activity levels		(106)	

Ordinary operating expenses were reduced by 4.9 per cent from the first quarter of 2009. The Group's cost programme was a major contributory factor behind the positive cost trend. The most significant effects during this period can be ascribed to the streamlining of the branch network and production processes and reduced costs for the purchase of IT operating services. Adjustments to the market situation, which are not comprised by the cost programme, also resulted in cost reductions during the quarter.

The transition from financial to operational leasing gave a NOK 45 million increase in costs compared with the fourth quarter of 2009. There was a reduction in costs for performance-based pay of NOK 143 million, which must be seen in connection with the reduction in income.

### Write-downs on commitments

Write-downs totalled NOK 947 million for the quarter, down from NOK 1 598 million in the first quarter of 2009. Excluding DnB NORD, individual write-downs came to NOK 456 million in the first quarter of 2010, down NOK 266 million from the year-earlier period. There was a decline in most segments, though the shipping segment saw a rise in write-downs after very low figures in the first quarter of 2009. Nevertheless, the level of write-downs in the shipping segment remained low in the first quarter of 2010. There is still considerable uncertainty about future developments.

Write-downs in DnB NORD totalled NOK 556 million in the first quarter of 2010, down from NOK 591 million in the year-earlier period. The level of write-downs remained very high relative to the loan portfolio. Total write-downs in DnB NORD represented 3.43 per cent of DnB NORD's average loan portfolio in the first quarter of 2010, an increase from 2.64 per cent in the January through March period in 2009 and a decline from 4.40 per cent in the fourth quarter of 2009. The corresponding figures for the entire DnB NOR Group were 0.34, 0.55 and 0.53 per cent in the first quarter of 2010, first quarter of 2009 and fourth quarter of 2009, respectively.

Net non-performing and net doubtful commitments totalled NOK 21.8 billion as at 31 March 2010, up NOK 7.9 billion from end-March 2009. Net non-performing and net doubtful commitments represented 1.88 per cent of lending volume as at 31 March 2010, an increase from 1.18 per cent a year earlier.

### Taxes

The DnB NOR Group's tax charge for the first quarter of 2010 was NOK 1 081 million, NOK 499 million lower than in the year-earlier period. Relative to pre-tax operating profits, the tax charge was reduced from 35 to 27 per cent during the corresponding period. The tax charge in 2009 was particularly high due to developments in DnB NORD, impairment losses for goodwill, exchange rates and interest rate levels. The Group's average tax charge in the first quarter of 2010 was still affected by the situation in DnB NORD.

### Business areas

With effect from 1 January 2010, activities in DnB NOR are organised in the business areas Retail Banking, Large Corporates and International, DnB NOR Markets and Insurance and Asset Management. The business areas operate as independent profit centres and have responsibility for serving all of the Group's customers and for the total range of products. DnB NORD is regarded as a separate profit centre.

#### Retail Banking

Retail Banking is responsible for serving the Group's 2.3 million personal customers and 180 000 small and medium-sized companies in the regional network in Norway. Coordinated services in local markets will strengthen the bank's customer relationships and increase customer satisfaction.

Pre-tax operating profits totalled NOK 1 714 million in the first quarter of 2010, an increase of NOK 191 million from the year-earlier period. There was a positive development in volumes and a satisfactory trend in non-performing commitments and write-downs.

	1st quarter 2010	1st quarter 2009	Change
<i>Income statement in NOK million</i>			
Net interest income	3 444	3 636	(192)
Other operating income	1 165	1 091	74
Total income	4 608	4 727	(119)
Operating expenses	2 687	2 730	(43)
Pre-tax operating profit before write-downs	1 921	1 997	(76)
Net gains on fixed assets	0	1	(1)
Net write-downs on loans	207	475	(268)
Pre-tax operating profit	1 714	1 523	191

#### Average balance sheet items in NOK billion

Net lending to customers	725.5	694.4	31.2
Deposits from customers	367.6	363.5	4.1

#### Key figures in per cent

Return on allocated capital <sup>1)</sup>	23.2	23.6
Cost/income ratio	58.3	57.8
Ratio of deposits to lending	50.7	52.4

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

Average lending increased by 4.5 per cent from the first quarter of 2009. The low interest rate levels contributed to continued brisk demand for housing loans. After a period of declining growth in loans to small and medium-sized companies, this stabilised in the first quarter of 2010. There was fierce competition for deposits, and compared with the year-earlier period, average deposits rose by 1.1 per cent, mainly due to an increase in the personal customer market. The ratio of deposits to lending declined by 1.7 percentage points from the first quarter of 2009, to 50.7 per cent.

The weighted interest rate spread, defined as total margin income on loans and deposits relative to total average loans and deposits, was 1.25 per cent in the first quarter of 2010, down from 1.32 per cent in the year-earlier period. The decline in weighted spreads was due to lags in interest rate adjustments, which had a positive effect due to falling interest rate levels at the beginning of 2009 and a corresponding negative effect due to rising interest rate levels in 2010. Adjusted for these effects, there was a minor increase of 0.03 percentage points in weighted spreads.

In consequence of changes in the accounting principles for recording marketing expenses paid by customers in DnB NOR Eiendom, both expenses and income rose by NOK 44 million compared with the first quarter of 2009. Adjusted for these gross items, other operating income rose by 2.7 per cent in the first quarter of 2010 compared with the year-earlier period.

Adjusted for the changes in principles, costs were brought down by NOK 87 million from the first quarter of 2009. Depreciation on operational leasing in DnB NOR Finans increased by NOK 45 million. The level of costs was affected by general wage inflation and streamlining measures in the Group's cost programme, resulting in lower staff levels in Norwegian operations. The number of full-time positions was 4 953 at end-March 2010. The cost/income ratio increased to 58.3 per cent, from 57.8 per cent in the first quarter of 2009.

The quality of the loan portfolio was sound. For personal customers, net write-downs were at a low level, and the situation was also satisfactory for corporate customers. Net write-downs relative to average net lending were reduced from 0.28 per cent in the first quarter of 2009 to 0.12 per cent in the corresponding period in 2010. Net impaired commitments amounted to NOK 5.5 billion at end-March 2010, roughly unchanged from a year earlier.

At end-February 2010, the market share of credit to wage earners was 28.4 per cent, a slight increase from the figure at end-March 2009. The market share of total savings from wage earners was 34.3 per cent, while the market share of customer deposits was 32.3 per cent.

From January 2010, organisational responsibility for DnB NOR Skadeforsikring and DnB NOR Luxembourg was transferred to the business areas Insurance and Asset Management and Large

Corporates and International, respectively. During the summer, the formal merger of DnB NOR Finans and DnB NOR Kort will be completed. The total operations of these units will be organised as a division in Retail Banking under the name DnB NOR Finans.

Norway has fared better through the recession than most other countries. Due to the financial crisis, stricter international regulations to strengthen banks' capital adequacy and liquidity have been proposed. Corresponding stable funding ratio requirements are also expected in Norway, which will increase competition for stable funding. Interest rates are expected to rise, but to remain at a low level. Housing loans will account for the rise in lending, whereas loans to businesses are expected to remain at a stable level. Net write-downs in the corporate segment in Retail Banking are expected to increase somewhat from the relatively low level in the first quarter of 2010.

## **Large Corporates and International**

Large Corporates and International offers Norwegian and international businesses a wide range of financial services and is committed to strong industry expertise in selected areas.

The business area's financial performance in the first quarter of 2010 was sound in view of prevailing market conditions, but reflected the demanding market situation. Pre-tax operating profits came to NOK 1 176 million, down NOK 313 million from the year-earlier period.

	1st quarter 2010	1st quarter 2009	Change
<i>Income statement in NOK million</i>			
Net interest income	1 516	1 620	(104)
Other operating income	610	839	(228)
Total income	2 127	2 459	(332)
Operating expenses	699	718	(19)
Pre-tax operating profit before write-downs	1 428	1 741	(313)
Net gains on fixed assets	0	0	0
Net write-downs on loans	252	253	(1)
Pre-tax operating profit	1 176	1 489	(313)

#### Average balance sheet items in NOK billion

Net lending to customers	343.5	402.4	(58.9)
Deposits from customers	215.0	228.8	(13.7)

#### Key figures in per cent

Return on allocated capital <sup>1)</sup>	10.5	14.3
Cost/income ratio	32.9	29.2
Ratio of deposits to lending	62.6	56.8

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

Credit demand and market activity levels were lower in the first quarter of 2010 than in the January through March period in 2009. There was a 14.6 per cent reduction in average lending between the quarters. After adjusting for exchange rate movements, there was a reduction of approximately 6 per cent during the same period. Average lending in the first quarter of 2010 was roughly on a level with the fourth quarter of 2009.

Deposits declined in the first quarter of 2010 compared with the year-earlier period due to the strengthening of the Norwegian krone coupled with lower demand for deposit products. The ratio of deposits to lending increased by 5.7 percentage points from the first quarter of 2009, but was reduced by 1.4 percentage points from the fourth quarter of 2009.

Measured against the 3-month NIBOR rate, average lending spreads in the first quarter of 2010 were 1.35 per cent, up 0.17 percentage points from the corresponding period in 2009 and up 0.04 percentage points from the fourth quarter of 2009. There was a rise in lending spreads in most segments, which helped compensate for the increase in funding costs. Declining money market rates and strong competition for deposits resulted in a 0.07 percentage point reduction in deposit spreads from the first quarter of 2009, to 0.11 per cent in the corresponding period in 2010.

The reduction in other operating income from the first quarter of 2009 was partly due to lower income from shares, foreign exchange and interest rate products, reflecting lower market volatility and sluggish demand for hedging products.

Operating expenses declined by 2.6 per cent compared with the year-earlier period. Costs increased by 16.8 per cent from the fourth quarter of 2009, mainly due to rising IT costs in the first quarter of 2010. At end-March 2010, staff in the business area represented 1 079 full-time positions, including 631 positions outside Norway.

The quality of the loan portfolio remained sound, but was somewhat impaired due to the recessionary climate. Some corporate customers and customer segments will continue to feel the consequences of the weak macroeconomic situation.

Individual write-downs on loans increased somewhat relative to the first quarter of 2009, representing 0.30 per cent of average net customer lending on an annual basis, up from 0.26 per cent in the first quarter of 2009. Net impaired commitments totalled NOK 5.9 billion at end-March 2010, while the corresponding figure at end-March 2009 was NOK 2.1 billion.

Large Corporates and International will build on its sound professional skills to find good solutions for its customers, offering close follow-up and strong support. DnB NOR will give priority to strong, long-term and profitable customer relations. Credit demand is expected to pick up somewhat, coupled with continued pressure on deposit spreads and a certain increase in lending spreads through 2010.

#### DnB NOR Markets

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

DnB NOR Markets achieved a satisfactory level of profits in the January through March period in 2010 in a market characterised by lower customer activity and more normal market conditions than in the year-earlier period. Pre-tax operating profits totalled NOK 904 million, down NOK 1 229 million from the extraordinarily high level in the first quarter of 2009, which was due to high market volatility in the midst of the financial turmoil.

	1st quarter 2010	1st quarter 2009	Change
<i>Income statement in NOK million</i>			
FX, interest rate and commodity derivatives	292	488	(196)
Investment products	114	185	(71)
Corporate finance	122	131	(9)
Securities services	50	41	8
Total customer revenues	578	846	(268)
Market making/trading revenues	705	1 766	(1 061)
Interest income on allocated capital	39	51	(12)
Total income	1 321	2 662	(1 341)
Operating expenses	417	528	(112)
Pre-tax operating profit before write-downs	904	2 133	(1 229)
Net gains on fixed assets	0	0	0
Net write-downs on loans	0	0	0
Pre-tax operating profit	904	2 133	(1 229)
<i>Key figures in per cent</i>			
Return on allocated capital <sup>1)</sup>	37.7	113.3	
Cost/income ratio	31.5	19.9	

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

Customer-related income from foreign exchange and interest rate and commodity derivatives declined compared with the first quarter of 2009. There was lower market volatility and a reduction in the level of customer activity, customer-related volumes and margins. Demand for commodity hedging picked up. The branch in Shanghai was granted a licence to offer products in local currency,

which means that clients can carry out all their banking services at the branch.

Customer-related income from the sale of securities and other investment products was down NOK 71 million compared with the first quarter of 2009. The level of income within bond and commercial paper trading was lower than during the financial turmoil, though DnB NOR Markets further increased its market share on Oslo Børs (the Oslo Stock Exchange). Within equity trading, there was a rise in both the level of activity and income compared with the year-earlier period. Demand for alternative investment products rose somewhat, inter alia for property-related products.

Customer-related revenues from corporate finance services reflected the lower level of activity and reduced fees within debt capital products compared with the first quarter of 2009. In the equity market, there was a sound level of activity within share issues and initial public offerings. DnB NOR Markets stepped up its international activity within share trading and debt market products, and arranged the first dual listing on the Singapore Stock Exchange in accordance with the cooperation agreement with Oslo Børs. DnB NOR Markets Inc. in New York participated in 13 share issues and initial public offerings in the US market in the first quarter of 2010.

Higher market values and a rise in the level of activity within registrar services helped increase customer-related revenues from custodial and other securities services compared with the first quarter of 2009.

Income from the liquidity portfolio totalled NOK 304 million, up from NOK 296 million in the year-earlier period. Income from proprietary trading and other market making totalled NOK 401 million, a reduction of NOK 1 069 million compared with the first quarter of 2009, when income reflected the extraordinary situation in the currency and interest rate markets.

Developments in the equity, credit, commodity, currency and interest rate markets will be decisive for the business area's future performance. General economic developments and corporate activity levels will influence customer-related revenues. Income from market making and proprietary trading is expected to be lower in 2010 than at the beginning of 2009 as the financial turmoil recedes and more normal market conditions return.

#### Insurance and Asset Management

The business area Insurance and Asset Management consists of Vital, DnB NOR Asset Management and, from 1 January 2010, DnB NOR Skadeforsikring. The business area's accounts for previous periods have been adjusted correspondingly. The business area is responsible for life insurance, pension savings, non-life insurance and asset management in the DnB NOR Group.

Pre-tax operating profits totalled NOK 295 million in the first quarter of 2010, up NOK 15 million from the year-earlier period.

	1st quarter 2010	1st quarter 2009	Change
<i>Income statement in NOK million</i>			
Total income	866	830	36
Operating expenses	571	551	21
Pre-tax operating profit	295	280	15
Tax	(29)	232	(261)
Profit after tax	325	48	277
<i>Balances in NOK billion (end of period)</i>			
Assets under management	501.0	505.7	(4.7)
<i>Key figures in per cent</i>			
Return on equity <sup>1)</sup>	10.6	2.1	
Cost/income ratio	65.9	66.3	

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

#### Vital

Vital recorded pre-tax operating profits of NOK 317 million in the first quarter of 2010, an improvement of NOK 85 million from the year-earlier period.

	1st quarter 2010	1st quarter 2009	Change
<i>Income statement in NOK million</i>			
Interest result	1 408	(72)	1 480
- of which property revaluations	5	(276)	281
Application of additional allocations	0	189	(189)
Risk result	(166)	84	(250)
Administration result	(39)	(28)	(12)
Profit on risk and guaranteed rate of return	137	119	19
Other	(11)	(14)	3
Allocations to policyholders	1 013	47	967
Net profit in Vital	317	232	85
Tax charge	(22)	216	(238)
Profit from Vital	339	16	323
<u>Balances in NOK billion (end of period)</u>			
Assets under management	239.9	223.1	16.8
<u>Key figures in per cent</u>			
Return on allocated capital <sup>1)</sup>	12.4	0.4	

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

Vital achieved a recorded return of 1.5 per cent and a value-adjusted return of 1.7 per cent in the first quarter of 2010, excluding changes in the value on bonds held to maturity. A value-adjusted return of 0.9 per cent was generated in the corporate portfolio.

The healthy returns in Vital's portfolios in the first quarter reflected strong equity and interest rate markets and a strong trend in property values. The positive market trend provides the basis for continued strong returns on both equities and property.

The return on fixed-income securities is expected to remain moderate, as a potential interest rate increase appears to be postponed. However, as more than one-third of the common portfolio is invested in bonds held to maturity yielding interest of approximately 5 per cent, Vital is well positioned to meet this situation.

The property portfolio gave a nominal direct return of 1.3 per cent in the first quarter of 2010. Vital sold properties for a total of NOK 137 million during the quarter.

Total assets as at 31 March 2010 were NOK 239.9 billion, an increase of 3.2 per cent since end-December 2009. At end-March 2010, recorded policyholders' funds within defined-contribution pension schemes totalled NOK 9.3 billion, an increase of 9.3 per cent from end-December 2009.

Premium income totalled NOK 8.9 billion, up 7.9 per cent compared with the year-earlier period. Premium income in the corporate market came to NOK 7.7 billion, an increase of 8.1 per cent from the first quarter of 2009. Premium income from individual products came to NOK 1.1 billion, up 6.1 per cent compared with the first quarter of 2009.

The risk result was negative at NOK 166 million, compared with a positive result of NOK 84 million in the year-earlier period. Allocations of NOK 243 million were made to cover the required increase in reserves for higher life expectancy for individual annuity and pension insurance policies, of which NOK 85 million was charged to the Group.

Vital needs to further increase allocations for higher life expectancy by just over NOK 2 billion. Vital has previously applied to Finanstilsynet (the Financial Supervisory Authority of Norway) for permission to use a ten-year escalation period, though in the first quarter of 2010, Finanstilsynet required the escalation to be completed by the end of 2012. Such an escalation has been reflected in the first quarter accounts, though Vital has appealed the decision.

Vital reported a net outflow of transfers of NOK 0.1 billion in the first quarter of 2010, compared with an outflow of NOK 0.3 billion in the year-earlier period. There was an inflow of transfers of NOK 1.0 billion in 2009.

As at 31 March 2010, solvency capital totalled NOK 22.8 billion, compared with NOK 20.4 billion as at 31 December 2009. The capital adequacy ratio was 10.7 per cent, well within the 8 per cent requirement.

Vital is well prepared to meet the major changes entailed by the

coming pension reform. The recommendation from the Banking Law Commission, which will be presented towards the end of April, will provide the framework for adaptations in the new occupational pension schemes which enter into force on 1 January 2011. Even though the anticipated statutory requirements for making adaptations are initially assumed to be limited, there is great interest in the pension reform among Vital's corporate clients. Vital has implemented a number of information measures, including special web pages and a pension blog.

In the longer term, the pension reform is expected to instigate a modernisation of the pension schemes. In the meantime, the market is expectant, though the shift to defined-contribution pensions remains prevalent.

Vital's proactive initiatives to improve customer relations at a lower cost are on schedule. There are plans to reduce operating expenses by a minimum of NOK 200 million by the end of 2010 in consequence of these initiatives.

#### DnB NOR Asset Management

DnB NOR Asset Management recorded pre-tax operating profits of NOK 53 million in the first quarter of 2010, a reduction of NOK 27 million from the year-earlier period. The 2009 first quarter accounts included extraordinary exchange gains of NOK 64 million.

	1st quarter 2010	1st quarter 2009	Change
<i>Income statement in NOK million</i>			
Net interest income	5	(1)	6
Commission income			
- from retail customers	90	53	37
- from institutional clients	114	119	(4)
Other income	4	65	(61)
Total income	213	235	(22)
Operating expenses	160	155	5
Pre-tax operating profit before write-down	53	80	(27)
Net gains on fixed assets	0	0	0
Pre-tax operating profit	53	80	(27)
<u>Balances in NOK billion (end of period)</u>			
Asset under management	456.8	456.6	0.2
<u>Key figures in per cent</u>			
Return on allocated capital <sup>1)</sup>	24.3	36.6	
Cost/income ratio	75.1	66.0	

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

Commission income, including performance-based fees, rose by NOK 33 million or 19.1 per cent from the first quarter of 2009. Assets under management remained on a level with the year-earlier figure.

Market developments during the past 12-month period caused a NOK 63.8 billion rise in the market value of assets under management, while a further NOK 2.7 billion increase stemmed from exchange rate movements. The renegotiation of an agreement with Skandia Liv caused a major reduction in assets under management during 2009. The organisation has been adapted to reflect the renegotiated agreement, and the entities in New York and London have been closed. Staff cuts and work process adjustments have taken place in the rest of the organisation.

Assets under management for retail and institutional clients represented NOK 58 billion and NOK 399 billion, respectively, at end-March 2010. DnB NOR Asset Management is one of Norway's largest providers of mutual funds and discretionary asset management, with a 24.9 share of the total Norwegian market at end-March 2010. The market share of mutual funds for Norwegian retail clients was 30.4 per cent, while the share of mutual funds for Norwegian institutional clients was 21.3 per cent.

As at 31 March 2010, the total number of mutual fund savings schemes in the Norwegian market was approximately 308 000, with annual subscriptions of around NOK 3 billion. At end-March 2010, 45.5 per cent of DnB NOR's mutual funds had received four or five

stars from the rating company Morningstar.

DnB NOR Asset Management expects an increase in private financial savings in both Norway and Sweden. Competition for savings will necessitate the continued development of products and services. In order to improve competitiveness, DnB NOR Asset Management has adjusted management fees on certain funds. The expectations of investors regarding developments in financial markets together with investor confidence in the stock market will have a strong impact on profit performance in the business area.

## DnB NORD

The operations of DnB NORD, in which DnB NOR has a 51 per cent ownership interest, are mainly concentrated in the Baltic States and Poland. The operations in the Baltic States were particularly hard hit by the global recession.

DnB NORD recorded a pre-tax operating loss of NOK 387 million in the first quarter of 2010, which was roughly on a level with the year-earlier period, but a major improvement relative to the figures for the second through fourth quarter of 2009.

	1st quarter 2010	1st quarter 2009	Change
<i>Income statement in NOK million</i>			
Net interest income	337	448	(110)
Other operating income	186	185	1
Total income	523	633	(109)
Operating expenses	348	417	(69)
Pre-tax operating profit before write-downs	175	216	(40)
Net gains on fixed assets	(6)	1	(6)
Net write-downs on loans	556	590	(34)
Pre-tax operating profit	(387)	(374)	(12)
<i>Average balance sheet items in NOK billion</i>			
Net lending to customers	65.5	90.7	(25.2)
Deposits from customers	19.9	22.4	(2.4)
<i>Key figures in per cent</i>			
Return on allocated capital <sup>1)</sup>	(22.1)	(15.6)	
Cost/income ratio	66.5	65.9	
Ratio of deposits to lending	30.5	24.7	

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

Average customer lending was reduced by 27.8 per cent compared with the first quarter of 2009, reflecting the sale of about 50 per cent of the Danish and Finnish portfolios for the equivalent of NOK 7.6 billion, to DnB NOR towards the end of 2009. The situation was more stable through the first quarter of 2010, with a 1.6 per cent decline in lending. Lending volume in DnB NORD in Poland grew roughly in step with market developments, while market shares remained relatively stable in the Baltic States.

Strong competition for deposits in the Baltic region put pressure on both deposit volumes and spreads. There was a decline in net interest income, reflecting lower volumes, general pressure on deposit spreads and reduced interest income due to lower interest rate levels, especially in Lithuania. High funding costs had an additional effect.

Other operating expenses were reduced by 16.5 per cent from the first quarter of 2009. Cost developments in DnB NORD are well under control, and the operations in Poland have been particularly good at improving cost efficiency.

Net write-downs on loans came to 3.43 per cent of average lending on an annual basis in the first quarter of 2010, up from 2.64 per cent in the first quarter of 2009. However, the level of write-downs was lower than in the other quarters of 2009, and the write-down ratio for the full year 2009 was 4.69 per cent.

It is expected that the Baltic economies will remain weak also in 2010, but there are some indications of stabilisation and also growth in certain industries. DnB NORD will focus on consolidating its operations, reducing losses and further improving cost-efficiency. In the

longer term, DnB NORD expects growth in the region to again surpass average European levels.

Macroeconomic developments in Poland have been relatively robust compared with the Baltic States. DnB NORD sees considerable future opportunities in the Polish market, and will develop new products and services for personal customers.

DnB NORD expects write-downs on loans to be reduced from 2009, though the level in 2010 is also expected to be relatively high. Based on anticipated economic developments in the region, the decline in the level of write-downs is expected to continue over the next few years.

## Balance sheet and liquidity

As at 31 March 2010, total combined assets in the DnB NOR Group were NOK 2 103 billion, up NOK 11 billion or 0.5 per cent from a year earlier. Total assets in the Group's balance sheet were NOK 1 842 billion at end-March 2010, compared with NOK 1 809 billion a year earlier. Total assets in Vital were NOK 240 billion and NOK 223 billion, respectively, on the same dates.

Measured in Norwegian kroner, net lending to customers declined by NOK 47.6 billion or 4.1 per cent from end-March 2009. The reduction was mainly due to exchange rate movements. Adjusted for these effects, lending declined by NOK 11.1 billion, reflecting a downsizing of DnB NORD's portfolio and limited credit demand in the corporate sector.

Customer deposits declined by NOK 9.4 billion or 1.6 per cent during the corresponding period. After adjusting for exchange rate movements, there was a NOK 3.6 billion increase in customer deposits.

The Group's ratio of customer deposits to net lending to customers increased from 50.7 per cent at end-March 2009 to 52.0 per cent a year later. During the same period, the ratio of deposits to lending in DnB NOR Bank ASA increased from 73.5 to 91.7 per cent, mainly due to the transfer of loans to DnB NOR Boligkreditt.

In order to keep the Group's liquidity risk at a low level, the majority of loans are financed through customer deposits, long-term securities, subordinated loan capital and equity. The Group has a self-imposed limit whereby such long-term or stable funding must represent minimum 90 per cent of customer lending. With respect to short-term funding, conservative limits have been set for refunding requirements. The Group stayed well within the established liquidity limits during the first quarter of 2010.

The short-term funding markets were consistently sound. Volumes, maturities and prices approximated normal levels, though there was greater focus on transactions with maturities of less than three months than before the financial crisis.

Funding costs in the long-term funding market for banks remained considerably higher than pre-crisis levels, but were relatively stable during the past two quarters. Though the financial crisis has gradually receded, expectations in the market of extensive future long-term borrowing among banks contributed to keeping funding costs at a high level. The average residual maturity of the portfolio of senior bonds and covered bonds in DnB NOR Bank was 3.2 years at end-March 2010, compared with 2.7 years a year earlier.

## Risk and capital adequacy

The risk situation in the first quarter of 2010 confirmed that the economic situation has stabilised. There was a reduction in the volume of write-downs, and the underlying trend in non-performing loans and credit quality showed a cautious improvement. There were insignificant write-downs in the Norwegian market. Capital markets were about to normalise, while access to funding improved.

The DnB NOR Group quantifies risk by measuring risk-adjusted capital. Net risk-adjusted capital declined by NOK 3.1 billion from the fourth quarter of 2009 to the first quarter of 2010, to NOK 59 billion. The table below shows developments in risk-adjusted capital:



Amounts in NOK billion	31 March 2010	31 Dec. 2009	31 March 2009	31 Dec. 2008
Credit risk	47.4	50.9	58.4	59.2
Market risk	3.8	3.7	4.7	4.2
Market and insurance risk				
in life insurance	11.1	10.5	6.5	7.1
Non-life insurance risk	0.6	0.5		
Operational risk	7.8	7.2	6.7	6.7
Business risk	4.5	4.1	4.0	3.7
Gross risk-adjusted capital requirement	75.2	76.9	80.2	81.0
Diversification effect <sup>1)</sup>	(16.2)	(14.8)	(13.2)	(12.9)
Net risk-adjusted capital requirement	59.0	62.1	67.0	68.1
Diversification effect in per cent of gross risk-adjusted capital requirement <sup>1)</sup>	21.5	19.3	16.4	15.9

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

The decline in risk-adjusted capital was primarily due to reduced credit risk. Measured credit quality improved slightly during the first quarter, mainly due to a positive trend in the shipping and offshore markets. Shipping freight rates stabilised during the first quarter, and the situation improved somewhat for the container segment, which is the segment most severely affected by the decline in world trade. However, extensive deliveries of new tonnage in several shipping segments and the possibility of more sluggish growth in China represent key future risk factors.

The Norwegian krone was further strengthened, especially against the euro, but weakened against the US dollar. Thus, exchange rate movements had a limited net effect on credit exposure. Due to the stable economic trend in Norway, housing prices continued to climb during the first quarter. There was rising demand for commercial property in Norway, and the market once again experienced price levels which tended higher than valuations made in 2009.

Developments in DnB NORD seem to confirm the turnaround in the Baltic economies in mid-2009. There was a moderate rise in non-performing commitments, parallel to a reduction in the need for new write-downs.

Vital's risk capital rose by NOK 0.6 billion during the first quarter, mainly due to a required increase in reserves due to higher life expectancy. See separate description in the chapter on Vital. A positive stock market trend gave an increase in the securities adjustment reserve, though the effect on risk was neutralised through additional equity purchases. The company's equity exposure was increased from 13.5 per cent at year-end 2009 to 16.1 per cent at end-March 2010.

The rise in market risk outside life insurance was due to an increase in equity positions related to credit commitments. Operational risk, measured in terms of occurred incidents, was low and stable.

In April 2010, the civil action against DnB NOR regarding loan-financed structured products commenced in the Oslo District Court. DnB NOR regards this as an isolated case and points out that the full nominal value of the client's investment was redeemed. The lack of return on the products in question was due to the significant decline in global stock markets.

Risk-weighted volume included in the calculation of the formal capital adequacy requirement increased by NOK 3.6 billion during the quarter, to NOK 1 056 billion. Following the Norwegian Ministry of Finance's decision to extend the transitional rules for Basel II until year-end 2011, the risk-weighted volume cannot be less than 80 per cent of the Basel I requirement. As the difference between the Basel I requirement and the formal capital adequacy requirement

was 12.7 per cent, the limitation according to the transitional rules was not effective at end-March 2010. Including 50 per cent of interim profits, the Tier 1 capital ratio was 9.4 per cent, while the capital adequacy ratio was 12.2 per cent. Based on measurement of risk-weighted volume according to the IRB approach, the Tier 1 capital ratio would have been 12.0 per cent.

## Macroeconomic developments

Activity levels in the global economy are starting to pick up. World trade is showing signs of recovery and central countries are once again recording positive GDP growth. So far, the upturn has largely been driven by strong fiscal and monetary stimulus and by companies' stockbuilding. However, interest rate levels in Norway and internationally remain very low, and interest rate rises take longer than expected.

In the US, GDP rose by 1.4 per cent from the third to the fourth quarter of 2009. The trend in the first quarter of 2010 indicates that growth is continuing, but probably at a somewhat slower pace. In the April issue of Consensus Forecasts, annual GDP growth is forecast at approximately 3 per cent in both 2010 and 2011.

Economic developments in the euro area were somewhat weaker than in the US, resulting in GDP growth of 0.1 per cent in the fourth quarter of 2009. Unemployment was 10 per cent of the labour force in February, and unemployment is expected to continue to rise until 2011. In Consensus Forecasts, GDP growth of 1.2 per cent is forecast in 2010 and 1.5 per cent in 2011.

Activity levels in the traditional industrialised countries have received extra help from countries such as China and India, where growth rates have remained higher. In these countries, considerable stimulus measures have also been implemented by the respective authorities, which has had a positive impact on economic activity levels. In China, GDP rose by 8.7 per cent in 2009, and in Consensus Forecasts, GDP growth in China is forecast at 9.9 per cent and 9.1 per cent in 2010 and 2011, respectively.

Despite a more positive global outlook, there are only modest signs of new growth in the Baltic region. According to Consensus Forecasts, the Baltic States will experience an economic downturn also in 2010, with a decline in GDP of approximately 0.5 to 3 per cent. However, there has already been an economic turnaround, and growth of approximately 3 per cent is expected in 2011.

According to preliminary national accounting figures, GDP for Mainland Norway rose by 0.3 per cent, seasonally adjusted, in the fourth quarter of 2009, after a cautious recovery also in the second and third quarter. This was principally due to increases in private consumption and greater investment in the oil sector and public administration, while housing investments and investments in mainland companies had a negative effect. New short-term statistics for, for example, private consumption and exports suggest that the positive trend is continuing in 2010. However, there are indications that weak growth in the engineering industry and among ship and oil platform producers is curbing the upturn in manufacturing production. In the first quarter of 2010, the labour market showed clearer signs of recovery than before, and the number of unemployed and persons on job creation schemes has shown a declining trend since the end of 2009. The unemployment rate in Norway was still low in an international perspective. In Consensus Forecasts, GDP growth for Mainland Norway is forecast at 2.3 per cent in 2010 and 2.8 per cent in 2011.

## Future prospects

An increasing number of indicators suggest that the global economy is about to enter a new period of expansion. On the whole, renewed GDP growth is expected in most parts of the world. Write-downs in DnB NOR in the first quarter also indicate that the financial situation for DnB NOR's customers is improving in most segments. However, the upturn is geographically unevenly distributed and will manifest itself later in the EU countries than in the rest of the world. There are also problem areas which could slow down a new period of economic growth, including the debt situation of several EU countries and a

continuing high level of unemployment worldwide. For DnB NOR, the uncertainty surrounding economic developments in the Baltic States and in the shipping markets continues to be an important factor.

Norway's economy, which is by far the most important for DnB NOR, is, however, on the road to recovery and is considerably stronger than the economies in the rest of Europe. GDP growth expectations and developments in the labour and housing markets indicate that a new economic growth period may be about to commence in Norway. Thus far, this has not resulted in higher credit demand, though renewed growth in the global economy is expected to increase general activity levels in the second half of 2010.

Long-term funding costs still show no signs of returning to pre-financial crisis levels. The introduction of new and stricter liquidity and funding requirements may entail a lasting higher funding cost level. As the Group has a strong position and enjoys confidence in the capital markets, it is expected that this will ensure access to short and long-term funding at competitive prices.

The financial crisis created considerable volatility in the financial markets at the end of 2008 and start of 2009. As a consequence of customer demand for hedging transactions and large pricing variations, both DnB NOR and other banks earned considerable additional income. DnB NOR's income in the first quarter of 2010 seemed to have returned to a more normalised level. However, changes in the value of balance sheet items may lead to future

fluctuations in such income.

The cost programme has given the Group considerable efficiency improvements over the last two years. Extensive streamlining measures had been implemented by end-March 2010 and it may be more demanding to implement measures with extensive cost-reducing effects in the future. Investments will also be made in marketing and customer-related initiatives, and further investments will be made in the Group's new IT platform. Nevertheless, the cost programme is expected to ensure cost reductions in line with the communicated targets.

In light of the financial crisis and the period of contraction, write-downs on loans were at a relatively low level in the first quarter of 2010. The level of write-downs in the first quarter confirms the Group's expectations of somewhat lower write-downs in 2010.

The Group's tax charge in 2009 was particularly high due to developments in DnB NOR, in share prices and in exchange rates. The tax charge for 2010 is expected to be relatively high due to developments in DnB NOR, but lower than in 2009. The tax charge for 2010 is expected to be approximately 27 per cent.

Continuing weak credit demand in the first half of 2010, lower activity in the business sector and strong competition in most sectors may make it challenging to realise the Group's income ambitions in the short term. Nevertheless, DnB NOR's communicated ambitions remain unchanged.

Oslo, 28 April 2010  
The Board of Directors of DnB NOR ASA

Anne Carine Tanum  
(chairman)

Bjørn Sund  
(vice-chairman)

Gunilla Berg

Per Hoffmann

Jørn O. Kvilhaug

Bent Pedersen

Tore Olaf Rimmereid

Ingjerd Skjeldrum

Siri Pettersen Strandenes

Rune Bjerke  
(group chief executive)

# Contents – quarterly accounts

## Accounts for the DnB NOR Group

Income statement .....	12
Balance sheet .....	13
Statement of changes in equity .....	14
Cash flow statement .....	15
Note 1 Accounting principles .....	16
Note 2 Important accounting estimates and discretionary assessments .....	16
Note 3 Segments .....	17
Note 4 Net interest income .....	23
Note 5 Net other operating income .....	24
Note 6 Net gains on financial instruments at fair value .....	24
Note 7 Operating expenses .....	25
Note 8 Number of employees/full-time positions .....	25
Note 9 Write-downs on loans and guarantees .....	26
Note 10 Lending to customers .....	26
Note 11 Net impaired loans and guarantees for principal sectors .....	27
Note 12 Commercial paper and bonds, held to maturity .....	27
Note 13 Investments in shares .....	29
Note 14 Investment property .....	29
Note 15 Intangible assets .....	30
Note 16 Debt securities issued and subordinated loan capital .....	30
Note 17 Capital adequacy .....	31
Note 18 Liquidity risk .....	32
Note 19 Information on related parties .....	33
Note 20 Off-balance sheet transactions, contingencies and post-balance sheet events .....	34

## Accounts for DnB NOR ASA

Income statement .....	36
Balance sheet .....	36
Statement of changes in equity .....	36
Accounting principles .....	36

## Additional information DnB NOR Group

Key figures .....	37
Profit and balance sheet trends .....	39

# Income statement

		DnB NOR Group			
		1st quarter	1st quarter	Full year	Full year
<i>Amounts in NOK million</i>	Note	2010	2009	2009	2008
Total interest income	4	13 041	17 687	58 363	81 953
Total interest expenses	4	7 480	12 054	35 730	60 044
<b>Net interest income</b>	<b>4</b>	<b>5 561</b>	<b>5 633</b>	<b>22 633</b>	<b>21 910</b>
Commissions and fees receivable etc.	5	2 162	2 058	8 724	9 207
Commissions and fees payable etc.	5	534	469	2 069	2 313
Net gains on financial instruments at fair value	6	1 298	2 229	6 286	3 339
Net gains on assets in Vital		3 760	1 266	13 462	(701)
Guaranteed returns and allocations to policyholders in Vital		3 353	1 201	12 712	(1 027)
Premium income etc. included in the risk result in Vital		1 142	1 180	4 705	4 543
Insurance claims etc. included in the risk result in Vital		1 308	1 096	4 613	4 407
Premium income non-life insurance		233	89	593	-
Insurance claims etc. non-life insurance		263	78	538	-
Profit from companies accounted for by the equity method	5	61	897	93	632
Other income	5	294	315	1 063	1 111
<b>Net other operating income</b>	<b>5</b>	<b>3 493</b>	<b>5 190</b>	<b>14 994</b>	<b>12 438</b>
<b>Total income</b>		<b>9 054</b>	<b>10 823</b>	<b>37 627</b>	<b>34 347</b>
Salaries and other personnel expenses	7, 8	1 950	2 553	9 917	9 463
Other expenses	7	1 799	1 823	6 784	7 040
Depreciation and write-downs of fixed and intangible assets	7	366	338	2 210	2 217
<b>Total operating expenses</b>	<b>7</b>	<b>4 115</b>	<b>4 714</b>	<b>18 911</b>	<b>18 721</b>
Net gains on fixed and intangible assets		10	4	26	52
Write-downs on loans and guarantees	9	947	1 598	7 710	3 509
<b>Pre-tax operating profit</b>		<b>4 002</b>	<b>4 514</b>	<b>11 032</b>	<b>12 170</b>
Taxes		1 081	1 580	4 086	3 252
Profit from operations and non-current assets held for sale, after taxes		(4)	0	80	0
<b>Profit for the period</b>		<b>2 917</b>	<b>2 934</b>	<b>7 026</b>	<b>8 918</b>
Profit attributable to shareholders		3 117	3 095	8 585	9 211
Profit attributable to minority interests		(199)	(161)	(1 559)	(293)
Earnings/diluted earnings per share (NOK)		1.92	2.32	6.43	6.91
Earnings per share excluding operations held for sale (NOK)		1.92	2.32	6.37	6.91

# Comprehensive income statement

		DnB NOR Group			
		1st quarter	1st quarter	Full year	Full year
<i>Amounts in NOK million</i>		2010	2009	2009	2008
Profit for the period		2 917	2 934	7 026	8 918
Exchange differences arising from the translation of foreign operations		(31)	(629)	(1 096)	957
<b>Comprehensive income for the period</b>		<b>2 886</b>	<b>2 305</b>	<b>5 930</b>	<b>9 875</b>
Comprehensive income attributable to shareholders		3 193	2 831	8 076	9 616
Comprehensive income attributable to minority interests		(307)	(526)	(2 147)	259



# Balance sheet

		DnB NOR Group			
		31 March	31 Dec.	31 March	31 Dec.
Amounts in NOK million	Note	2010	2009	2009	2008
<b>Assets</b>					
Cash and deposits with central banks		15 287	31 859	58 185	51 147
Lending to and deposits with credit institutions		75 514	62 317	75 977	59 717
Lending to customers	10, 11	1 125 946	1 114 886	1 173 547	1 191 635
Commercial paper and bonds		227 846	225 415	120 641	125 571
Shareholdings	13	63 113	58 227	35 484	36 839
Financial assets, customers bearing the risk		21 193	21 337	16 448	16 454
Financial derivatives		72 277	70 072	112 930	136 552
Commercial paper and bonds, held to maturity	12	179 185	179 832	154 808	155 156
Investment property	14	33 626	33 381	32 136	32 558
Investments in associated companies		2 579	2 521	3 410	2 517
Intangible assets	15	7 431	7 644	8 028	8 480
Deferred tax assets		256	246	249	263
Fixed assets		5 519	5 482	5 182	5 326
Operations and non-current assets held for sale		1 314	1 255	201	246
Other assets		11 221	8 979	12 017	9 236
<b>Total assets</b>		<b>1 842 309</b>	<b>1 823 453</b>	<b>1 809 242</b>	<b>1 831 699</b>
<b>Liabilities and equity</b>					
Loans and deposits from credit institutions		305 097	302 669	230 256	178 822
Deposits from customers		585 835	590 745	595 246	597 242
Financial derivatives		53 167	53 019	78 312	95 498
Debt securities issued	16	498 796	493 732	548 867	606 222
Insurance liabilities, customers bearing the risk		21 193	21 337	16 448	16 454
Liabilities to life insurance policyholders		200 698	193 556	187 994	184 791
Insurance liabilities, non-life insurance		960	704	359	-
Payable taxes		8 973	9 093	1 707	384
Deferred taxes		550	525	5 547	5 457
Other liabilities		19 308	12 331	13 506	15 410
Operations held for sale		347	366	0	0
Provisions		4 546	4 923	4 923	4 918
Subordinated loan capital	16	38 614	39 051	42 624	45 225
<b>Total liabilities</b>		<b>1 738 085</b>	<b>1 722 050</b>	<b>1 725 788</b>	<b>1 750 424</b>
Minority interests		2 448	2 755	3 644	4 211
Share capital		16 222	16 231	13 327	13 327
Share premium reserve		22 609	22 609	11 697	11 697
Other equity		62 945	59 808	54 786	52 041
<b>Total equity</b>		<b>104 224</b>	<b>101 403</b>	<b>83 453</b>	<b>81 275</b>
<b>Total liabilities and equity</b>		<b>1 842 309</b>	<b>1 823 453</b>	<b>1 809 242</b>	<b>1 831 699</b>
Off-balance sheet transactions and contingencies	20				

# Statement of changes in equity

	DnB NOR Group				
	Minority interests	Share capital	Share premium reserve	Other equity	Total equity
<i>Amounts in NOK million</i>					
<b>Balance sheet as at 31 December 2008</b>	<b>4 211</b>	<b>13 327</b>	<b>11 697</b>	<b>52 041</b>	<b>81 275</b>
Comprehensive income for the period	(526)			2 831	2 305
Minority interests DnB NOR	(49)			(77)	(126)
Other minority interests	8			(8)	0
<b>Balance sheet as at 31 March 2009</b>	<b>3 644</b>	<b>13 327</b>	<b>11 697</b>	<b>54 786</b>	<b>83 453</b>
<b>Balance sheet as at 31 December 2009</b>	<b>2 755</b>	<b>16 231</b>	<b>22 609</b>	<b>59 808</b>	<b>101 403</b>
Comprehensive income for the period	(307)			3 193	2 886
Net purchase of treasury shares		(8)		(67)	(75)
Harmonisation of principles, merger Vital Skade/DnB NOR Skadeforsikring				9	9
<b>Balance sheet as at 31 March 2010</b>	<b>2 448</b>	<b>16 222</b>	<b>22 609</b>	<b>62 945</b>	<b>104 224</b>
<i>Of which currency translation reserve :</i>					
<i>Balance sheet as at 31 December 2008</i>	<i>524</i>			<i>150</i>	<i>674</i>
<i>Comprehensive income for the period</i>	<i>(365)</i>			<i>(264)</i>	<i>(629)</i>
<i>Balance sheet as at 31 March 2009</i>	<i>160</i>			<i>(115)</i>	<i>45</i>
<i>Balance sheet as at 31 December 2009</i>	<i>(63)</i>			<i>(359)</i>	<i>(422)</i>
<i>Comprehensive income for the period</i>	<i>(108)</i>			<i>77</i>	<i>(31)</i>
<i>Balance sheet as at 31 March 2010</i>	<i>(171)</i>			<i>(283)</i>	<i>(454)</i>

# Cash flow statement

	DnB NOR Group			
	1st quarter	1st quarter	Full year	Full year
<i>Amounts in NOK million</i>	2010	2009	2009	2008
<b>Operating activities</b>				
Net receipts/payments on loans to customers	(8 542)	(10 731)	7 015	(147 274)
Net receipts/payments on deposits from customers	(7 835)	3 222	15 999	36 919
Interest received from customers	9 997	14 665	47 321	71 011
Interest paid to customers	(2 405)	(4 354)	(12 294)	(24 850)
Net receipts/payments on the sale/acquisition of financial assets for investment or trading	(7 569)	11 688	(114 096)	(7 563)
Net receipts on commissions and fees	1 514	1 428	6 597	6 896
Payments to operations	(3 629)	(4 453)	(17 808)	(14 005)
Taxes paid	(109)	(160)	(1 070)	(928)
Receipts on premiums	5 982	4 977	16 326	14 482
Net receipts/payments on premium reserve transfers	1 024	(4)	(345)	(629)
Payments of insurance settlements	(3 248)	(3 083)	(12 069)	(18 959)
Other receipts	364	339	1 068	1 108
<b>Net cash flow relating to operating activities</b>	<b>(14 456)</b>	<b>13 535</b>	<b>(63 356)</b>	<b>(83 793)</b>
<b>Investment activities</b>				
Net payments on the acquisition of fixed assets	(91)	(132)	(1 118)	(3 544)
Receipts on the sale of long-term investments in shares	0	0	0	139
Payments on the acquisition of long-term investments in shares	0	0	0	(2 724)
Dividends received on long-term investments in shares	11	13	136	147
<b>Net cash flow relating to investment activities</b>	<b>(80)</b>	<b>(119)</b>	<b>(982)</b>	<b>(5 981)</b>
<b>Funding activities</b>				
Net receipts/payments on loans to/from credit institutions	(10 856)	32 080	124 259	19 497
Net receipts/payments on other short-term liabilities	5 277	(2 455)	(4 604)	(977)
Receipts on issued bonds and commercial paper	156 257	172 685	219 172	539 827
Payments on the redeemed bonds and commercial paper	(147 212)	(199 986)	(286 177)	(395 791)
Issue of subordinated loan capital	0	0	0	8 747
Redemptions of subordinated loan capital	0	0	0	(3 196)
Repurchase of own shares/share issue	0	0	13 732	0
Dividend payments	0	0	0	(5 997)
Interest receipts on funding activities	850	775	2 879	3 637
Interest payments on funding activities	(5 078)	(7 718)	(21 882)	(36 614)
<b>Net cash flow from funding activities</b>	<b>(762)</b>	<b>(4 619)</b>	<b>47 380</b>	<b>129 133</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>(63)</b>	<b>(2 047)</b>	<b>(3 771)</b>	<b>1 895</b>
<b>Net cash flow</b>	<b>(15 361)</b>	<b>6 750</b>	<b>(20 730)</b>	<b>41 253</b>
Cash as at 1 January	36 458	57 188	57 188	15 935
Net receipts/payments of cash	(15 361)	6 750	(20 730)	41 253
Cash at end of period <sup>*)</sup>	21 096	63 938	36 458	57 188
 <sup>*) Of which: Cash and deposits with central banks</sup>	 15 287	 58 185	 31 859	 51 147
<sup>Deposits with credit institutions with no agreed period of notice <sup>1)</sup></sup>	<sup>5 809</sup>	<sup>5 753</sup>	<sup>4 599</sup>	<sup>6 040</sup>

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

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

## Note 1 Accounting principles

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The first quarter accounts 2010 have been prepared according to IAS 34 Interim Financial Reporting. A description of the accounting principles applied by the Group is found in the annual report for 2009. The annual and interim accounts are prepared according to IFRS principles as approved by the EU. The Group's accounting principles and calculation methods are essentially the same as those described in the annual report for 2009. New or amended standards which have an impact on the accounts of the DnB NOR Group as from 1 January 2010 are described below. The amendments to IFRS 3 and IAS 27 did not affect the consolidated accounts for the first quarter of 2010, as no acquisitions were made and no holdings in subsidiaries bought or sold.

### 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 (the purchase 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 standard shall be applied from the first annual accounting period beginning on or after 1 July 2009. IFRS 3 (R) cannot be applied retrospectively. The Group introduced IFRS 3 (R) as from 1 January 2010. The revised standard will affect the 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 standard shall be applied from the first annual accounting period beginning on or after 1 July 2009. The Group introduced IAS 27 (R) as from 1 January 2010. The revised standard will affect the Group's recording of future acquisitions and any sale/purchase of residual holdings in subsidiaries.

## Note 2 Important accounting estimates and discretionary assessments

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When preparing the consolidated accounts, management makes estimates and discretionary assessments and prepares assumptions that influence the effect of the accounting principles applied and thus the recorded values of assets and liabilities, income and expenses. A more detailed account of important estimates and assumptions is presented in note 1 Important accounting estimates and discretionary assessments in the annual report for 2009.

The Norwegian Parliament passed the Act relating to the financing of a new contractual early retirement pension scheme (AFP) in February 2010, entering into force with effect as of 1 January 2011. The existing AFP scheme will only apply to employees who took out AFP prior to the parliamentary resolution and to those who reach 62 years of age and who choose AFP before the scheme ceases to exist at the end of 2010. Upon the transition to a new AFP scheme, the existing scheme will be discontinued.

Benefits provided under the new scheme are considered to be quite different from those provided under the former scheme, and, according to the Norwegian Accounting Standards Board (NASB), the transition to the new scheme is not to be regarded as a plan change, but as a curtailment and a settlement of the former scheme. Employees who do not qualify for the former AFP scheme in 2010 have no future rights under the scheme. This part of the pension commitments will be settled in the first quarter of 2010.

To calculate the effect of the settlement, a new pension calculation was made in the first quarter of 2010 to determine the remaining commitments under the former AFP scheme in the balance sheet as at 31 March 2010. The Group's pension calculations for previous periods have been based upon actual pension acceptance of 35 per cent for all employees. In the new calculation, which shows the remaining commitments as at 31 March 2010, all employees born after 1948 are excluded. The remaining commitments include both those who have already chosen AFP (actual acceptance 100 per cent) and those who are born between 1942 and 1948, who can still choose AFP based on the former scheme in 2010. It is assumed that about 50 per cent of the employees born between 1942 and 1948 will choose AFP based on the former scheme in 2010. The calculation of the remaining AFP commitments in the accounts as at 31 March is based on an assumption of weighted AFP acceptance of 80 per cent. It is expected that the details of the new scheme will be finalised and implemented during the second half of 2010. The costs of the new AFP scheme are estimated to be at least as high as the Group's previous AFP costs. In 2010, costs relating to the former AFP scheme would have amounted to approximately NOK 44 million if the scheme had not been changed.

The effect of removing the commitments for employees born after 1948, including the appurtenant estimated changes in estimates and employers' contributions, is calculated at NOK 367 million. The amount was recorded as income in the first quarter of 2010 and is included in the item 'pension expenses' under 'operating expenses'.



## Note 3 Segments

### Business areas

The operational structure of DnB NOR includes four business areas and four staff and support units. DnB NORD is regarded as a separate profit centre. The business areas are independent profit centres and have responsibility for serving all of the Group's customers and for the total range of products. DnB NOR's business areas comprise Retail Banking, Large Corporates and International, DnB NOR Markets and Insurance and Asset Management. As of 1 July 2009, operations were reorganised, whereby private individuals and small and medium-sized companies in Norway are served by the same business area, Retail Banking, while the largest corporate clients in Norway and international clients are served by the business area Large Corporates and International. From January 2010, organisational responsibility for DnB NOR Skadeforsikring and DnB NOR Luxembourg was transferred from Retail Banking to the business areas Insurance and Asset Management and Large Corporates and International, respectively. 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 Group's product areas, customers are offered various financing and leasing, deposit and investment alternatives, as well as real estate broking and financial advisory services. In addition, extensive everyday banking services are provided through the Internet bank, mobile banking, SMS services, insurance, branch offices, in-store banking outlets, in-store postal outlets and Norway Post.
Large Corporates and International	- offers a broad range of financial products and services to large Norwegian and international corporates in cooperation with several of the Group's product areas, including various types of financing solutions, deposits and investments, insurance, e-commerce products, commercial property brokerage, foreign currency, interest rate products, trade finance and corporate finance services.
DnB NOR Markets	- is the Group's investment bank with the key products 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.
Insurance and Asset Management	- is responsible for life insurance, non-life insurance, pension savings and asset management.
DnB NORD	- are mainly concentrated in the Baltic States and Poland and provides a broad range of products to both the retail and corporate markets.

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

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. With effect from 1 January 2010, the internal management reporting has been changed, whereby these double entries are presented gross in the income statement. Income is presented under "Income attributable to product suppliers", appurtenant costs under "Costs attributable to product suppliers" and write-downs under "Write-downs attributable to product suppliers". The net result of such transactions was previously included in other operating income. Double entries now also include income from Insurance and Asset Management. Figures for 2009 have been adjusted correspondingly.

### Income statement

	DnB NOR Group													
	Retail Banking		Large Corporates and International		DnB NOR Markets		Insurance and Asset Management		DnB NORD		Other operations/ eliminations <sup>1)</sup>		DnB NOR Group	
	1st quarter	1st quarter	1st quarter	1st quarter	1st quarter	1st quarter	1st quarter	1st quarter	1st quarter	1st quarter	1st quarter	1st quarter	1st quarter	1st quarter
<i>Amounts in NOK million</i>	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Net interest income - ordinary operations	3 325	3 462	1 336	1 340	260	239	(52)	(90)	328	409	365	273	5 561	5 633
Interest on allocated capital <sup>2)</sup>	119	174	181	280	39	51	68	84	9	39	(416)	(628)	0	0
Net interest income	3 444	3 636	1 516	1 620	299	290	16	(6)	337	448	(51)	(355)	5 561	5 633
Other operating income	854	758	248	286	1 022	2 372	850	837	186	185	333	752	3 493	5 190
Income attributable to product suppliers	310	333	362	552	0	0	0	0	0	0	(672)	(885)	0	0
Net other operating income	1 165	1 091	610	839	1 022	2 372	850	837	186	185	(339)	(133)	3 493	5 190
Total income	4 608	4 727	2 127	2 459	1 321	2 662	866	830	523	633	(391)	(488)	9 054	10 823
Other operating expenses	2 512	2 541	548	505	417	528	571	551	348	417	(281)	172	4 115	4 714
Cost attributable to product suppliers	176	189	151	213	0	0	0	0	0	0	(327)	(402)	0	0
Operating expenses	2 687	2 730	699	718	417	528	571	551	348	417	(608)	(230)	4 115	4 714
Pre-tax operating profit before write-downs	1 921	1 997	1 428	1 741	904	2 133	295	280	175	216	217	(258)	4 940	6 109
Net gains on fixed and intangible assets	0	1	0	0	0	0	0	0	(6)	1	16	2	10	4
Write-downs on loans and guarantees <sup>3)</sup>	207	475	249	247	0	0	0	0	556	590	(65)	286	947	1 598
Write-downs attributable to product suppliers	0	0	3	6	0	0	0	0	0	0	(3)	(6)	0	0
Pre-tax operating profit	1 714	1 523	1 176	1 489	904	2 133	295	280	(387)	(374)	300	(536)	4 002	4 514

## Note 3 Segments (continued)

1) Other operations/ eliminations:

Amounts in NOK million	Elimination of income/ cost attributable to product suppliers		Other eliminations		Group Centre <sup>*)</sup>		Total	
	1st quarter		1st quarter		1st quarter		1st quarter	
	2010	2009	2010	2009	2010	2009	2010	2009
Net interest income - ordinary operations	0	0	(81)	(12)	445	285	365	273
Interest on allocated capital <sup>2)</sup>	0	0	0	0	(416)	(628)	(416)	(628)
Net interest income	0	0	(81)	(12)	29	(343)	(51)	(355)
Other operating income	0	0	(237)	(105)	570	857	333	752
Income attributable to product suppliers	(672)	(885)	0	0	0	0	(672)	(885)
Net other operating income	(672)	(885)	(237)	(105)	570	857	(339)	(133)
Total income	(672)	(885)	(318)	(117)	599	514	(391)	(488)
Other operating expenses	0	0	(318)	(118)	38	278	(281)	172
Cost attributable to product suppliers	(327)	(402)	0	0	0	0	(327)	(402)
Operating expenses	(327)	(402)	(318)	(118)	38	278	(608)	(230)
Pre-tax operating profit before write-downs	(345)	(483)	1	1	561	236	217	(258)
Net gains on fixed and intangible assets	0	0	(1)	(1)	16	3	16	2
Write-downs on loans and guarantees <sup>3)</sup>	0	0	0	0	(65)	286	(65)	286
Write-downs attributable to product suppliers	(3)	6	0	0	0	0	(3)	6
Pre-tax operating profit	(343)	(489)	0	0	642	(47)	300	(536)

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

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

*) Group Centre - pre-tax operating profit in NOK million	1st quarter	
	2010	2009
Reversal of contractual early retirement pensions	367	0
Interest on unallocated equity and other unallocated items	118	102
Income on equities	89	(90)
Unallocated write-downs on loans and guarantees	66	(341)
Portfolio hedging Treasury and fair value on lending	63	(294)
Eksportfinans AS	34	881
Net interest income DnB NOR ASA	8	(124)
Funding costs on goodwill	(11)	(16)
Ownership-related expenses (costs relating to shareholders, investor relations, strategic planning etc.)	(54)	(54)
Other	(39)	(111)
Pre-tax operating profit	642	(47)

2) The interest is calculated on the basis of internal measurement of risk-adjusted capital.

3) See note 9 Write-downs on loans and guarantees.

### Main average balance sheet items

Main average balance sheet items												DnB NOR Group			
	Retail Banking		Large Corporates and International		DnB NOR Markets		Insurance and Asset Management		DnB NORD		Other operations/ eliminations		DnB NOR Group		
	1st quarter		1st quarter		1st quarter		1st quarter		1st quarter		1st quarter		1st quarter		
Amounts in NOK billion	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	
Net lending to customers <sup>1)</sup>	725.5	694.4	343.5	402.4	21.3	4.8	3.1	2.7	65.5	90.7	(20.3)	(18.3)	1 138.6	1 176.7	
Deposits from customers <sup>1)</sup>	367.6	363.5	215.0	228.8	27.0	17.3			19.9	22.4	(1.7)	(16.4)	627.8	615.5	
Assets under management <sup>2)</sup>							493.3	519.4					493.3	519.4	
Allocated capital <sup>3)</sup>	21.6	18.8	32.7	30.3	7.0	5.5	12.4	9.1	5.7	7.8					

### Key figures

Key figures	DnB NOR Group															
	Retail Banking				Large Corporates and International		DnB NOR Markets		Insurance and Asset Management		DnB NORD		Other operations		DnB NOR Group	
	1st quarter		1st quarter		1st quarter		1st quarter		1st quarter		1st quarter		1st quarter			
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009		
Per cent	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009		
Cost/income ratio <sup>4)</sup>	58.3	57.8	32.9	29.2	31.5	19.9	65.9	66.3	66.5	65.9			49.5	43.6		
Ratio of deposits to lending <sup>1) 5)</sup>	50.7	52.4	62.6	56.8					30.5	24.7			55.1	52.3		
Return on allocated capital, annualised <sup>3)</sup>	23.2	23.6	10.5	14.3	37.7	113.3	10.6	2.1	(22.1)	(15.6)			19.8	18.1		
Number of full-time positions as at 31 March <sup>6)</sup>	4 953	5 256	1 079	1 068	660	656	1 059	1 198	3 142	3 480	2 273	2 270	13 165	13 928		

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

2) The figures include total assets in Vital.

3) The allocated capital and return on allocated capital are calculated on the basis of internal measurement of risk-adjusted capital.

4) Total operating expenses relative to total income. Expenses exclude impairment losses for goodwill and reversals on provisions for contractual early retirement pensions.

5) Deposits from customers relative to net lending to customers.

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

## Note 3      Segments (continued)

### Comments to the income statement

#### Retail Banking

Average lending increased by 4.5 per cent from the first quarter of 2009. The low interest rate levels contributed to continued brisk demand for housing loans. After a period of declining growth in loans to small and medium-sized companies, this stabilised in the first quarter of 2010. There was fierce competition for deposits, and compared with the year-earlier period, average deposits rose by 1.1 per cent, mainly due to an increase in the personal customer market. The ratio of deposits to lending declined by 1.7 percentage points from the first quarter of 2009, to 50.7 per cent. The weighted interest rate spread, defined as total margin income on loans and deposits relative to total average loans and deposits, was 1.25 per cent in the first quarter of 2010, down from 1.32 per cent in the year-earlier period. The decline in weighted spreads was due to lags in interest rate adjustments, which had a positive effect due to falling interest rate levels at the beginning of 2009 and a corresponding negative effect due to rising interest rate levels in 2010. Adjusted for these effects, there was a minor increase of 0.03 percentage points in weighted spreads. In consequence of changes in the accounting principles for recording marketing expenses paid by customers in DnB NOR Eiendom, both expenses and income rose by NOK 44 million compared with the first quarter of 2009. Adjusted for these gross items, other operating income rose by 2.7 per cent in the first quarter of 2010 compared with the year-earlier period. Adjusted for the changes in principles, costs were brought down by NOK 87 million from the first quarter of 2009. Depreciation on operational leasing in DnB NOR Finans increased by NOK 45 million. The level of costs was affected by general wage inflation and streamlining measures in the Group's cost programme, resulting in lower staff levels in Norwegian operations. The number of full-time positions was 4 953 at end-March 2010. The cost/income ratio increased to 58.3 per cent, from 57.8 per cent in the first quarter of 2009. The quality of the loan portfolio was sound. For personal customers, net write-downs were at a low level, and the situation was also satisfactory for corporate customers. Net write-downs relative to average net lending were reduced from 0.28 per cent in the first quarter of 2009 to 0.12 per cent in the corresponding period in 2010. Net impaired commitments amounted to NOK 5.5 billion at end-March 2010, roughly unchanged from a year earlier.

#### Large Corporates and International

Credit demand and market activity levels were lower in the first quarter of 2010 than in the January through March period in 2009. There was a 14.6 per cent reduction in average lending between the quarters. After adjusting for exchange rate movements, there was a reduction of approximately 6 per cent during the same period. Average lending in the first quarter of 2010 was roughly on a level with the fourth quarter of 2009. Deposits declined in the first quarter of 2010 compared with the year-earlier period due to the strengthening of the Norwegian krone coupled with lower demand for deposit products. The ratio of deposits to lending increased by 5.7 percentage points from the first quarter of 2009, but was reduced by 1.4 percentage points from the fourth quarter of 2009. Measured against the 3-month NIBOR rate, average lending spreads in the first quarter of 2010 were 1.35 per cent, up 0.17 percentage points from the corresponding period in 2009 and up 0.04 percentage points from the fourth quarter of 2009. There was a rise in lending spreads in most segments, which helped compensate for the increase in funding costs. Declining money market rates and strong competition for deposits resulted in a 0.07 percentage point reduction in deposit spreads from the first quarter of 2009, to 0.11 per cent in the corresponding period in 2010. The reduction in other operating income from the first quarter of 2009 was partly due to lower income from shares, foreign exchange and interest rate products, reflecting lower market volatility and sluggish demand for hedging products. Operating expenses declined by 2.6 per cent compared with the year-earlier period. Costs increased by 16.8 per cent from the fourth quarter of 2009, mainly due to rising IT costs in the first quarter of 2010. At end-March 2010, staff in the business area represented 1 079 full-time positions, including 631 positions outside Norway. The quality of the loan portfolio remained sound, but was somewhat impaired due to the recessionary climate. Some corporate customers and customer segments will continue to feel the consequences of the weak macroeconomic situation. Individual write-downs on loans increased somewhat relative to the first quarter of 2009, representing 0.30 per cent of average net customer lending on an annual basis, up from 0.26 per cent in the first quarter of 2009. Net impaired commitments totalled NOK 5.9 billion at end-March 2010, while the corresponding figure at end-March 2009 was NOK 2.1 billion.

#### DnB NOR Markets

Customer-related income from foreign exchange and interest rate and commodity derivatives declined compared with the first quarter of 2009. There was lower market volatility and a reduction in the level of customer activity, customer-related volumes and margins. Demand for commodity hedging picked up. The branch in Shanghai was granted a licence to offer products in local currency, which means that clients can carry out all their banking services at the branch. Customer-related income from the sale of securities and other investment products was down NOK 71 million compared with the first quarter of 2009. The level of income within bond and commercial paper trading was lower than during the financial turmoil, though DnB NOR Markets further increased its market share on Oslo Børs (the Oslo Stock Exchange). Within equity trading, there was a rise in both the level of activity and income compared with the year-earlier period. Demand for alternative investment products rose somewhat, inter alia for property-related products. Customer-related revenues from corporate finance services reflected the lower level of activity and reduced fees within debt capital products compared with the first quarter of 2009. In the equity market, there was a sound level of activity within share issues and initial public offerings. DnB NOR Markets stepped up its international activity within share trading and debt market products, and arranged the first dual listing on the Singapore Stock Exchange in accordance with the cooperation agreement with Oslo Børs. DnB NOR Markets Inc. in New York participated in 13 share issues and initial public offerings in the US market in the first quarter of 2010. Higher market values and a rise in the level of activity within registrar services helped increase customer-related revenues from custodial and other securities services compared with the first quarter of 2009. Income from the liquidity portfolio totalled NOK 304 million, up from NOK 296 million in the year-earlier period. Income from proprietary trading and other market making totalled NOK 401 million, a reduction of NOK 1 069 million compared with the first quarter of 2009, when income reflected the extraordinary situation in the currency and interest rate markets.

## Note 3      Segments (continued)

### Revenues within various segments

<i>Amounts in NOK million</i>	<b>DnB NOR Markets</b>	
	1st quarter 2010	1st quarter 2009
FX, interest rate and commodity derivatives	292	488
Investment products	114	185
Corporate finance	122	131
Securities services	50	41
Total customer revenues	578	846
Net income liquidity portfolio	304	296
Other market making/trading revenues	401	1 470
Total trading revenues	705	1 766
Interest income on allocated capital	39	51
Total income	1 321	2 662

### Insurance and Asset Management

#### *Vital:*

Vital achieved a recorded return of 1.5 per cent and a value-adjusted return of 1.7 per cent in the first quarter of 2010, excluding changes in the value on bonds held to maturity. A value-adjusted return of 0.9 per cent was generated in the corporate portfolio. The healthy returns in Vital's portfolios in the first quarter reflected strong equity and interest rate markets and a strong trend in property values. The positive market trend provides the basis for continued strong returns on both equities and property. The return on fixed-income securities is expected to remain moderate, as a potential interest rate increase appears to be postponed. However, as more than one-third of the common portfolio is invested in bonds held to maturity yielding interest of approximately 5 per cent, Vital is well positioned to meet this situation. The property portfolio gave a nominal direct return of 1.3 per cent in the first quarter of 2010. Vital sold properties for a total of NOK 137 million during the quarter. The risk result was negative at NOK 166 million, compared with a positive result of NOK 84 million in the year-earlier period. Allocations of NOK 243 million were made to cover the required increase in reserves for higher life expectancy for individual annuity and pension insurance policies, of which NOK 85 million was charged to the Group. See Vital's income statement, balance sheet and key figures on next pages.

#### *DnB NOR Kapitalforvaltning:*

Commission income, including performance-based fees, rose by NOK 33 million or 19.1 per cent from the first quarter of 2009. Assets under management remained on a level with the year-earlier figure.

### DnB NORD

Average customer lending was reduced by 27.8 per cent compared with the first quarter of 2009, reflecting the sale of about 50 per cent of the Danish and Finnish portfolios for the equivalent of NOK 7.6 billion, to DnB NOR towards the end of 2009. The situation was more stable through the first quarter of 2010, with a 1.6 per cent decline in lending. Lending volume in DnB NORD in Poland grew roughly in step with market developments, while market shares remained relatively stable in the Baltic States. Strong competition for deposits in the Baltic region put pressure on both deposit volumes and spreads. There was a decline in net interest income, reflecting lower volumes, general pressure on deposit spreads and reduced interest income due to lower interest rate levels, especially in Lithuania. High funding costs had an additional effect. Other operating expenses were reduced by 16.5 per cent from the first quarter of 2009. Cost developments in DnB NORD are well under control, and the operations in Poland have been particularly good at improving cost efficiency. Net write-downs on loans came to 3.43 per cent of average lending on an annual basis in the first quarter of 2010, up from 2.64 per cent in the first quarter of 2009. However, the level of write-downs was lower than in the other quarters of 2009, and the write-down ratio for the full year 2009 was 4.69 per cent.

### Other units – Group Center

The Group Centre recorded a pre-tax operating of NOK 642 million in 2010, compared with a loss of NOK 47 million in 2009. Through a legislative enactment, the Norwegian contractual early retirement pension scheme was discontinued in the first quarter of 2010 and replaced by a new scheme. However, all the details and calculations for the new scheme are not yet finalised. The Norwegian Accounting Standards Board (NASB) has recommended that the changes be recorded as a reduction to the former scheme, and that the new scheme be treated as a multi-company defined benefit pension scheme or possibly as a defined contribution scheme. In consequence of the enactment, DnB NOR recorded income of NOK 367 million in the first quarter accounts. Profit attributable to the Group from the associated company Eksportfinans totalled NOK 34 million in 2010, including the share of the portfolio guarantee issued for the liquidity portfolio, compared with NOK 881 million in 2009. The sound financial performance in 2009 was due to large unrealised gains on own debt due to higher margin requirements. Income from equity investments totalled NOK 89 million in 2010, up NOK 179 million from the previous year. Profit effects relating to own debt, the fair value of loans carried at fair value and related derivatives represented NOK 63 million in 2010, compared with a negative profit contribution of NOK 294 million in 2009. There was a NOK 66 million reduction in collective write-downs in 2009, compared with a NOK 341 million increase in the year-earlier period. The level of write-downs reflected a positive development in the risk situation and a slight improvement in the global economy.



## Note 3      Segments (continued)

### Vital

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

#### Income statement <sup>1)</sup>

	1st quarter 2010	1st quarter 2009	Full year 2009	Vital Full year 2008
<i>Amounts in NOK million</i>				
Commissions and fees receivable etc.	556	545	2 209	2 237
Commissions and fees payable etc.	93	87	336	456
Net gains on assets in Vital	3 748	1 257	13 464	(813)
Guaranteed returns and allocations to policyholders in Vital	3 353	1 201	12 712	(1 027)
Premium income etc. included in the risk result in Vital	1 142	1 180	4 705	4 543
Insurance claims etc. included in the risk result in Vital	1 308	1 096	4 613	4 407
<b>Net other operating income</b>	<b>693</b>	<b>597</b>	<b>2 717</b>	<b>2 132</b>
<b>Total income</b>	<b>693</b>	<b>597</b>	<b>2 717</b>	<b>2 132</b>
Salaries and other personnel expenses	175	180	740	714
Other expenses	173	161	718	682
Depreciation and impairment of fixed and intangible assets	27	24	103	90
<b>Total operating expenses</b>	<b>376</b>	<b>365</b>	<b>1 561</b>	<b>1 487</b>
<b>Pre-tax operating profit</b>	<b>317</b>	<b>232</b>	<b>1 156</b>	<b>644</b>
Taxes	(22)	216	(175)	427
<b>Profit for the year <sup>2)</sup></b>	<b>339</b>	<b>16</b>	<b>1 331</b>	<b>218</b>

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

#### 2) Breakdown of income statement

	1st quarter 2010	1st quarter 2009	Full year 2009	Vital Full year 2008
<i>Amounts in NOK million</i>				
Interest result	1 408	(72)	3 043	(2 623)
Application of/(transferred to) additional allocations	0	189	(173)	2 993
Risk result	(166)	84	92	136
Administration result	(39)	(28)	(108)	(143)
Profit on risk and guaranteed rate of return	137	119	477	437
Transferred from security reserve	(11)	(14)	(36)	(68)
Funds transferred to policyholders	1 013	47	2 138	89
Pre-tax operating profit in Vital	317	232	1 156	644
Taxes	(22)	216	(175)	427
Profit for the period in Vital	339	16	1 331	218

## Note 3 Segments (continued)

### Balance sheets <sup>1)</sup>

	31 March 2010	31 Dec. 2009	31 March 2009	<b>Vital</b> 31 Dec. 2008
<i>Amounts in NOK million</i>				
<b>Assets</b>				
Lending to and deposits with credit institutions	4 997	4 871	3 136	6 723
Lending to customers	3 157	3 076	3 151	2 623
Commercial paper and bonds	54 013	52 673	68 940	72 841
Shareholdings <sup>2)</sup>	49 970	44 955	25 764	26 964
Financial assets, customers bearing the risk	21 193	21 337	16 448	16 454
Financial derivatives	1 879	2 149	4 927	5 644
Commercial paper and bonds, held to maturity	67 622	68 128	64 740	57 089
Investment property <sup>3)</sup>	33 000	32 766	31 473	32 392
Investments in associated companies	17	19	19	19
Intangible assets	289	288	260	243
Deferred tax assets	74	52	0	0
Fixed assets	32	43	42	45
Other assets	3 672	2 109	4 204	3 093
<b>Total assets</b>	<b>239 915</b>	<b>232 465</b>	<b>223 103</b>	<b>224 129</b>
<b>Liabilities and equity</b>				
Financial derivatives	1 667	1 909	3 980	7 950
Insurance liabilities, customers bearing the risk	21 193	21 337	16 448	16 454
Liabilities to life insurance policyholders	200 698	193 556	187 994	184 791
Payable taxes	654	654	157	28
Deferred taxes	0	0	667	584
Other liabilities	2 599	2 277	2 386	2 851
Provisions	227	227	157	157
Subordinated loan capital	2 522	2 489	2 559	2 575
<b>Total liabilities</b>	<b>229 559</b>	<b>222 448</b>	<b>214 347</b>	<b>215 389</b>
Share capital	1 321	1 321	1 321	1 321
Share premim reserve	1 175	1 175	1 175	1 175
Other equity	7 861	7 522	6 260	6 244
<b>Total equity</b>	<b>10 356</b>	<b>10 018</b>	<b>8 756</b>	<b>8 740</b>
<b>Total liabilities and equity</b>	<b>239 915</b>	<b>232 465</b>	<b>223 103</b>	<b>224 129</b>

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

2) Investments in Private Equity, PE, totalled NOK 2.5 billion at end-March 2010. See note 13 Investments in shares.

3) See note 14 Investment property.

### Key figures

	1st quarter 2010	1st quarter 2009	Full year 2009	<b>Vital</b> Full year 2008
<i>Per cent</i>				
Recorded return, excluding unrealised gains on financial instruments <sup>1)</sup>	1.5	0.7	4.7	1.7
Value-adjusted return, excluding changes in unrealised gains on commercial paper and bonds, held to maturity <sup>1)</sup>	1.7	0.7	5.4	0.0
Value-adjusted return, including changes in unrealised gains on commercial paper and bonds, held to maturity, and unrealised gains on current assets <sup>1)</sup>	2.4	0.7	5.7	0.8
Capital adequacy ratio at end of period <sup>2)</sup>	10.7	12.4	11.6	12.3
Core capital ratio at end of period <sup>2)</sup>	9.1	9.9	9.7	9.8
Solvency margin capital in per cent of requirement at end of period <sup>2) 3)</sup>	164	162	171	162

1) Refers to the common portfolio.

2) Finanstilsynet (the Financial Supervisory Authority of Norway) and the Ministry of Finance have not adapted capital adequacy or solvency margin capital regulations to IFRS.

3) Solvency margin capital is measured against the solvency margin requirement, which is linked to the company's insurance commitments. The solvency margin capital requirements for Norwegian life insurance companies are subject to regulations laid down by the Ministry of Finance on 19 May 1995.

## Note 4 Net interest income

	DnB NOR Group			
	1st quarter	1st quarter	Full year	Full year
<i>Amounts in NOK million</i>	2010	2009	2009	2008
Interest on loans to and deposits with credit institutions	226	704	1 679	4 012
Interest on loans to customers	9 928	14 642	47 232	70 921
Interest on impaired commitments	36	19	118	82
Interest on commercial paper and bonds	2 293	2 262	8 134	7 312
Front-end fees etc.	63	100	374	440
Other interest income	496	(40)	826	(815)
<b>Total interest income</b>	<b>13 041</b>	<b>17 687</b>	<b>58 363</b>	<b>81 953</b>
Interest on loans and deposits from credit institutions	1 190	1 414	4 826	7 262
Interest on demand deposits from customers	2 402	4 336	12 279	24 838
Interest on debt securities issued	2 610	4 795	13 769	21 583
Interest on subordinated loan capital	166	393	1 066	2 125
Other interest expenses <sup>1)</sup>	1 111	1 116	3 791	4 235
<b>Total interest expenses</b>	<b>7 480</b>	<b>12 054</b>	<b>35 730</b>	<b>60 044</b>
<b>Net interest income</b>	<b>5 561</b>	<b>5 633</b>	<b>22 633</b>	<b>21 910</b>

1) Other interest expenses include interest rate adjustments resulting from interest swaps entered into.

## Note 5 Net other operating income

Amounts in NOK million	DnB NOR Group			
	1st quarter 2010	1st quarter 2009	Full year 2009	Full year 2008
Money transfer fees receivable	690	703	3 031	2 887
Fees on asset management services	284	222	1 021	1 105
Fees on custodial services	74	65	275	382
Fees on securities broking	81	63	279	334
Corporate finance	97	61	312	378
Interbank fees	23	24	106	117
Credit broking commissions	75	90	367	406
Sales commissions on insurance products	620	615	2 447	2 612
Sundry commissions and fees receivable on banking services	217	216	886	985
<b>Total commissions and fees receivable etc.</b>	<b>2 162</b>	<b>2 058</b>	<b>8 724</b>	<b>9 207</b>
Money transfer fees payable	243	227	1 015	942
Commissions payable on fund management services	32	1	59	104
Fees on custodial services payable	29	29	106	134
Interbank fees	34	36	153	180
Credit broking commissions	21	(2)	52	119
Commissions payable on the sale of insurance products	36	40	111	232
Sundry commissions and fees payable on banking services	140	137	573	602
<b>Total commissions and fees payable etc.</b>	<b>534</b>	<b>469</b>	<b>2 069</b>	<b>2 313</b>
<b>Net gains on financial instruments at fair value</b>	<b>1 298</b>	<b>2 229</b>	<b>6 286</b>	<b>3 339</b>
<b>Net gains on assets in Vital <sup>1)</sup></b>	<b>3 760</b>	<b>1 266</b>	<b>13 462</b>	<b>(701)</b>
<b>Guaranteed returns and allocations to policyholders in Vital <sup>1)</sup></b>	<b>3 353</b>	<b>1 201</b>	<b>12 712</b>	<b>(1 027)</b>
<b>Premium income etc. included in the risk result in Vital</b>	<b>1 142</b>	<b>1 180</b>	<b>4 705</b>	<b>4 543</b>
<b>Insurance claims etc. included in the risk result in Vital</b>	<b>1 308</b>	<b>1 096</b>	<b>4 613</b>	<b>4 407</b>
<b>Premium income non-life insurance</b>	<b>233</b>	<b>89</b>	<b>593</b>	<b>-</b>
<b>Insurance claims etc. non-life insurance</b>	<b>263</b>	<b>78</b>	<b>538</b>	<b>-</b>
<b>Profit from companies accounted for by the equity method <sup>2)</sup></b>	<b>61</b>	<b>897</b>	<b>93</b>	<b>632</b>
Income from owned/leased premises	8	14	16	33
Fees on real estate broking	180	167	774	658
Net unrealised gains on investment property	0	0	(109)	0
Miscellaneous operating income	106	134	383	419
<b>Total other income</b>	<b>294</b>	<b>315</b>	<b>1 063</b>	<b>1 111</b>
<b>Net other operating income</b>	<b>3 493</b>	<b>5 190</b>	<b>14 994</b>	<b>12 438</b>

- 1) In consequence of improved recorded and value-adjusted returns in the first quarter of 2010 compared with the year-earlier period, net gains on assets in Vital rose by NOK 2 494 million to NOK 3 760 million. The recorded value-adjusted returns were 1.5 and 1.7 per cent respectively for the common portfolio in the first quarter of 2010, compared with a return of 0.7 per cent in first quarter of 2009. Vital achieved a value-adjusted return of 0.9 per cent in its corporate portfolio, up from 1.3 per cent in the year-earlier period.
- 2) Eksportfinans entered into an agreement with a syndicate comprising most of the company's owners. With effect from 1 March 2008, the agreement protects the company from further value reductions in the liquidity portfolio of bonds. Taking the guarantee into account, there was a profit contribution of NOK 34 million from the company in the first quarter of 2010. Liabilities in Eksportfinans are largely recorded at fair value, and narrowing credit margins have a negative effect on the company's profits. At end-March 2010, the accumulated negative effect of changes in credit margins on DnB NOR's share of profits in the company were approximately NOK 246 million.

## Note 6 Net gains on financial instruments at fair value

Amounts in NOK million	DnB NOR Group			
	1st quarter 2010	1st quarter 2009	Full year 2009	Full year 2008
Dividends	43	17	169	172
Net gains on commercial paper and bonds	357	246	644	(760)
Net gains on shareholdings	121	(5)	344	(1 299)
Net gains on other financial instruments <sup>1)</sup>	778	1 971	5 129	5 225
<b>Net gains on financial instruments at fair value</b>	<b>1 298</b>	<b>2 229</b>	<b>6 286</b>	<b>3 339</b>

- 1) The market situation during the financial crisis ensured particularly high income at the start of 2009 due to significant market volatility and rising sales of hedging products.



## Note 7 Operating expenses

<i>Amounts in NOK million</i>	DnB NOR Group			
	1st quarter 2010	1st quarter 2009	Full year 2009	Full year 2008
Salaries	1 685	1 859	7 206	6 876
Employer's national insurance contributions	254	286	1 082	1 018
Pension expenses <sup>1)</sup>	(154)	245	960	1 042
Restructuring expenses	12	17	82	106
Other personnel expenses	154	146	587	421
<b>Total salaries and other personnel expenses</b>	<b>1 950</b>	<b>2 553</b>	<b>9 917</b>	<b>9 463</b>
Fees <sup>2)</sup>	344	349	1 155	1 462
EDP expenses <sup>2)</sup>	479	468	1 741	1 559
Postage and telecommunications	99	114	412	421
Office supplies	25	26	99	118
Marketing and public relations	192	158	572	725
Travel expenses	50	49	234	272
Reimbursement to Norway Post for transactions executed	22	51	203	207
Training expenses	21	26	73	89
Operating expenses on properties and premises	329	334	1 306	1 233
Operating expenses on machinery, vehicles and office equipment	38	42	145	147
Other operating expenses	201	206	846	807
<b>Other expenses</b>	<b>1 799</b>	<b>1 823</b>	<b>6 784</b>	<b>7 040</b>
Impairment losses for goodwill <sup>3)</sup>	0	0	730	1 058
Depreciation and write-downs of fixed and intangible assets	366	338	1 479	1 159
<b>Total depreciation and write-downs of fixed and intangible assets</b>	<b>366</b>	<b>338</b>	<b>2 210</b>	<b>2 217</b>
<b>Total operating expenses</b>	<b>4 115</b>	<b>4 714</b>	<b>18 911</b>	<b>18 721</b>

1) Pension expenses for the first quarter of 2010 were reduced by NOK 367 million due to the reversal of provisions for contractual early retirement pensions.

2) Fees include system development fees and must be viewed relative to EDP expenses.

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 8 Number of employees/full-time positions

	DnB NOR Group			
	1st quarter 2010	1st quarter 2009 <sup>1)</sup>	Full year 2009 <sup>1)</sup>	Full year 2008
Number of employees at end of period	13 525	14 314	13 691	14 454
- of which number of employees abroad	4 468	4 815	4 524	4 973
Number of employees calculated on a full-time basis at end of period	13 165	13 928	13 317	14 057
- of which number of employees calculated on a full-time basis abroad	4 392	4 735	4 436	4 877
Average number of employees	13 541	14 489	14 159	14 223
Average number of employees calculated on a full-time basis	13 182	14 099	13 768	13 859

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

## Note 9 Write-downs on loans and guarantees

Amounts in NOK million	DnB NOR Group			
	1st quarter 2010	1st quarter 2009	Full year 2009	Full year 2008
Write-offs	25	33	554	335
New individual write-downs <sup>1)</sup>	1 637	1 446	6 521	2 925
Total new individual write-downs	1 662	1 479	7 075	3 260
Reassessed individual write-downs	231	179	693	246
Total individual write-downs	1 431	1 300	6 382	3 014
Recoveries on commitments previously written off	94	92	317	335
Change in collective write-downs on loans <sup>1)</sup>	(390)	390	1 645	830
<b>Write-downs on loans and guarantees <sup>2)</sup></b>	<b>947</b>	<b>1 598</b>	<b>7 710</b>	<b>3 509</b>
Write-offs covered by individual write-downs made in previous years	292	540	1 627	678
<i>*) Of which individual write-downs on guarantees</i>	<i>8</i>	<i>2</i>	<i>14</i>	<i>5</i>

1) In the first quarter of 2010, collective write-downs of NOK 284 million were reclassified as individual write-downs following more precise identification of impairment on individual commitments in sub-portfolios in DnB NORD.

Write-downs totalled NOK 947 million for the quarter, down from NOK 1 598 million in the first quarter of 2009. Excluding DnB NORD, individual write-downs came to NOK 456 million in the first quarter of 2010, down NOK 266 million from the year-earlier period. There was a decline in most segments, though the shipping segment saw a rise in write-downs after very low figures in the first quarter of 2009. Nevertheless, the level of write-downs in the shipping segment remained low in the first quarter of 2010. There is still considerable uncertainty about future developments.

Write-downs in DnB NORD totalled NOK 556 million in the first quarter of 2010, down from NOK 591 million in the year-earlier period. The level of write-downs remained very high relative to the loan portfolio. Total write-downs in DnB NORD represented 3.43 per cent of DnB NORD's average loan portfolio in the first quarter of 2010, an increase from 2.64 per cent in the January through March period in 2009 and a decline from 4.40 per cent in the fourth quarter of 2009. The corresponding figures for the entire DnB NOR Group were 0.34, 0.55 and 0.53 per cent in the first quarter of 2010, first quarter of 2009 and fourth quarter of 2009, respectively.

## Note 10 Lending to customers

Amounts in NOK million	DnB NOR Group			
	31 March 2010	31 Dec. 2009	31 March 2009	31 Dec. 2008
Lending to customers, nominal amount	989 894	972 424	990 083	1 016 887
Individual write-downs	8 682	7 673	4 886	4 256
Lending to customers, after individual write-downs	981 212	964 751	985 196	1 012 631
+ Accrued interest and amortisation	1 760	1 698	2 630	3 593
- Individual write-downs of accrued interest and amortisation	612	607	525	478
- Collective write-downs	2 577	2 969	1 911	1 625
Lending to customers, at amortised cost	979 783	962 873	985 390	1 014 121
Lending to customers, nominal amount	144 644	150 939	186 497	175 099
+ Accrued interest	911	695	1 189	1 711
+ Adjustment to fair value	608	379	471	704
Lending to customers, at fair value <sup>1)</sup>	146 163	152 013	188 157	177 513
<b>Lending to customers</b>	<b>1 125 946</b>	<b>1 114 886</b>	<b>1 173 547</b>	<b>1 191 635</b>

1) The fair value of loans in Norwegian kroner has been reduced by NOK 13 million from 31 December 2009 due to widening credit margins.

## Note 11 Net impaired loans and guarantees for principal sectors <sup>1)</sup>

Amounts in NOK million	DnB NOR Group			
	31 March 2010	31 Dec. 2009	31 March 2009	31 Dec. 2008
Private individuals <sup>2)</sup>	4 546	3 838	3 440	2 893
International shipping	2 793	1 097	31	37
Real estate	2 477	2 259	2 091	1 938
Manufacturing	3 405	3 420	2 010	1 965
Services	1 374	740	789	677
Trade	659	668	1 084	156
Oil and gas	359	0	156	172
Transportation and communication	1 219	533	598	131
Building and construction	996	1 176	252	174
Power and water supply	132	9	1	26
Seafood	0	10	8	367
Hotels and restaurants	251	226	81	65
Agriculture and forestry	270	304	240	141
Central and local government	0	0	0	0
Other sectors	16	121	5	63
Total customers	18 498	14 403	10 787	8 807
Credit institutions	0	0	72	0
Total net impaired loans and guarantees	18 498	14 403	10 859	8 807
Non-performing loans and guarantees not subject to write-downs <sup>2) 3)</sup>	3 315	4 724	3 093	3 115
Total net non-performing and doubtful loans and guarantees	21 813	19 127	13 952	11 922

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

2) First quarter development includes an increase of NOK 817 million due to reclassification of non-performing commitments previously collectively written down in DnB NORD.

3) Figures for previous periods are restated for sub-portfolios in DnB NORD.

## Note 12 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 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 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 in 2008. The markets normalised during 2009 and the first quarter of 2010, though there are still no observable prices for large parts of the portfolio. In order to meet the disclosure requirement at end-March 2010, 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 the first quarter of 2010, there would have been a NOK 368 million reduction in profits.

### Effects of the reclassifications of the liquidity portfolio

The reclassification of the liquidity portfolios resulted in a rise in profits of NOK 646 million at end-March 2010 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 62.9 billion at end-March 2010. The average term to maturity of the portfolio is estimated at 3.18 years, and the change in value resulting from an interest rate adjustment of one basis point was NOK 19 million at end-March 2010.

## Note 12 Commercial paper and bonds, held to maturity (continued)

### Effects of the reclassification of the liquidity portfolio

<i>Amounts in NOK million</i>	DnB NOR Group			
	1st quarter 2010	1st quarter 2009	Full year 2009	Full year 2008
<b>Effects on profits</b>				
Recorded amortisation effect	136	167	544	339
Net gain if valued at fair value	(232)	(223)	2 819	(2 678)
Effects of reclassification on profits	368	390	(2 275)	3 017
<b>Effects on the balance sheet</b>				
Recorded, unrealised losses at end of period	1 526	2 039	1 662	2 206
Unrealised losses, if valued at fair value	2 172	5 000	2 404	5 223
Effects of reclassification on the balance sheet	646	2 961	741	3 017

### Development in the liquidity portfolio after the reclassification

<i>Amounts in NOK million</i>	DnB NOR Group			
	31 March 2010	31 Dec. 2009	31 March 2009	31 Dec. 2008
Liquidity portfolio, recorded value	62 885	68 600	83 878	92 914
Liquidity portfolio, if valued at fair value	62 239	67 859	80 917	89 898
Effects of reclassification on the balance sheet	646	741	2 961	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 March 2010, DnB NOR Markets' portfolio represented NOK 113 billion. 96.4 per cent of the securities in the portfolio had an AAA rating, while 3.1 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. Nor were any investments made in Treasury bills in Portugal, Italy, Ireland, Greece or Spain. The structure of DnB NOR Markets' liquidity portfolio is shown below.

Asset class	DnB NOR Group	
	Per cent 31 March 2010	NOK million 31 March 2010
Consumer credit	2	2 838
Residential mortgages	60	68 697
Corporate loans	4	4 999
Government-related	33	38 325
Insurance	0	57
Total liquidity portfolio DnB NOR Markets, nominal values	100	114 917
Accrued interest, including amortisation effects		(1 962)
Total liquidity portfolio DnB NOR Markets	100	112 955
Of which reclassified portfolio		62 885

The average term to maturity of DnB NOR Markets' liquidity portfolio is estimated at 3.25 years, and the change in value resulting from an interest rate adjustment of one basis point was NOK 25 million at end-March 2010.

### Commercial paper and bonds, held to maturity

<i>Amounts in NOK million</i>	DnB NOR Group			
	31 March 2010	31 Dec. 2009	31 March 2009	31 Dec. 2008
DnB NOR Markets	112 955	112 969	91 146	99 106
Vital	67 622	68 128	64 740	57 089
Other units <sup>1)</sup>	(1 391)	(1 265)	(1 078)	(1 039)
<b>Commercial paper and bonds, held to maturity</b>	<b>179 185</b>	<b>179 832</b>	<b>154 808</b>	<b>155 156</b>

<sup>1)</sup> Including eliminations of Vital's investments in bonds issued by DnB NOR Boligkreditt.

### Vital Forsikring

Vital Forsikring's portfolio of held-to-maturity bonds represents bonds issued by highly creditworthy borrowers. At end-March 2010, bonds with government guarantees represented approximately 23 per cent of the portfolio. The remaining bonds are generally issued by municipalities/county municipalities and finance companies with sound creditworthiness. All investments in bonds issued by finance companies represent senior debt, which has the highest ranking in the capital structure and first priority if the issuer goes bankrupt. Only in exceptional cases does Vital invest in bonds issued by traditional manufacturing companies.

## Note 13 Investments in shares

Investments in shares are carried at fair value. Measurement at fair value is described in Accounting principles in the annual report for 2009.

When determining the fair value of Private Equity investments, the "International Private Equity and Venture Capital Valuation Guidelines" and similar guidelines are used. The method used is one of several instruments to determine the best estimate of fair values for investments in not very liquid equity instruments and is based on reports on returns from portfolio companies, with a time lag of approximately three months. The time lag in the access to information could be a challenge in relation to the valuation of the PE portfolio. On each reporting date, a special method is therefore used to make the required adaptations. A detailed description of the model can be found in note 1 Important accounting estimates and discretionary assessments in the annual report for 2009.

Private Equity investments	DnB NOR Group			
	31 March 2010	31 Dec. 2009	31 March 2009	31 Dec. 2008
<i>Amounts in NOK million</i>				
Private Equity and Management Buyout Funds in DnB NOR Bank	419	396	316	325
Private Equity investments in Vital	2 472	2 230	2 012	2 440
Total Private Equity investments	2 891	2 626	2 328	2 764

## Note 14 Investment property

Investment properties owned by the Group are principally owned by Vital Forsikring. At end-March 2010, a review was made of the investment properties, based on Vital's valuation model. As a supplement to the values in the internal model, appraisals were obtained from two independent, external appraisers for properties representing 27 per cent of the values in the property portfolio in Norway. Calculations in the model and balance sheet values are 1.9 per cent higher than the average of the external appraisals, which are considered to be within an acceptable reliability interval. The Group's valuations are based on the best available information regarding the properties' characteristics and values. A higher level of activity in both the rental and transaction markets ensured improved access to market information, resulting in less uncertainty in both internal and external appraisals. In line with established practice, properties in Sweden and the portfolio in Vital Eiendomsfond have been subject to an external valuation.

The required rate of return used in the internal valuation was unchanged in the first quarter at 6.25 per cent for the contract period and 9.25 thereafter. The fall in rental prices indicates that prices are levelling off, but there are great variations between various geographical areas. The value of investment property was adjusted upwards by NOK 5 million from year-end 2009 to end-March 2010.

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

Changes in the value of investment properties	DnB NOR Group
	Investment property
<i>Amounts in NOK million</i>	
<b>Recorded value as at 31 December 2008</b>	<b>32 558</b>
Additions, purchases of new properties	1 048
Additions, capitalised investments	97
Additions, acquired companies	494
Net gains resulting from adjustment to fair value	(276)
Net gains from fair value adjustments of projects	0
Disposals	1 062
Exchange rate movements	(723)
<b>Recorded value as at 31 March 2009 <sup>1)</sup></b>	<b>32 136</b>
<b>Recorded value as at 31 December 2009</b>	<b>33 381</b>
Additions, purchases of new properties	44
Additions, capitalised investments	146
Additions, acquired companies	0
Net gains resulting from adjustment to fair value	15
Net gains from fair value adjustments of projects	(10)
Disposals	135
Exchange rate movements	186
<b>Recorded value as at 31 March 2010 <sup>1)</sup></b>	<b>33 626</b>

1) The value of investment properties in Vital was NOK 31 473 million as at 31 March 2009 and NOK 33 000 million as at 31 March 2010.

## Note 15 Intangible assets

<i>Amounts in NOK million</i>	DnB NOR Group			
	31 March 2010	31 Dec. 2009	31 March 2009	31 Dec. 2008
Goodwill	5 457	5 405	6 226	6 665
Postbanken brand name	51	51	51	51
Systems development	1 459	1 490	1 180	1 108
Other intangible assets	464	699	571	656
<b>Total intangible assets</b>	<b>7 431</b>	<b>7 644</b>	<b>8 028</b>	<b>8 480</b>

## Note 16 Debt securities issued and subordinated loan capital

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

### Debt securities issued

<i>Amounts in NOK million</i>	DnB NOR Group			
	31 March 2010	31 Dec. 2009	31 March 2009	31 Dec. 2008
Commercial paper issued, nominal amount	175 966	168 028	186 441	194 852
Bond debt, nominal amount <sup>1)</sup>	308 385	313 141	347 960	397 443
Adjustments	14 445	12 563	14 466	13 927
<b>Total debt securities issued</b>	<b>498 796</b>	<b>493 732</b>	<b>548 867</b>	<b>606 222</b>

### Changes in debt securities issued

<i>Amounts in NOK million</i>	DnB NOR Group					
	Balance sheet 31 March 2010	Issued 2010	Matured/ redeemed 2010	Exchange rate movements 2010	Other adjustments 2010	Balance sheet 31 Dec. 2009
Commercial paper issued, nominal amount	175 966	126 688	119 908	1 159		168 028
Bond debt, nominal amount <sup>1)</sup>	308 385	29 569	27 305	(7 019)		313 141
Adjustments	14 445				1 881	12 563
<b>Total debt securities issued</b>	<b>498 796</b>	<b>156 257</b>	<b>147 212</b>	<b>(5 861)</b>	<b>1 881</b>	<b>493 732</b>

### Subordinated loan capital and perpetual subordinated loan capital securities

<i>Amounts in NOK million</i>	DnB NOR Group					
	Balance sheet 31 March 2010	Issued 2010	Matured/ redeemed 2010	Exchange rate movements 2010	Other adjustments 2010	Balance sheet 31 Dec. 2009
Term subordinated loan capital, nominal amount	21 931			(524)		22 455
Perpetual subordinated loan capital, nominal amount	6 881			51		6 830
Perpetual subordinated loan capital securities, nominal amount <sup>2)</sup>	8 331			(137)		8 468
Adjustments	1 471				174	1 297
<b>Total subordinated loan capital and perpetual subordinated loan capital securities</b>	<b>38 614</b>	<b>0</b>	<b>0</b>	<b>(610)</b>	<b>174</b>	<b>39 051</b>

1) Minus own bonds. Outstanding covered bonds in DnB NOR Boligkreditt totalled NOK 240.1 billion as at 31 March 2010. The cover pool represented NOK 336.3 billion.

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

## Note 17 Capital adequacy

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

Primary capital	DnB NOR Bank ASA		DnB NOR Bank Group		DnB NOR Group	
	31 March	31 Dec.	31 March	31 Dec.	31 March	31 Dec.
<i>Amounts in NOK million</i>	2010	2009	2010	2009	2010	2009
Share capital	17 514	17 514	17 514	17 514	16 222	16 231
Other equity	54 996	54 948	65 756	65 800	85 084	85 172
Total equity	72 510	72 462	83 271	83 314	101 307	101 403
Deductions						
Pension funds above pension commitments	0	0	(26)	(3)	(169)	(119)
Goodwill	(1 651)	(1 650)	(3 879)	(3 853)	(5 705)	(5 653)
Deferred tax assets	(1 148)	(1 153)	(307)	(295)	(312)	(300)
Other intangible assets	(860)	(912)	(1 714)	(1 980)	(2 004)	(2 270)
Dividends payable etc.	0	0	(3 750)	(3 750)	(2 850)	(2 850)
Unrealised gains on fixed assets	0	0	(30)	(30)	(30)	(30)
50 per cent of investments in other financial institutions	(1 037)	(1 033)	(1 037)	(1 033)	0	(2)
50 per cent of expected losses exceeding actual losses, IRB portfolios	(133)	(101)	(282)	(222)	(282)	(222)
Adjustments for unrealised losses/(gains) on liabilities recorded at fair value	186	182	(300)	(404)	(300)	(404)
Equity Tier 1 capital	67 868	67 796	71 947	71 745	89 654	89 553
Perpetual subordinated loan capital securities <sup>1) 2)</sup>	8 331	8 468	8 512	8 655	8 512	8 655
Tier 1 capital	76 199	76 264	80 458	80 400	98 166	98 208
Perpetual subordinated loan capital	6 881	6 830	6 881	6 830	6 881	6 830
Term subordinated loan capital <sup>2)</sup>	20 632	21 111	22 496	23 003	22 496	23 003
Deductions						
50 per cent of investments in other financial institutions	(1 037)	(1 033)	(1 037)	(1 033)	0	(2)
50 per cent of expected losses exceeding actual losses, IRB portfolios	(133)	(101)	(282)	(222)	(282)	(222)
Additions						
45 per cent of unrealised gains on fixed assets	0	0	18	18	18	18
Tier 2 capital	26 343	26 807	28 076	28 597	29 113	29 628
Total eligible primary capital <sup>3)</sup>	102 542	103 071	108 534	108 997	127 279	127 836
Risk-weighted volume	835 621	831 885	956 594	960 208	1 056 102	1 052 566
Minimum capital requirement	66 850	66 551	76 528	76 817	84 488	84 205
Equity Tier 1 capital ratio (%)	8.1	8.1	7.5	7.5	8.5	8.5
Tier 1 capital ratio (%)	9.1	9.2	8.4	8.4	9.3	9.3
Capital ratio (%)	12.3	12.4	11.3	11.4	12.1	12.1
Equity Tier 1 capital ratio including 50 per cent of profit for the period (%)	8.3	-	7.7	-	8.6	-
Tier 1 capital ratio including 50 per cent of profit for the period (%)	9.3	-	8.5	-	9.4	-
Capital ratio including 50 per cent of profit for the period (%)	12.4	-	11.5	-	12.2	-

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

2) As at 31 March 2010, calculations of capital adequacy included a total of NOK 745 million in subordinated loan capital in associated companies, in addition to subordinated loan capital in the balance sheets of the banking group and the DnB NOR Group.

3) Primary capital and nominal amounts used in calculating risk-weighted volume deviate from figures in the consolidated accounts since a different consolidation method is used. Associated companies are consolidated gross in the capital adequacy calculations while the equity method is used in the accounts.

Due to transitional rules, the minimum capital adequacy requirements for 2009 and 2010 cannot be reduced below 80 per cent relative to the Basel I requirements. Risk-weighted volume for the Group at the end of March 2010 represented 87.3 per cent of the corresponding volume based on the Basel I rules.



## Note 17 Capital adequacy (continued)

### Basel II implementation

#### Further progress

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

Portfolios	Reporting methods for credit risk in capital adequacy calculations		
	31 Dec. 2009	31 Dec. 2010	31 Dec. 2011
<b>Retail:</b>			
- mortgage loans, DnB NOR Bank and DnB NOR Boligkreditt	IRB <sup>1)</sup>	IRB <sup>1)</sup>	IRB <sup>1)</sup>
- qualifying revolving retail exposure, DnB NOR Kort	Standardised	IRB <sup>1)</sup>	IRB <sup>1)</sup>
- mortgage loans, Nordlandsbanken	Standardised	IRB <sup>1)</sup>	IRB <sup>1)</sup>
- loans in Norway, DnB NOR Finans	Standardised	IRB <sup>1)</sup>	IRB <sup>1)</sup>
- remaining portfolios, DnB NOR Finans	Standardised	Standardised	Standardised
<b>Corporates:</b>			
- 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	Standardised	Advanced IRB	Advanced IRB
- remaining portfolios, DnB NOR Finans	Standardised	Standardised	Standardised
- corporate clients, DnB NOR Næringskreditt	Standardised	Advanced IRB	Advanced IRB
<b>Institutions:</b>			
- banks and financial institutions	Standardised	Standardised	Advanced IRB
<b>Exceptions:</b>			
- 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 18 Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligations. The Board of Directors has established internal limits which restrict the short-term maturity of the bank's liabilities during various time periods. In addition, limits have been approved for structural liquidity risk, which implies that lending to customers should largely be financed through customer deposits, subordinated capital and long-term funding. The Group's ratio of deposits to lending was 52.0 per cent at end-March 2010, up from 50.7 per cent a year earlier. The ratio of deposits to lending in DnB NOR Bank ASA was 91.7 per cent at end-March 2010.

The short-term funding markets were consistently sound through the first quarter. Volumes, maturities and prices approximated normal levels, though there was greater focus on transactions with maturities of less than three months than before the financial crisis. Funding costs in the long-term funding market for banks remain considerably higher than pre-crisis levels, but were relatively stable during the past two quarters. However, expectations in the market of extensive future long-term borrowing contribute to keeping the banks funding costs at a high level.

DnB NOR's liquidity situation at end-March 2010 can be characterised as sound. As at 31 March 2010, the average remaining term to maturity for the portfolio of senior bond debt was 3.2 years, compared with 2.7 years a year earlier. The Group aims to achieve a sound and stable maturity structure for funding over the next five years.

## Note 19 Information on related parties

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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-March 2010, Eksportfinans had not availed itself of this credit line.

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

### Stimulus packages

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

Under the swap scheme, the government sells Treasury bills to the banks in a time-limited swap for covered bonds. The banks have free disposal over the Treasury bills they acquire and may sell them in the market if they so wish. Treasury bill maturities are 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 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-March 2010, this funding represented NOK 118.1 billion. At end-March 2010, the bank's investments in Treasury bills used in the swap agreements represented NOK 113.7 billion.

## Note 20 Off-balance sheet transactions, contingencies and post balance-sheet events

Off-balance sheet transactions and additional information			DnB NOR Group	
	31 March 2010	31 Dec. 2009	31 March 2009	31 Dec. 2008
<i>Amounts in NOK million</i>				
Performance guarantees	24 532	26 000	28 141	34 367
Payment guarantees	20 271	19 250	23 656	24 582
Loan guarantees <sup>1)</sup>	13 312	11 774	15 529	16 202
Guarantee to the Norwegian Banks' Guarantee Fund	939	939	0	0
Guarantees for taxes etc.	4 719	4 655	5 308	4 801
Other guarantee commitments	5 520	3 892	5 240	5 448
Total guarantee commitments	69 293	66 510	77 874	85 399
Support agreements	8 015	8 045	4 728	4 499
Total guarantee commitments etc. <sup>*)</sup>	77 308	74 555	82 602	89 899
Unutilised credit lines and loan offers	478 528	376 282	329 724	361 259
Documentary credit commitments	15 351	14 839	21 770	24 896
Other commitments	3 022	2 858	500	540
Total commitments	496 901	393 979	351 994	386 695
Total guarantee and off-balance commitments	574 209	468 534	434 596	476 594
Securities	191 389	151 067	151 847	202 611
- are pledged as security for:   Loans <sup>2)</sup>	191 261	150 934	151 704	202 464
Other activities	128	133	143	147
<i>*) Of which counter-guaranteed by financial institutions</i>	<i>200</i>	<i>209</i>	<i>324</i>	<i>566</i>

1) DnB NOR carries loans in its balance sheet that subject to legal agreement have been transferred to Eksportfinans and for which DnB NOR has issued guarantees. According to the agreement, DnB NOR still carries interest rate risk and credit risk for the transferred portfolio. Customer loans in the portfolio totalling NOK 9 291 million were recorded in the balance sheet as at 31 March 2010. These loans are not included under guarantees in the table.

2) As at 31 March 2010 NOK 70 312 million in securities has been pledged as collateral for credit facilities with Norges Bank (the Norwegian central bank). According to regulations, these loans must be fully collateralised by a mortgage on interest-bearing securities and/or the bank's deposits with Norges Bank.

### Contingencies

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

Bovista ApS in Copenhagen, which is a wholly-owned subsidiary of RC Real Estate, has sued Bank DnB NOR 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. The disputed amount is not significant in itself and only applies to the civil action in question, which must be evaluated separately. 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 Røeggen. The bank maintains that there is no legal basis for a group action and contests the claim. The civil action was halted by the court pending the outcome of another civil action where there was also a dispute as to whether a case related to structured products could be filed as a group action. After the Supreme Court rejected the filing of the second case as a group-action, the court in the civil action against DnB NOR Bank ASA gave the parties until 19 April to file pleadings before the court decides whether to rule on dismissal.

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.

## **Note 20    Off-balance sheet transactions, contingencies and post balance-sheet events (continued)**

### **Post balance-sheet events**

DnB NOR ASA has had a 40 per cent ownership interest in Nordito AS (Nordito), and the company is recorded as an associated company in the DnB NOR Group's accounts as at 31 March 2010. Operations in the Nordito Group include Teller AS and BBS (the Banks' Central Clearing House).

There was a long process to merge Nordito with PBS Holding AS (PBS), which engages in corresponding operations in Denmark. The merger between Nordito and PBS was approved by the Norwegian Ministry of Finance on 12 April 2010 and completed on 14 April. The merger will have accounting effect from 1 January 2009, with PBS as the acquiring company. Prior to the merger, BBS' properties were demerged into a separate company, Nordito Property AS, and the capital in Nordito was reduced. After the merger, DnB NOR Bank ASA has an ownership interest of 40 per cent in Nordito Property and holds shares in PBS corresponding to an 18.2 per cent ownership interest. There is still some uncertainty regarding the gain generated by the merger, but it is expected to be approximately NOK 1 billion, which will be recorded in the accounts for the second quarter of 2010.

On 22 April 2010, the bank converted loans to Faktor Eiendom ASA totalling NOK 250 million to shares in the company. Parallel to this, a private placement of shares was implemented to further strengthen the company's balance sheet. After the share issue, DnB NOR will have a 31 per cent ownership interest in the company.

# DnB NOR ASA

## Income statement

	DnB NOR ASA			
	1st quarter 2010	1st quarter 2009	Full year 2009	Full year 2008
<i>Amounts in NOK million</i>				
Total interest income	100	45	122	261
Total interest expenses	92	168	523	538
<b>Net interest income</b>	<b>8</b>	<b>(124)</b>	<b>(401)</b>	<b>(277)</b>
Commissions and fees payable etc.	1	1	5	5
Other income <sup>1)</sup>	0	0	5 114	179
<b>Net other operating income</b>	<b>(1)</b>	<b>(1)</b>	<b>5 109</b>	<b>173</b>
<b>Total income</b>	<b>7</b>	<b>(125)</b>	<b>4 708</b>	<b>(104)</b>
Salaries and other personnel expenses	1	1	6	5
Other expenses	53	53	202	241
Depreciation and write-downs of fixed and intangible assets	0	0	0	850
<b>Total operating expenses</b>	<b>54</b>	<b>54</b>	<b>208</b>	<b>1 097</b>
<b>Pre-tax operating profit</b>	<b>(47)</b>	<b>(179)</b>	<b>4 500</b>	<b>(1 201)</b>
Taxes	(13)	(50)	1 286	(736)
<b>Profit for the period</b>	<b>(34)</b>	<b>(129)</b>	<b>3 214</b>	<b>(465)</b>
Earnings/diluted earnings per share (NOK)	(0.02)	(0.10)	2.41	(0.35)
Earnings per share excluding operations held for sale (NOK)	(0.02)	(0.10)	2.41	(0.35)

1) Dividends from group companies/group contributions.

## Balance sheet

	DnB NOR ASA			
	31 March 2010	31 Dec. 2009	31 March 2009	31 Dec. 2008
<i>Amounts in NOK million</i>				
<b>Assets</b>				
Deposits with DnB NOR Bank ASA	22 831	22 747	4 448	4 426
Lending to other group companies	225	228	226	231
Investments in group companies	51 126	51 126	51 058	51 058
Other receivables due from group companies	0	0	179	179
Other assets	13	0	175	125
<b>Total assets</b>	<b>74 195</b>	<b>74 101</b>	<b>56 086</b>	<b>56 019</b>
<b>Liabilities and equity</b>				
Loans from and outstandings to DnB NOR Bank ASA	11 295	11 161	11 519	11 324
Outstandings to other group companies	95	95	0	0
Other liabilities and provisions	3 931	3 937	1	1
Paid-in capital	38 844	38 844	24 994	24 994
Retained earnings	20 030	20 064	19 571	19 700
<b>Total liabilities and equity</b>	<b>74 195</b>	<b>74 101</b>	<b>56 086</b>	<b>56 019</b>

## Statement of changes in equity

	DnB NOR ASA			
	Share capital	Share premium reserve	Other equity	Total equity
<i>Amounts in NOK million</i>				
<b>Balance sheet as at 31 December 2008</b>	<b>13 327</b>	<b>11 668</b>	<b>19 700</b>	<b>44 694</b>
Profit for the period			(129)	(129)
<b>Balance sheet as at 31 March 2009</b>	<b>13 327</b>	<b>11 668</b>	<b>19 571</b>	<b>44 565</b>
<b>Balance sheet as at 31 December 2009</b>	<b>16 288</b>	<b>22 556</b>	<b>20 064</b>	<b>58 908</b>
Profit for the period			(34)	(34)
<b>Balance sheet as at 31 March 2010</b>	<b>16 288</b>	<b>22 556</b>	<b>20 030</b>	<b>58 874</b>

## Accounting principles

DnB NOR ASA has prepared accounts according to the Norwegian Ministry of Finance's regulations on annual accounts, Section 1-5, on the use of IFRS (International Financial Reporting Standards). These regulations give permission to record provisions for dividends and group contributions in subsidiaries as income and record the Board of Directors' proposed dividends and group contributions as liabilities on the balance sheet date. According to IFRS, dividends should be classified as equity until approved by the general meeting. A description of the accounting principles applied by DnB NOR ASA in preparing the accounts is found in the annual report for 2009.

# Key figures

	DnB NOR Group			
	1st quarter 2010	1st quarter 2009	Full year 2009	Full year 2008
<b>Interest rate analysis</b>				
1. Combined weighted total average spread for lending and deposits (%)	1.12	1.16	1.15	1.04
2. Spread for ordinary lending to customers (%)	1.58	1.58	1.61	1.01
3. Spread for deposits from customers (%)	0.29	0.33	0.29	1.08
<b>Rate of return/profitability</b>				
4. Net other operating income, per cent of total income	38.6	48.0	39.8	36.2
5. Cost/income ratio (%)	49.5	43.6	48.3	51.4
6. Return on equity, annualised (%)	12.5	15.8	10.6	12.4
7. RARORAC, annualised (%)	18.4	22.9	17.2	13.6
8. RORAC, annualised (%)	19.8	18.1	12.6	15.3
9. Average equity including allocated dividend (NOK million)	100 066	78 437	81 236	74 005
10. Return on average risk-weighted volume, annualised (%)	0.74	1.00	0.83	0.79
<b>Financial strength</b>				
11. Tier 1 capital ratio at end of period (%)	9.3	6.8	9.3	6.7
12. Tier 1 capital ratio incl. 50 per cent of profit for the period (%)	9.4	7.0	-	-
13. Capital ratio at end of period (%)	12.1	9.6	12.1	9.5
14. Capital ratio incl. 50 per cent of profit for the period (%)	12.2	9.7	-	-
15. Tier 1 capital at end of period (NOK million)	98 166	78 613	98 208	80 010
16. Risk-weighted volume at end of period (NOK million)	1 056 102	1 147 791	1 052 566	1 200 590
<b>Loan portfolio and write-downs</b>				
17. Individual write-downs relative to average net lending to customers, annualised	0.48	0.41	0.53	0.25
18. Write-downs relative to average net lending to customers, annualised	0.34	0.55	0.67	0.33
19. Net non-performing and net doubtful commitments, per cent of net lending	1.88	1.18	1.71	0.99
20. Net non-performing and net doubtful commitments at end of period (NOK million)	21 813	13 952	19 127	11 922
<b>Liquidity</b>				
21. Ratio of customer deposits to net lending to customers at end of period (%)	52.0	50.7	53.0	50.1
<b>Total assets owned or managed by DnB NOR</b>				
22. Customer assets under management at end of period (NOK billion)	483	487	468	510
23. Total combined assets at end of period (NOK billion)	2 103	2 092	2 076	2 141
24. Average total assets (NOK billion)	1 943	1 881	1 906	1 635
25. Customer savings at end of period (NOK billion)	1 069	1 083	1 059	1 108
<b>Staff</b>				
26. Number of full-time positions at end of period	13 165	13 928	13 317	14 057
<b>The DnB NOR share</b>				
27. Number of shares at end of period (1 000)	1 628 799	1 332 654	1 628 799	1 332 654
28. Average number of shares (1 000)	1 628 799	1 332 654	1 335 838	1 332 654
29. Earnings per share (NOK)	1.92	2.32	6.43	6.91
30. Earnings per share excluding operations held for sale (NOK)	1.92	2.32	6.37	6.91
31. Dividend per share (NOK)	-	-	1.75	0.00
32. Total shareholders' return (%)	8.2	12.0	144.7	(65.5)
33. Dividend yield (%)	-	-	2.79	0.00
34. Equity per share including allocated dividend at end of period (NOK)	62.49	59.89	60.56	57.83
35. Share price at end of period (NOK)	67.90	30.25	62.75	27.00
36. Diluted share price at end of period, adjusted for rights issue (NOK)	67.90	28.73	62.75	25.64
37. Price/earnings ratio	8.83	3.26	9.85	3.91
38. Price/book value	1.09	0.51	1.04	0.47
39. Market capitalisation (NOK billion)	110.6	40.3	102.2	36.0

For definitions of selected key figures, see next page.

## Key figures (continued)

### Definitions

- 1, 2, 3 Based on nominal values excluding lending to and deposits with credit institutions and impaired loans, measured against the 3-month money market rate.
- 5 Total operating expenses relative to total income. Expenses exclude impairment losses for goodwill and reversals of provisions for contractual early retirement pensions.
- 6 Profit for the period, excluding profit attributable to minority interests. Average equity is calculated on the basis of recorded equity excluding minority interests.
- 7 RARORAC (Risk-Adjusted Return On Risk-Adjusted Capital) is defined as risk-adjusted profits relative to the risk-adjusted capital requirement. Risk-adjusted profits indicate the level of profits in a normalised situation. The risk-adjusted capital requirement is described in further detail in the chapter "Management in DnB NOR" in the DnB NOR Group's annual report for 2009.
- 8 RORAC (Return On Risk-Adjusted Capital) is defined as profits for the period relative to risk-adjusted capital requirement. Profits for the period exclude profits attributable to minority interests and are adjusted for the period's change in fair value recognised directly in equity and for the difference between recorded interest on average equity and interest on risk-adjusted capital.
- 10 Profit for the period relative to average risk-weighted volume.
- 22 Total assets under management for customers in Insurance and Asset Management.
- 23 Total assets and customer assets under management.
- 25 Total deposits from customers, assets under management and equity-linked bonds.
- 27 The Annual General Meeting on 27 April 2010 authorised the Board of Directors of DnB NOR ASA to acquire own shares for a total face value of up to NOK 1 628 798 861, corresponding to 10 per cent of share capital. The shares may be purchased through the stock market. Each share may be purchased at a price between NOK 10 and NOK 150. The authorisation is valid for a period of 12 months from 27 April 2010. Acquired shares shall be redeemed in accordance with regulations on the reduction of capital. An agreement has been signed with the Ministry of Trade and Industry for the redemption of a proportional share of government holdings to ensure that the government's percentage ownership does not change as a result of the redemption of repurchased shares.
- 29 Excluding profits attributable to minority interests. Holdings of own shares are not included in calculations of the number of shares.
- 30 Excluding operations held for sale and profits attributable to minority interests. Holdings of own shares are not included in calculations of the number of shares.
- 32 Closing price at end of period less closing price at beginning of period, including dividends reinvested in DnB NOR shares on the dividend payment date, relative to closing price at beginning of period.
- 34 Equity at end of period excluding minority interests relative to number of shares at end of period.
- 37 Closing price at end of period relative to annualised earnings per share.
- 39 Closing price at end of period relative to recorded equity at end of period.
- 39 Number of shares multiplied by the closing share price at end of period.



# Profit and balance sheet trends

## Income statement

	DnB NOR Group				
	1st quarter	4th quarter	3rd quarter	2nd quarter	1st quarter
<i>Amounts in NOK million</i>	2010	2009	2009	2009	2009
Total interest income	13 041	12 667	13 317	14 692	17 687
Total interest expenses	7 480	7 061	7 577	9 038	12 054
<b>Net interest income</b>	<b>5 561</b>	<b>5 606</b>	<b>5 740</b>	<b>5 654</b>	<b>5 633</b>
Commissions and fees receivable etc.	2 162	2 137	2 312	2 217	2 058
Commissions and fees payable etc.	534	521	530	549	469
Net gains on financial instruments at fair value	1 298	1 066	1 931	1 059	2 229
Net gains on assets in Vital	3 760	4 107	4 511	3 578	1 266
Guaranteed returns and allocations to policyholders in Vital	3 353	3 798	4 295	3 418	1 201
Premium income etc. included in the risk result in Vital	1 142	1 169	1 187	1 169	1 180
Insurance claims etc. included in the risk result in Vital	1 308	1 240	1 177	1 101	1 096
Premium income non-life insurance	233	221	134	149	89
Insurance claims etc. non-life insurance	263	201	125	135	78
Profit from companies accounted for by the equity method	61	(49)	(284)	(471)	897
Other income	294	268	286	195	315
<b>Net other operating income</b>	<b>3 493</b>	<b>3 160</b>	<b>3 951</b>	<b>2 694</b>	<b>5 190</b>
<b>Total income</b>	<b>9 054</b>	<b>8 766</b>	<b>9 691</b>	<b>8 347</b>	<b>10 823</b>
Salaries and other personnel expenses	1 950	2 493	2 454	2 417	2 553
Other expenses	1 799	1 446	1 672	1 843	1 823
Depreciation and write-downs of fixed and intangible assets	366	718	522	632	338
<b>Total operating expenses</b>	<b>4 115</b>	<b>4 657</b>	<b>4 648</b>	<b>4 891</b>	<b>4 714</b>
Net gains on fixed and intangible assets	10	19	(4)	7	4
Write-downs on loans and guarantees	947	1 517	2 277	2 318	1 598
<b>Pre-tax operating profit</b>	<b>4 002</b>	<b>2 610</b>	<b>2 762</b>	<b>1 146</b>	<b>4 514</b>
Taxes	1 081	1 001	1 002	503	1 580
Profit from operations and non-current assets held for sale, after taxes	(4)	80	0	0	0
<b>Profit for the period</b>	<b>2 917</b>	<b>1 689</b>	<b>1 760</b>	<b>643</b>	<b>2 934</b>
Earnings/diluted earnings per share (NOK)	1.92	1.58	1.63	0.90	2.32

## Profit and balance sheet trends (continued)

Balance sheet	DnB NOR Group				
	31 March 2010	31 Dec. 2009	30 Sept. 2009	30 June 2009	31 March 2009
<i>Amounts in NOK million</i>					
<b>Assets</b>					
Cash and deposits with central banks	15 287	31 859	29 899	58 524	58 185
Lending to and deposits with credit institutions	75 514	62 317	70 346	63 789	75 977
Lending to customers	1 125 946	1 114 886	1 132 793	1 164 270	1 173 547
Commercial paper and bonds	227 846	225 415	229 441	157 479	120 641
Shareholdings	63 113	58 227	48 396	37 397	35 484
Financial assets, customers bearing the risk	21 193	21 337	20 044	18 031	16 448
Financial derivatives	72 277	70 072	86 116	87 416	112 930
Commercial paper and bonds, held to maturity	179 185	179 832	172 906	168 201	154 808
Investment property	33 626	33 381	33 303	32 215	32 136
Investments in associated companies	2 579	2 521	2 617	2 940	3 410
Intangible assets	7 431	7 644	8 409	7 862	8 028
Deferred tax assets	256	246	248	395	249
Fixed assets	5 519	5 482	5 634	5 356	5 182
Operations and non-current assets held for sale	1 314	1 255	168	164	201
Other assets	11 221	8 979	8 727	11 380	12 017
<b>Total assets</b>	<b>1 842 309</b>	<b>1 823 453</b>	<b>1 849 047</b>	<b>1 815 419</b>	<b>1 809 242</b>
<b>Liabilities and equity</b>					
Loans and deposits from credit institutions	305 097	302 669	297 107	233 723	230 256
Deposits from customers	585 835	590 745	594 539	611 386	595 246
Financial derivatives	53 167	53 019	68 391	66 256	78 312
Debt securities issued	498 796	493 732	520 878	526 954	548 867
Insurance liabilities, customers bearing the risk	21 193	21 337	20 044	18 031	16 448
Liabilities to life insurance policyholders	200 698	193 556	191 423	189 047	187 994
Insurance liabilities, non-life insurance	960	704	635	552	359
Payable taxes	8 973	9 093	2 886	1 893	1 707
Deferred taxes	550	525	5 587	5 825	5 547
Other liabilities	19 308	12 331	16 333	28 112	13 506
Operations held for sale	347	366	0	0	0
Provisions	4 546	4 923	5 057	4 992	4 923
Subordinated loan capital	38 614	39 051	39 940	43 629	42 624
<b>Total liabilities</b>	<b>1 738 085</b>	<b>1 722 050</b>	<b>1 762 819</b>	<b>1 730 399</b>	<b>1 725 788</b>
Minority interests	2 448	2 755	3 265	4 010	3 644
Share capital	16 222	16 231	13 327	13 327	13 327
Share premium reserve	22 609	22 609	11 697	11 697	11 697
Other equity	62 945	59 808	57 939	55 987	54 786
<b>Total equity</b>	<b>104 224</b>	<b>101 403</b>	<b>86 228</b>	<b>85 020</b>	<b>83 453</b>
<b>Total liabilities and equity</b>	<b>1 842 309</b>	<b>1 823 453</b>	<b>1 849 047</b>	<b>1 815 419</b>	<b>1 809 242</b>

# Information about the DnB NOR Group

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## Board of Directors in DnB NOR ASA

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

## Group management

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

## Investor Relations

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## Financial calendar 2010

Preliminary results 2009	11 February
Annual General Meeting	27 April
Ex-dividend date	28 April
Distribution of dividends	as of 11 May
First quarter	29 April
Second quarter	9 July
Third quarter	28 October

## Other sources of information

### Annual reports

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

### Quarterly publications

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

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

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