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INVESTOR
RELATIONS



Supplementary
information for
investors and analysts
Fourth quarter 2010

(preliminary and unaudited)

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Financial Calendar 2011

Preliminary results 2010 and fourth quarter 2010	10 February
Annual general meeting	28 April
Ex-dividend date	29 April
First quarter 2011	6 May
Capital Markets Day, Oslo	15 June
Second quarter 2011	12 July
Third quarter 2011	27 October

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Statements regarding DnB NOR's relative market positions are, unless otherwise specified, based on internal DnB NOR analyses.

Section 1

DnB NOR - an overview

Financial highlights

Income statement

<i>Amounts in NOK million</i>	4th quarter 2010	4th quarter 2009	Full year 2010	Full year 2009
Net interest income	6 153	5 606	23 436	22 633
Net other operating income	4 553	3 160	16 156	14 994
Ordinary operating expenses	4 610	4 319	17 920	18 114
Other expenses	0	338	591	796
Pre-tax operating profit before write-downs	6 096	4 109	21 081	18 717
Net gains on fixed and intangible assets	26	19	24	26
Write-downs on loans and guarantees	529	1 517	2 997	7 710
Pre-tax operating profit	5 593	2 610	18 108	11 032
Taxes	367	1 001	4 121	4 086
Profit from operations and non-current assets held for sale, after taxes	57	80	75	80
Profit for the period	5 284	1 689	14 062	7 026
Profit attributable to shareholders	5 349	2 122	14 814	8 585
Profit attributable to minority interests	(65)	(433)	(752)	(1 559)

Balance sheet

<i>Amounts in NOK million</i>	Full year 2010	Full year 2009
Total assets	1 861 620	1 823 453
Lending to customers	1 170 341	1 114 886
Deposits from customers	641 914	590 745
Total equity	111 196	101 403
Average total assets	1 969 557	1 905 708
Total combined assets	2 140 868	2 075 824

Key figures

	4th quarter 2010	4th quarter 2009	Full year 2010	Full year 2009
Average combined spread for lending and deposits (per cent)	1.17	1.13	1.15	1.15
Cost/income ratio	43.1	49.3	47.6	48.1
Write-downs relative to net lending to customers (per cent)	0.18	0.53	0.26	0.67
Return on equity (per cent)	19.6	10.1	13.6	10.6
Earnings per share (NOK)	3.25	1.58	8.66	6.43
Dividend per share (NOK) ¹⁾	-	-	4.00	1.75
Tier 1 capital ratio at end of period (per cent)	10.1	9.3	10.1	9.3
Capital adequacy ratio at end of period (per cent)	12.4	12.1	12.4	12.1
Share price at end of period (NOK)	81.90	62.75	81.90	62.75
Price/book value	1.20	1.04	1.20	1.04

1) Proposed dividend for 2010.

DnB NOR – Norway's leading financial services group

DnB NOR Group

- Total combined assets
- Total balance sheet
- Net lending to customers
- Customer deposits
- Market capitalisation

As at 31 December 2010

NOK	2 141 billion
NOK	1 862 billion
NOK	1 170 billion
NOK	642 billion
NOK	133 billion

Insurance and Asset Management

• Total assets under management	NOK	527 billion
<u>of which:</u>		
- total assets under management (external clients)	NOK	257 billion
- mutual funds	NOK	68 billion
- discretionary management	NOK	189 billion
- total assets under operations (external clients)	NOK	22 billion
- total assets in Vital	NOK	247 billion
- financial assets, customers bearing the risk	NOK	24 billion
- total assets in DnB NOR Skadeforsikring	NOK	1 billion

Customer base

- Serving 2.2 million private individuals throughout Norway, of whom 1.4 million use one of the Group's Internet banks and 1.3 million use the Internet in active communication (e-dialogue customers)
- More than 200 000 corporate customers in Norway
- Some 1 000 000 individuals insured in Norway
- Approximately 556 000 mutual fund customers in Norway and 265 institutional asset management clients in Norway and Sweden

Market shares

See Section 3 for market shares.

Distribution network

- 165 domestic DnB NOR branches
- 15 Nordlandsbanken branches
- 9 international branches
- 4 international representative offices
- 40 Postbanken sales outlets
- 166 DnB NORD branches
- 9 DnB NOR Monchebank branches
- DnB NOR Luxembourg (subsidiary)
- Internet banking
- Mobile bank and SMS services
- Telephone banking
- Online equities trading in 16 markets
- Online mutual fund trading
- 179 post office counters ¹⁾
- About 1 250 in-store postal outlets ¹⁾
- About 1 700 rural postmen ¹⁾
- About 980 in-store banking outlets ²⁾
- 92 DnB NOR Eiendom sales offices
- 36 Postbanken Eiendom sales offices
- 221 Svensk Fastighetsförmedling sales offices
- 15 Vital sales offices
- 58 Vital agent companies

1) Provided by Norway Post (the Norwegian postal system).

2) Provided by NorgesGruppen.

Credit ratings from international rating agencies

	Moody's		Standard & Poor's		Dominion Bond Rating Service	
	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
DnB NOR Bank ASA	Aa3	P-1	A+	A-1	AA	R-1 (high)

DnB NOR's strategy

DnB NOR has a customer-centric vision and values. By having satisfied customers whose needs for financial services are well met, DnB NOR aims to become the leading bank throughout Norway and a leading international player in selected areas.

Vision and values

An important target for the Group is to achieve even stronger customer orientation in its operations and improve customer satisfaction.

DnB NOR's vision, **Creating value through the art of serving the customer** means that DnB NOR will create value for customers, shareholders, employees and society in general.

DnB NOR's values **helpful, professional** and **show initiative** reflect what should characterise the Group in meetings with its customers. Employees which are helpful, professional and show initiative are vital if DnB NOR is to succeed in implementing its strategy.

Strategy

By capitalising on the Group's strengths and unique position, DnB NOR will strengthen its position in Norway, create profitable international growth and become one of the most cost-effective European banks.

Strengthen and consolidate DnB NOR's position in Norway – *the Norwegian bank*

DnB NOR will build and strengthen relations with high-quality customers.

DnB NOR will:

- offer extensive distribution – present a uniform corporate image and one main brand
- offer a complete range of attractive products which meet customer needs, which includes the development of the most attractive mobile and online services
- offer competitive prices and products which create value for customers
- engage in long-term, honest and relevant communication with customers
- meet the needs of the largest corporate clients in Norway through strong industry expertise and local competitive power

Profitable international growth

DnB NOR will build on Norwegian expertise to become a leading international niche player within selected industries, product areas and geographical regions. DnB NOR will build long-term relations with the largest corporate clients based on its core competencies.

DnB NOR's target segments will be:

- shipping
- energy
- seafood

DnB NOR will further develop its operations in the Baltic region and Poland. The integration of operations and streamlining of the organisation will promote long-term value creation.

DnB NOR will be among the most cost-effective market players in Europe

DnB NOR will coordinate group and support functions to ensure consistent deliveries, standardised processes and greater automation.

Streamlining measures will be given high priority by:

- strengthening and coordinating procurement functions in the Group
- coordinating and consolidating IT functions
- standardising and automating products, services and customer service where expedient
- coordinating and rationalising staff and support functions

Financial targets

DnB NOR will give priority to long-term value creation for its shareholders and aims to achieve a return on equity, growth and a market capitalisation which are competitive in relation to its Nordic peers.

The successful implementation of DnB NOR's strategy will result in DnB NOR reaching its long-term financial targets, which are:

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

Capital strategy and dividend policy:

- DnB NOR to be among the best capitalised financial groups in the Nordic region
- AA level ratings for long-term debt for DnB NOR Bank ASA
- dividend payments representing approximately 50 per cent of annual profits

Dividends will be determined on the basis of expected profit levels in a normal situation, external parameters and the need to maintain capital adequacy at a satisfactory level.

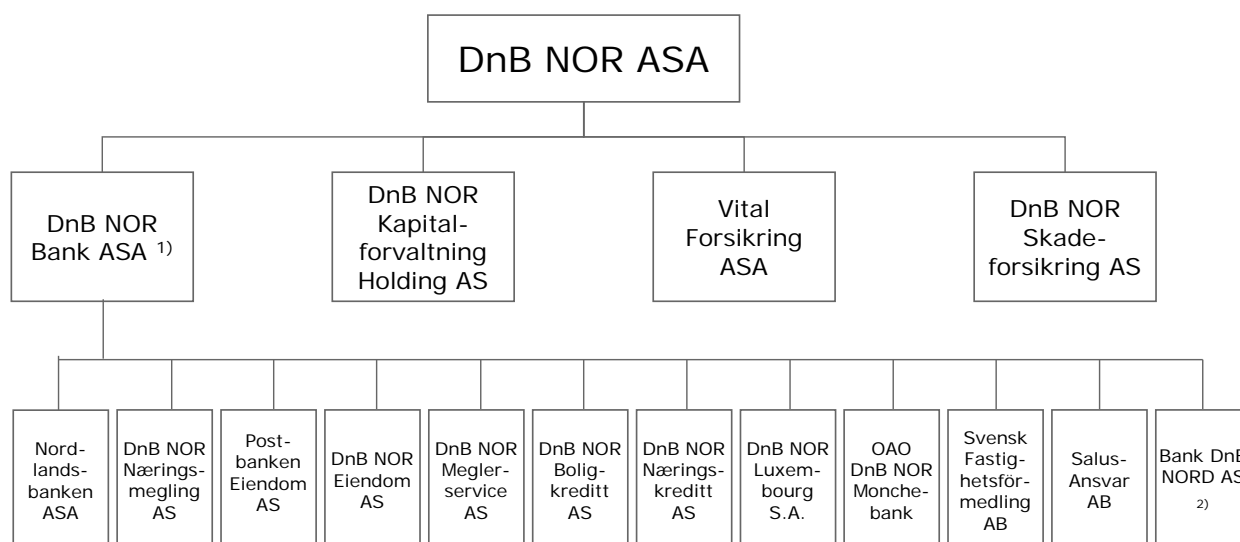
Legal structure

In accordance with the requirements of the Norwegian regulatory authorities, the banking, asset management and insurance activities of the DnB NOR Group are organised in separate limited companies under the holding company DnB NOR ASA. Banking activities are organised in DnB NOR Bank ASA and its subsidiaries. All asset management activities are organised under a common holding company, DnB NOR Kapitalforvaltning Holding AS. Vital Forsikring ASA offers life insurance and pension saving products, both products with guaranteed returns and products with a choice of investment profile. DnB NOR Skadeforsikring AS offers non-life insurance products as part of a total product package for retail customers and small and medium-sized companies.

DnB NOR acquired the remaining 49 per cent of the shares in Bank DnB NORD AS at 23 December 2010.

The chart below shows the legal structure of the DnB NOR Group.

DnB NOR Group - legal structure at end-December 2010



1) Major subsidiaries only.

2) DnB NOR acquired the remaining 49 per cent of the shares in Bank DnB NORD AS at 23 December 2010.

Group business structure

The 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 the Group's customers and for the total range of products. With effect from end-December 2010, DnB NOR became wholly owned by DnB NOR. DnB NOR will be organised as a separate division in Large Corporates and International called the Baltics and Poland Division, but will also in the future be reported as a separate profit centre.

Retail Banking is responsible for serving private customers and small and medium-sized corporate customers in the regional network in Norway. The organisation will enable the Group to utilise its wide range of products and services and expert skills in an optimal manner by coordinating activities in local markets and thus strengthen relations to customers in all Norwegian market segments.

The largest corporate clients in Norway and the international customers are served by the business area *Large Corporates and International*. The business area will concentrate on large corporates and further reinforce sound industry expertise.

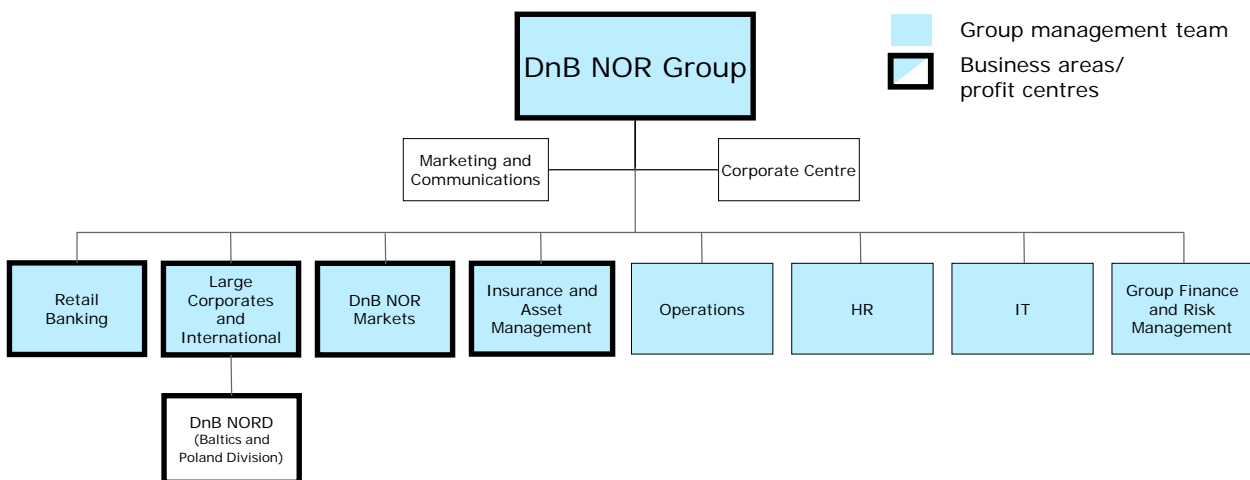
DnB NOR Markets is the Group's investment firm.

Insurance and Asset Management is responsible for life insurance, pension savings, non-life insurance and asset management in the Group.

Operational tasks and group services are carried out by the Group's staff and support units, which provide infrastructure and cost efficient services to the business areas. In addition, they perform functions for governing bodies and group management. The business areas have the opportunity to influence staff and support units in the Group by changing their demand patterns and levels of ambition.

The operational structure of DnB NOR deviates from its legal structure. The operational structure is adapted to the Group's business operations and should ensure good customer service, innovative product development and more efficient operations. All activities in subsidiaries fall within the business area relevant to the company's primary operations.

DnB NOR Group - organisation chart at end-December 2010 ¹⁾



1) Reporting structure.

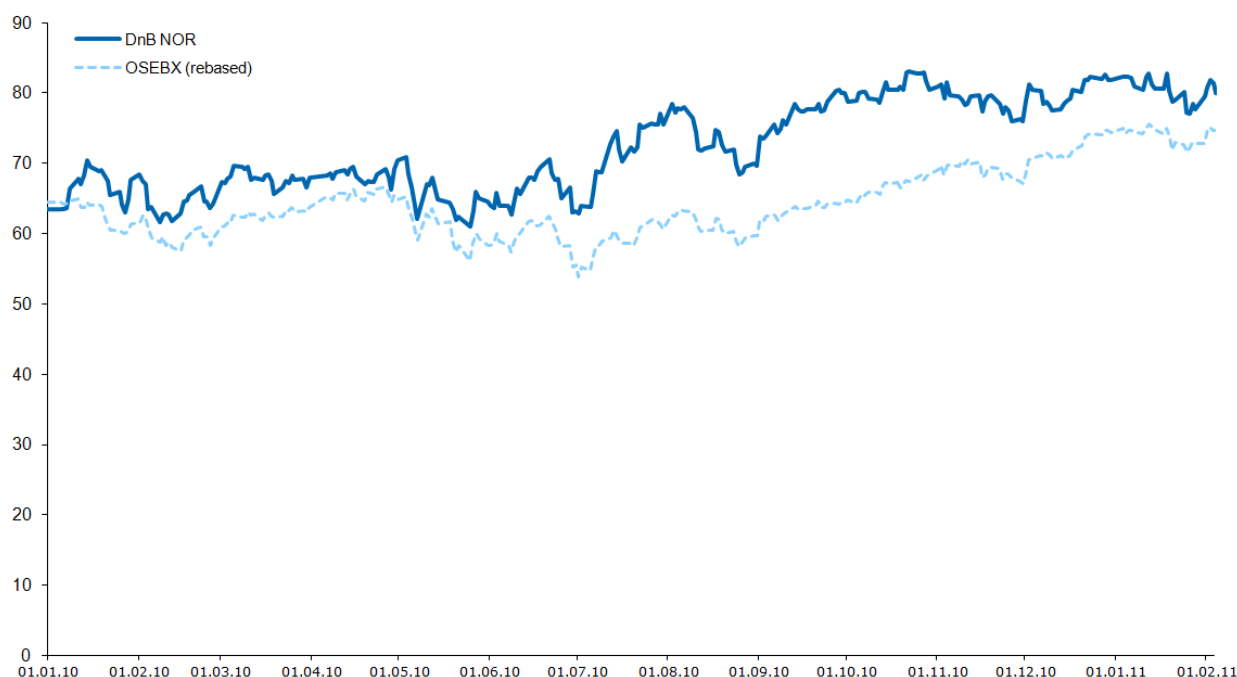
Equity-related data

Key figures

	2010	2009	2008	2007	2006
Number of shares at end of period (1 000) ¹⁾	1 628 799	1 628 799	1 332 654	1 332 654	1 334 089
Average number of shares (1 000)	1 628 799	1 335 838	1 332 654	1 333 402	1 335 449
Earnings per share (NOK)	8.66	6.43	6.91	11.08	8.74
Return on equity, annualised (%)	13.6	10.6	12.4	22.0	19.5
RARORAC, annualised (%) ²⁾	19.0	17.2	13.6	21.6	22.0
RORAC, annualised (%) ³⁾	25.2	12.6	15.3	31.9	28.4
Share price at end of period (NOK)	81.90	62.75	27.00	83.00	88.50
Diluted share price at end of period, adjusted for rights issue (NOK)	81.90	62.75	25.64	78.82	84.04
Price/earnings ratio ⁴⁾	9.50	9.85	3.91	7.49	10.13
Price/book value ⁵⁾	1.20	1.04	0.47	1.51	1.84
Dividend per share (NOK) ⁶⁾	4.00	1.75	0.00	4.50	4.00
Dividend yield (%)	4.88	2.79	0.00	5.42	4.52
Equity per share including allocated dividend at end of period (NOK)	68.27	60.56	57.83	55.01	48.13

- 1) 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 1 547 358 918, corresponding to 9.5 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. Number of shares in 2006 are excluding the 2 786 thousand own shares repurchased in accordance with the authorisation issued by DnB NOR's General Meeting.
- 2) 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.
- 3) RORAC (Return On Risk-Adjusted Capital) is defined as profits for the period relative to the 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.
- 4) Closing price at end of period relative to annualised earnings per share.
- 5) Closing price at end of period relative to recorded equity at end of period.
- 6) Proposed dividend for 2010.

Share price development – 1 January 2010 to 9 February 2011

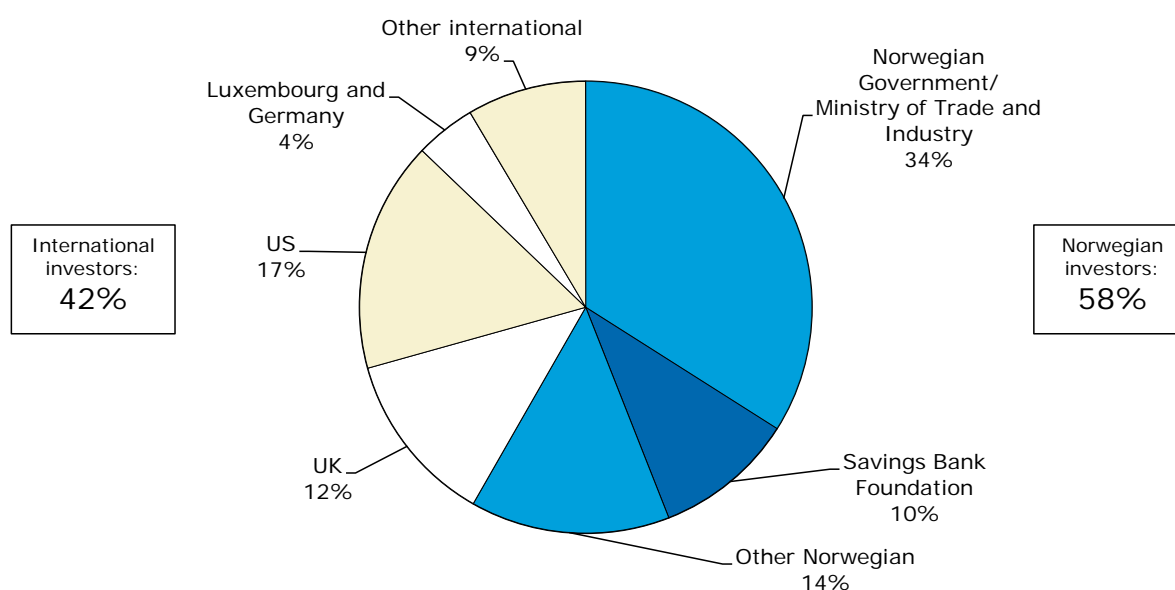


Shareholder structure as at 31 December 2010

Major shareholders

	Shares in 1 000	Ownership in %
Norwegian Government/Ministry of Trade and Industry	553 792	34.00
Sparebankstiftelsen DnB NOR (Savings Bank Foundation)	163 369	10.03
Folketrygdfondet (National Insurance Scheme Fund)	80 263	4.93
Capital Research/Capital International	43 026	2.64
Fidelity Investments	32 863	2.02
Blackrock Investments	28 542	1.75
People's Bank of China	22 409	1.38
Jupiter Asset Management	21 314	1.31
Threadneedle Investment Funds	16 250	1.00
DnB NOR Funds	14 911	0.92
Standard Life	13 082	0.80
Schroder Investment Management	11 730	0.72
Nordea Funds	11 031	0.68
Vanguard Funds	8 988	0.55
Deutsche Bank/DWS Investments	8 746	0.54
Kuwait Investment Authority	8 177	0.50
L&G Legal and General	8 051	0.49
Bessemer Trust	7 928	0.49
State Street Global Advisors	7 520	0.46
Storebrand Funds	7 315	0.45
Total largest shareholders	1 069 306	65.65
Other	559 493	34.35
Total	1 628 799	100.00

Ownership according to investor category



Accounting principles etc.

Accounting principles

The fourth 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.

IFRS 3 – Business Combinations (revised)

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.

IAS 27 – Consolidated and Separate Financial Statements (revised)

The revised standard gives extensive principles 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, the 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.

Important accounting estimates and discretionary assessments

When preparing the consolidated accounts, management makes estimates and discretionary assessments and prepares assumptions that influence the effect of the accounting principles applied and thus the recorded values of assets, 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 an Act relating to the financing of a new contractual early retirement pension scheme (AFP) in February 2010. The new scheme entered into force as from 1 January 2011. The former AFP scheme applies only to employees who had selected early retirement prior to the parliamentary resolution and to those who reached 62 years of age and who had chosen the old scheme before it was terminated at the end of 2010. Upon the transition to a new AFP scheme, the former scheme will be discontinued.

Benefits provided under the new scheme are considered to be quite different from those provided under the former scheme and the transition to the new scheme is thus not to be regarded as a plan change, but as a curtailment and settlement of the former scheme. Employees who did not qualify for the former AFP scheme in 2010 have no future rights under the old scheme. This part of the pension commitments was settled in the first quarter of 2010.

The effect of terminating the commitments for employees born after 1948, including the related changes in estimates and employers' contributions, was 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' in the income statement.

The new AFP scheme should be recorded as a defined benefit multi-company scheme in the accounts. Thus far, no details have been presented on how the new commitments should be recorded in the accounts. The premium for the new AFP scheme is expected to be announced in the first quarter of 2011. The costs of the new AFP scheme are estimated to be at least as high as the Group's previous AFP costs.

Section 2

Financial results DnB NOR Group

Financial results

Income statement – condensed ¹⁾

Amounts in NOK million	4Q10	3Q10	2Q10	1Q10	4Q09	Full year	
						2010	2009
Net interest income	6 153	5 978	5 744	5 561	5 606	23 436	22 633
Net other operating income	4 553	3 315	4 795	3 493	3 160	16 156	14 994
Total operating expenses before impairment losses for goodwill and intangible assets	4 610	4 482	4 713	4 115	4 319	17 920	18 114
Impairment losses for goodwill and intangible assets	0	0	591	0	338	591	796
Pre-tax operating profit before write-downs	6 096	4 812	5 234	4 940	4 109	21 081	18 717
Net gains on fixed and intangible assets	26	(11)	(1)	10	19	24	26
Write-downs on loans and guarantees	529	643	878	947	1 517	2 997	7 710
Pre-tax operating profit	5 593	4 157	4 355	4 002	2 610	18 108	11 032
Taxes	367	1 149	1 524	1 081	1 001	4 121	4 086
Profit from operations and non-current assets held for sale, after taxes	57	30	(8)	(4)	80	75	80
Profit for the period	5 284	3 038	2 823	2 917	1 689	14 062	7 026
Profit attributable to shareholders	5 349	3 084	3 264	3 117	2 122	14 814	8 585
Profit attributable to minority interests	(65)	(46)	(442)	(199)	(433)	(752)	(1 559)

1) For a more detailed income statement, see page 42.

Mark-to-market changes on own debt and other items not related to underlying operations and non-recurring items

Amounts in NOK million	4Q10	3Q10	2Q10	1Q10	4Q09	Full year	
						2010	2009
Gains Nordito	-	-	1 170	-	-	1 170	-
Net other operating income, other	830	(717)	614	63	45	790	(230)
Termination of existing contractual pension scheme ¹⁾	-	-	-	367	-	367	-
Impairment losses for goodwill and intangible assets	0	0	591	0	338	591	796
Pre-tax operating profit before write-downs	830	(717)	1 193	430	(293)	1 736	(1 026)

1) The contractual pension scheme for early retirement was terminated during 2010, and excess provisions were reversed in the first quarter of 2010. A new contractual pension scheme will be introduced in 2011, but the details have not yet been outlined.

Balance sheet – condensed ¹⁾

Amounts in NOK billion	31 Dec.	30 Sept.	30 June	31 March	31 Dec.
	2010	2010	2010	2010	2009
Cash and lending to/deposits with credit institutions	64.0	66.4	222.8	90.8	94.2
Lending to customers	1 170.3	1 152.0	1 154.5	1 125.9	1 114.9
Commercial paper and bonds	383.7	393.3	371.2	407.0	405.2
Shareholdings	77.5	68.4	66.9	65.7	60.7
Fixed and intangible assets	52.7	47.4	46.7	46.8	46.8
Financial assets, customers bearing the risk	23.5	21.9	21.1	21.2	21.3
Other assets	89.9	113.9	109.4	84.8	80.3
Total assets	1 861.6	1 863.5	1 992.6	1 842.3	1 823.5
Loans and deposits from credit institutions	257.9	258.1	338.7	305.1	302.7
Deposits from customers	641.9	606.5	621.9	585.8	590.7
Debt securities issued	501.7	533.3	575.6	498.8	493.7
Insurance liabilities, customers bearing the risk	23.5	21.9	21.1	21.2	21.3
Liabilities to life insurance policyholders	205.6	202.2	198.3	200.7	193.6
Other liabilities and provisions	86.4	98.3	93.6	87.9	81.0
Primary capital	144.7	143.1	143.4	142.8	140.5
Total liabilities and equity	1 861.6	1 863.5	1 992.6	1 842.3	1 823.5

1) For a more detailed balance sheet, see page 42.

Financial highlights

	4Q10	3Q10	2Q10	1Q10	4Q09	Full year	
						2010	2009
Cost/income ratio (%) ¹⁾	43.1	48.2	50.3	49.5	49.3	47.6	48.1
Return on equity, annualised (%)	19.6	11.8	12.8	12.5	10.1	13.6	10.6
Earnings per share (NOK)	3.25	1.90	2.01	1.92	1.58	8.66	6.43
Total combined assets at end of period (NOK billion)	2 141	2 134	2 253	2 103	2 076	2 141	2 076
Tier 1 capital ratio at end of period (%) ²⁾	10.1	9.7	9.3	9.4	9.3	10.1	9.3

- 1) Excluding impairment losses for goodwill, other intangible assets and reversals of provisions for contractual early retirement pensions. Total income exclude gains resulting from the merger between the payment services company Nordito and the Danish PBS Holding.
- 2) Including 50 per cent of profit for the year, except for year-end figures.

Norwegian and international units

Norwegian units

Per cent

	4Q10	3Q10	4Q09
Share of group income	83.5	81.3	82.3
Cost/income ratio ¹⁾	41.0	48.1	46.0
Share of net Group lending to customers	81.1	80.9	80.6
Non-performing and impaired commitments relative to total commitments	0.9	0.9	1.0
Write-down ratio ²⁾	37.7	38.0	38.8
Individual write-downs in per cent, annualised	0.17	0.11	0.13

International units excl. DnB NORD

Per cent

	4Q10	3Q10	4Q09
Share of group income	12.1	12.6	11.4
Cost/income ratio ¹⁾	46.7	44.4	59.6
Share of net Group lending to customers	13.8	13.7	13.4
Non-performing and impaired commitments relative to total commitments	1.0	1.7	1.5
Write-down ratio ²⁾	53.0	43.4	48.0
Individual write-downs in per cent, annualised	0.34	0.46	0.45

DnB NORD

Per cent

	4Q10	3Q10	4Q09
Share of group income	4.4	6.1	6.3
Cost/income ratio ¹⁾	72.1	57.8	72.9
Share of net Group lending to customers	5.1	5.4	6.1
Non-performing and impaired commitments relative to total commitments	14.4	14.7	11.8
Write-down ratio ²⁾	40.1	38.5	38.8
Individual write-downs in per cent, annualised	2.60	2.05	4.04

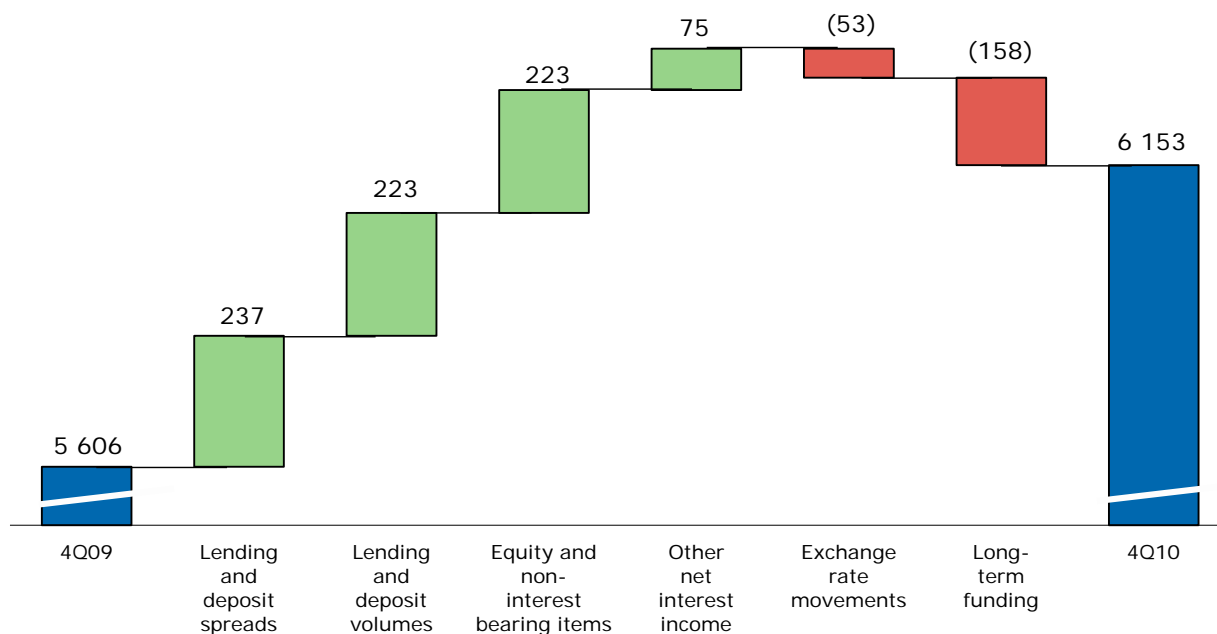
- 1) Excluding impairment losses for goodwill and intangible assets.
- 2) Write-down ratio includes individual and collective write-downs as a percentage of gross non-performing and impaired commitments subject to individual write-downs.

Net interest income

Changes in net interest income

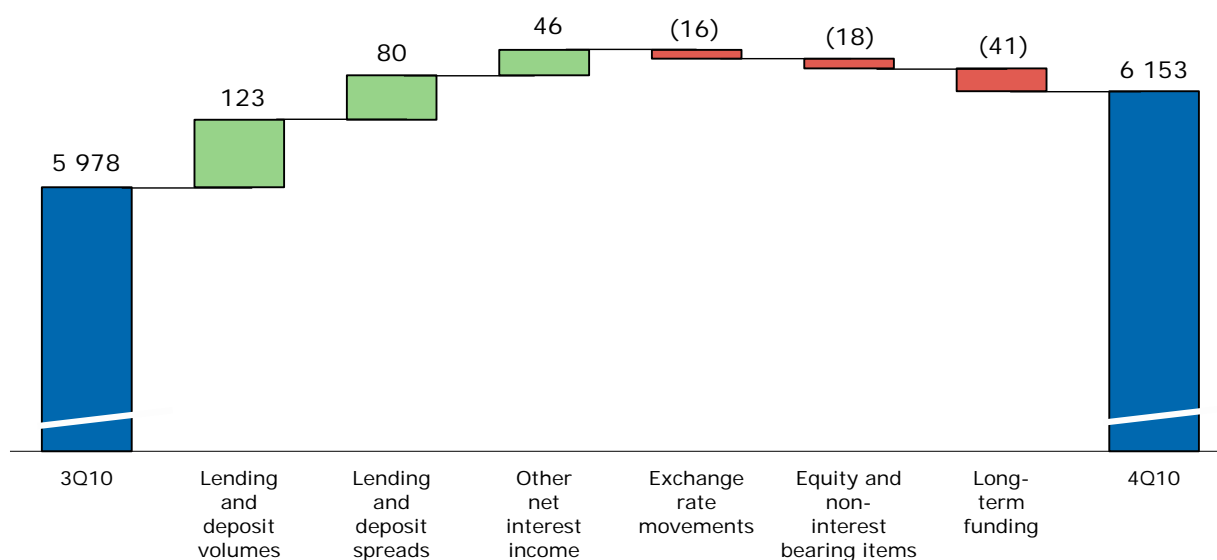
NOK million

From 4th quarter 2009 to 4th quarter 2010



NOK million

From 3rd quarter 2010 to 4th quarter 2010



Changes in net interest income

Amounts in NOK million	2010	Change	2009
Net interest income	23 436	803	22 633
Lending and deposit spreads		172	
Lending and deposit volumes		890	
Exchange rate movements		(517)	
Equity and non-interest bearing items		412	
Commitment fees etc.		216	
Amortisation in the liquidity portfolio		(181)	
Long term funding		(570)	
Other interest items		381	

Net interest income ¹⁾

Amounts in NOK million	Average volumes			Spreads in per cent			Net interest income ²⁾		
	4Q10	3Q10	4Q09	4Q10	3Q10	4Q09	4Q10	3Q10	4Q09
Lending	1 146 864	1 130 818	1 111 916	1.67	1.57	1.61	4 838	4 484	4 523
Deposits	646 538	625 683	600 364	0.27	0.41	0.23	443	640	351
Equity and non-interest bearing items	90 043	87 407	69 880	2.53	2.69	2.00	575	593	352
Other							296	262	379
Total net interest income							6 153	5 978	5 606

1) Excluding lending to and deposits from credit institutions and impaired loans.

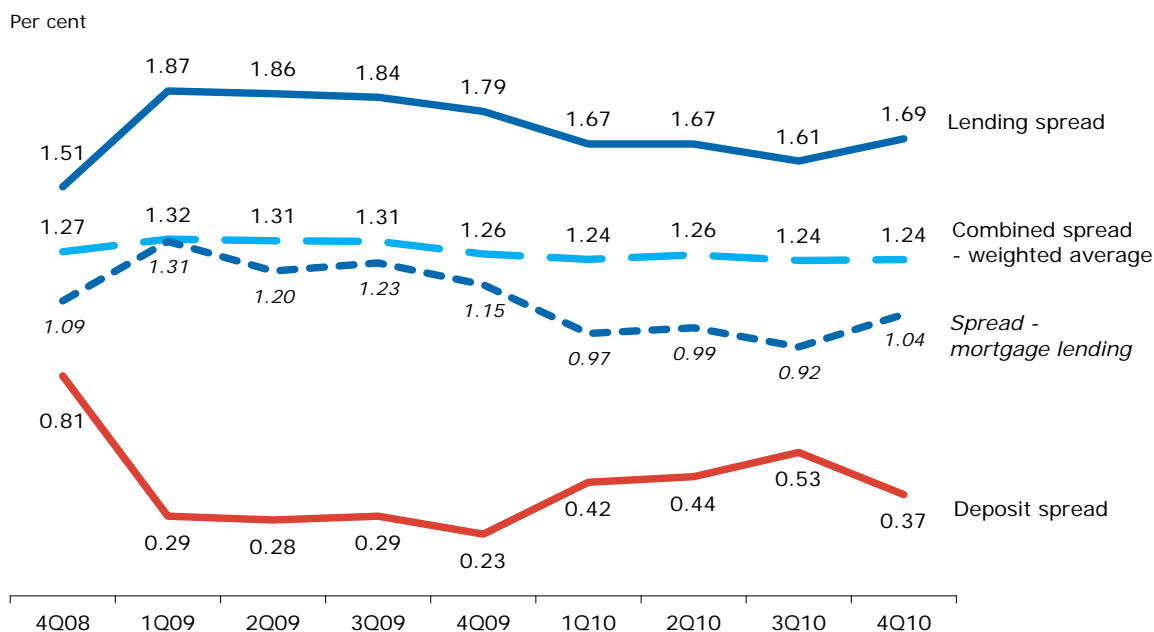
2) Including exchange rate movements.

Segmental interest rate spreads ¹⁾

Per cent	4Q10	3Q10	2Q10	1Q10	4Q09	Full year	
						2010	2009
Lending:							
Retail Banking ^{*)}	1.69	1.61	1.67	1.67	1.79	1.66	1.84
Large Corporates and International	1.52	1.48	1.40	1.35	1.32	1.44	1.28
DnB NORD	1.97	1.94	1.86	1.70	1.06	1.80	1.02
Total	1.67	1.57	1.60	1.58	1.61	1.61	1.61
Deposits:							
Retail Banking	0.37	0.53	0.44	0.42	0.23	0.44	0.27
Large Corporates and International	0.06	0.11	0.11	0.11	0.12	0.10	0.15
DnB NORD	0.64	0.62	0.48	0.66	1.57	0.60	2.04
Total	0.27	0.41	0.32	0.29	0.23	0.32	0.29
Combined spread - lending and deposits:							
Retail Banking	1.24	1.24	1.26	1.24	1.26	1.25	1.30
Large Corporates and International	0.94	0.96	0.92	0.89	0.86	0.93	0.86
DnB NORD	1.57	1.56	1.48	1.45	1.17	1.47	1.23
Weighted total average	1.17	1.16	1.15	1.12	1.13	1.15	1.15
^{*)} of which housing loan portfolio	1.04	0.92	0.99	0.97	1.15	0.98	1.22

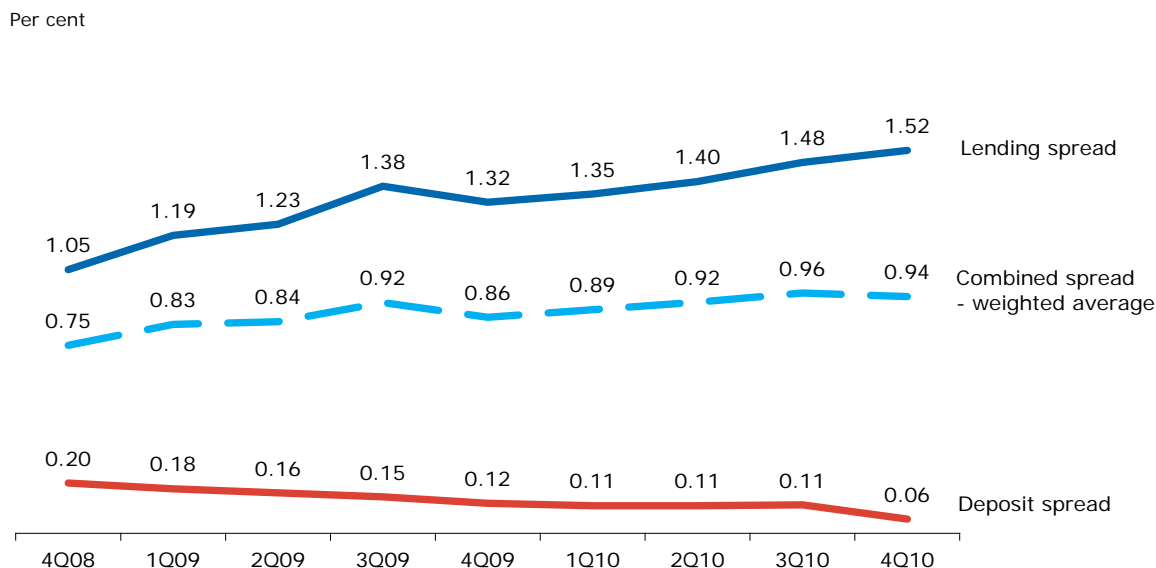
1) Excluding lending to and deposits from credit institutions and impaired loans. Margins are calculated based on money market rates and do not include additional funding costs related to liquidity measures.

Development in average interest rate spreads – Retail Banking ¹⁾



1) Excluding impaired loans

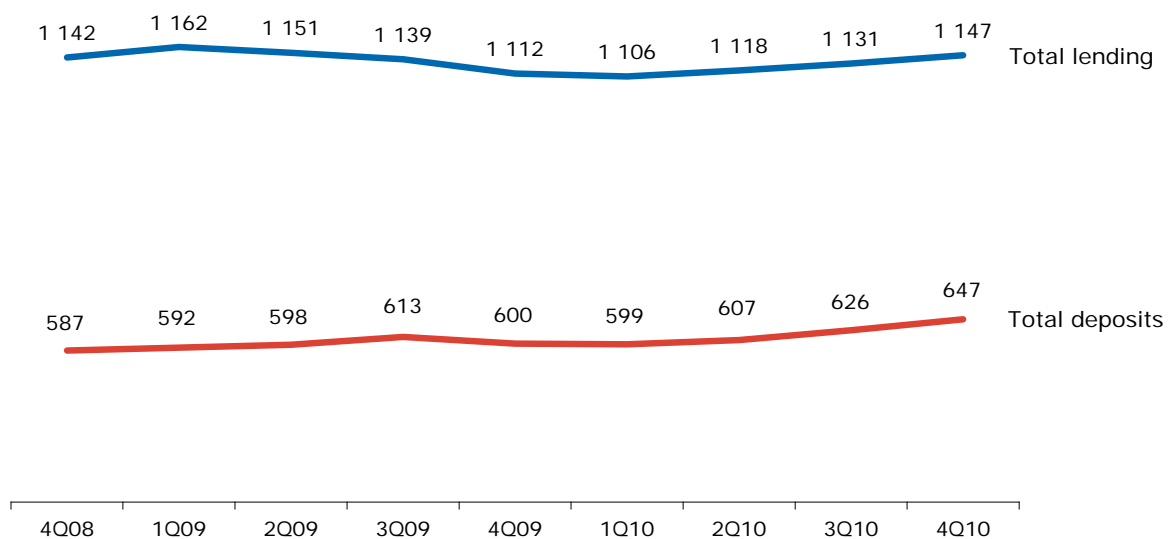
Development in average interest rate spreads – Large Corporates and International ¹⁾



1) Excluding lending to and deposits from credit institutions and impaired loans

Development in average volumes – lending and deposits ¹⁾

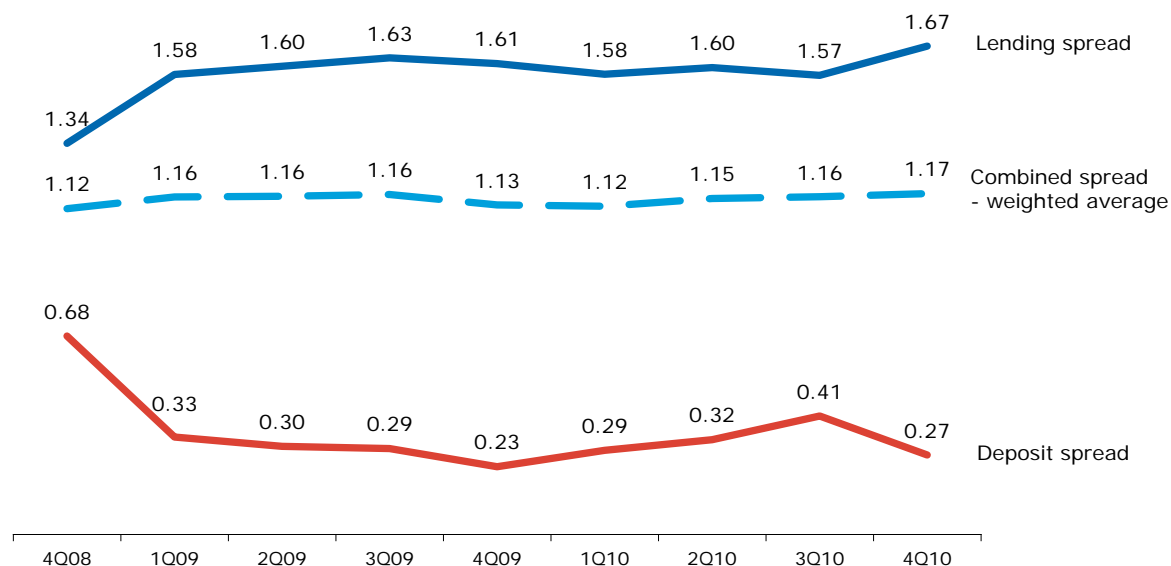
NOK billion



1) Average volumes in the period excluding lending to and deposits from credit institutions and impaired loans

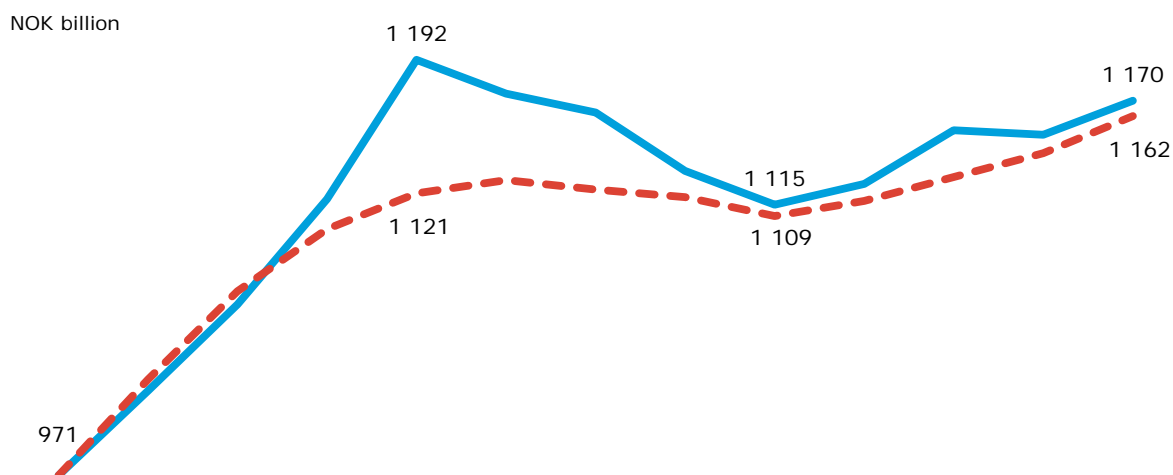
Quarterly development in interest rate spreads ¹⁾

Per cent



1) Excluding lending to and deposits from credit institutions and impaired loans

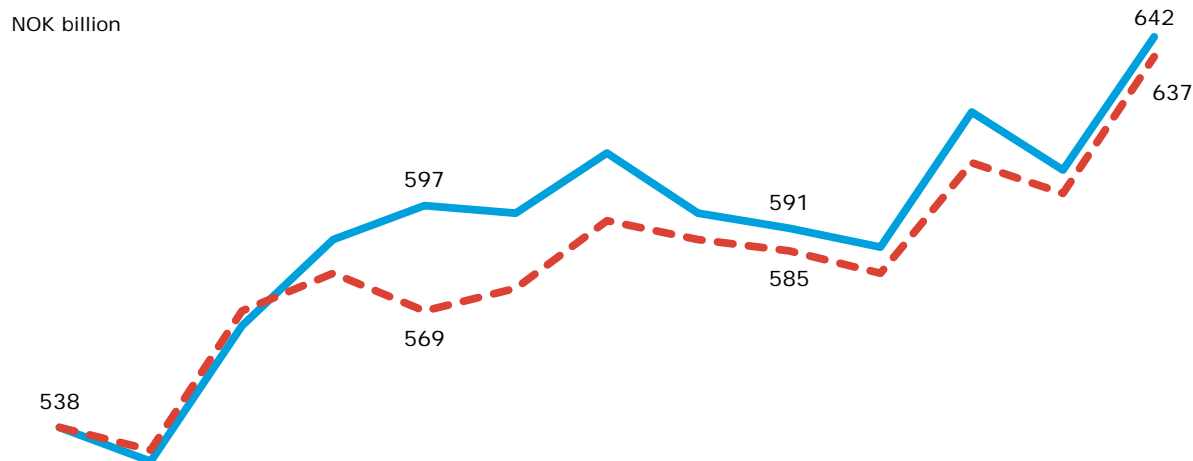
Development in volumes – net lending to customers



31 Dec. 2007	31 March	30 June	30 Sept.	31 Dec.	31 March	30 June	30 Sept.	31 Dec.	31 March	30 June	30 Sept.	31 Dec.	
		2008				2009				2010			

- Lending at end of period
- - Lending, adjusted for exchange rate movements

Development in volumes – deposits

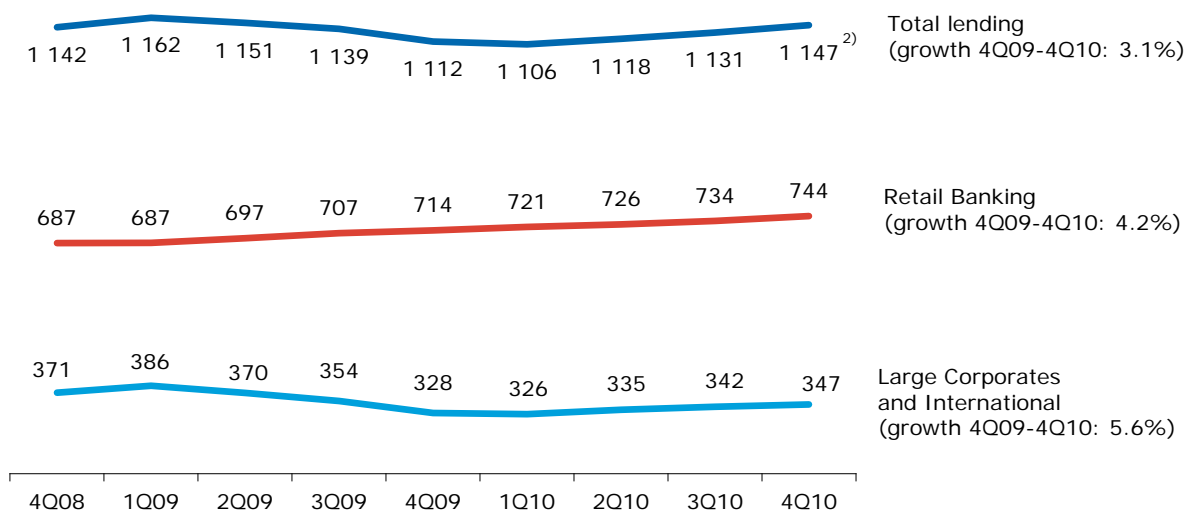


31 Dec. 2007	31 March	30 June	30 Sept.	31 Dec.	31 March	30 June	30 Sept.	31 Dec.	31 March	30 June	30 Sept.	31 Dec.	
		2008				2009				2010			

- Deposits at end of period
- - Deposits, adjusted for exchange rate movements

Development in average volumes - lending ¹⁾

NOK billion

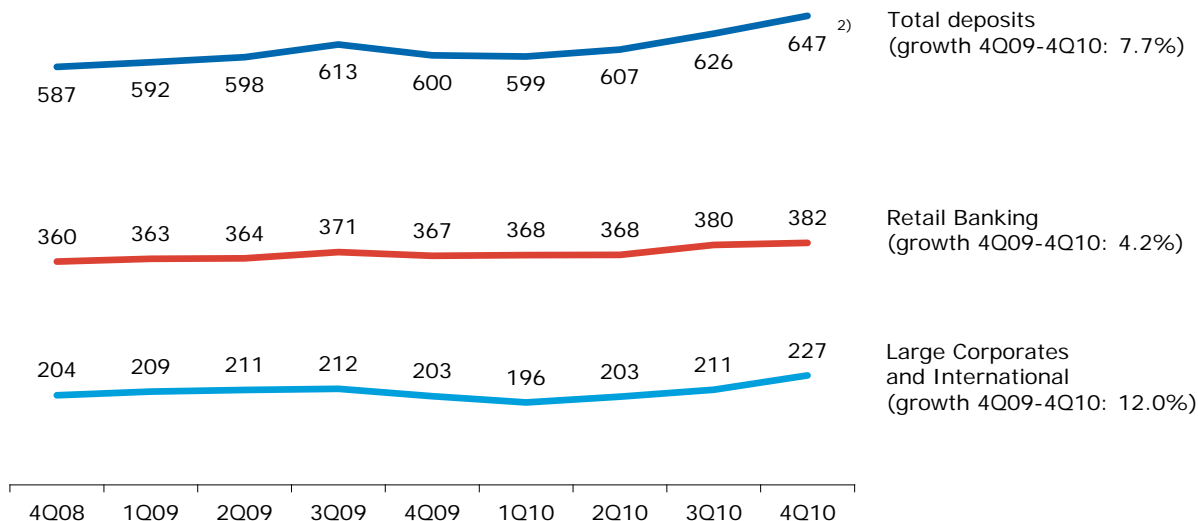


1) Excluding lending to credit institutions and impaired loans

2) Of which DnB NOR: NOK 55 billion. Total lending excluding DnB NOR: NOK 1 091 billion (growth 4.8%)

Development in average volumes - deposits ¹⁾

NOK billion



1) Excluding deposits from credit institutions

2) Of which DnB NOR: NOK 23 billion. Total deposits excluding DnB NOR: NOK 623 billion (growth 7.2%)

Net other operating income

Amounts in NOK million	4Q10	3Q10	2Q10	1Q10	4Q09	Full year	
						2010	2009
Money transfer and interbank transactions	387	508	473	435	507	1 802	1 969
Asset management services	245	209	268	252	254	974	962
Credit broking	244	76	51	54	52	426	315
Real estate broking	223	220	238	180	198	860	774
Custodial services	50	40	47	45	52	183	169
Securities trading	73	45	46	60	47	224	207
Sale of insurance products	607	643	607	584	586	2 442	2 336
Other income from banking services	97	101	83	99	71	380	385
Net gains on equity investments including dividends	750	129	(73)	163	319	969	513
Corporate finance etc.	207	157	147	97	48	608	312
Profit from companies accounted for by the equity method	72	99	(52)	61	(49)	180	93
Other income ¹⁾	121	137	1 333	114	70	1 704	289
Net financial and risk result from Vital ^{*)}	519	801	(243)	242	238	1 318	841
Net premium income/insurance claims, non-life insurance	25	54	42	(30)	20	91	55
Customer trading in FX and interest rate instruments, DnB NOR Markets	391	302	327	270	272	1 290	1 973
FX and interest rate instruments, DnB NOR Markets	232	344	503	422	425	1 501	2 928
FX and interest rate instruments, other	311	(550)	997	443	52	1 201	872
Net other operating income ^{**)}	4 553	3 315	4 795	3 493	3 160	16 156	14 994
<i>As a percentage of total income</i>	<i>42.5</i>	<i>35.7</i>	<i>45.5</i>	<i>38.6</i>	<i>36.0</i>	<i>40.8</i>	<i>39.8</i>

*) Of which:

Net gains on assets in Vital	6 414	4 152	755	3 748	4 114	15 068	13 464
Guaranteed returns and allocations to policyholders in Vital	5 879	3 324	944	3 353	3 798	13 500	12 712
Premium income etc. included in the risk result in Vital	1 242	1 164	1 173	1 142	1 169	4 721	4 705
Insurance claims etc. included in the risk result in Vital	1 248	1 195	1 226	1 308	1 240	4 977	4 613
Net financial and risk result in Vital	528	797	(242)	229	246	1 313	844
Eliminations in the group accounts	(9)	4	(1)	12	(8)	6	(3)
Net financial and risk result from Vital	519	801	(243)	242	238	1 318	841

For a detailed specification of Vital's income statement, see page 78.

***) Of which:

DnB NORD	120	222	99	186	182	627	684
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1) Include gains of NOK 1 170 million from the merger between the payment services company Nordito and the Danish PBS Holding in the second quarter of 2010.

Net other operating income, operational reporting ¹⁾

Amounts in NOK million	4Q10	3Q10	2Q10	1Q10	4Q09	Full year	
						2010	2009
1. Net stock market related income including financial instruments	1 324	581	435	618	720	2 958	2 163
2. Net financial and risk result from Vital	519	801	(243)	242	238	1 318	841
3. Net other commissions and fees including guarantees	1 514	1 508	1 369	1 306	1 330	5 697	5 383
4. Net gains on FX and interest rate instruments excluding guarantee commissions	756	(84)	1 673	1 001	633	3 346	5 396
Real estate broking	223	220	238	180	198	860	774
Other income ²⁾	218	289	1 323	146	40	1 976	438
Net other operating income	4 553	3 315	4 795	3 493	3 160	16 156	14 994

Specifications

Asset management services	245	209	268	252	254	974	962
Custodial services	50	40	47	45	52	183	169
Securities trading	73	45	46	60	47	224	207
Corporate finance etc.	207	157	147	97	48	608	312
Net stock market related commissions and fees (I)	574	452	508	455	401	1 989	1 650
Net gains on equity investments including dividends	750	129	(73)	163	319	969	513
1. Net stock market related income including financial instruments	1 324	581	435	618	720	2 958	2 163
<i>Net stock market related income as a percentage of total income</i>	12.4	6.2	4.1	6.8	8.2	7.5	5.7
<i>Net stock market related income as a percentage of net other operating income</i>	29.1	17.5	9.1	17.6	22.8	18.3	14.4
Net financial result from Vital	525	832	(190)	407	309	1 574	749
Net risk result from Vital	(6)	(31)	(53)	(166)	(71)	(256)	92
2. Net financial and risk result from Vital	519	801	(243)	242	238	1 318	841
Money transfer and interbank transactions	387	508	473	435	507	1 802	1 969
Credit broking	244	76	51	54	52	426	315
Sale of insurance products	607	643	607	584	586	2 442	2 336
Other income from banking services	97	101	83	99	71	380	385
Net other commissions and fees (II)	1 336	1 328	1 215	1 173	1 215	5 051	5 006
Net gains on financial instruments - guarantee commissions	178	180	154	134	115	646	377
3. Net other commissions and fees including guarantees	1 514	1 508	1 369	1 306	1 330	5 697	5 383
Net commissions and fees (I + II)	1 910	1 780	1 723	1 627	1 616	7 040	6 655
Customer trading in FX and interest rate instruments, DnB NOR Markets	391	302	327	270	272	1 290	1 973
FX and interest rate instruments, DnB NOR Markets	232	344	503	422	425	1 501	2 928
FX and interest rate instruments, other	311	(550)	997	443	52	1 201	872
Net gains on FX and interest rate instruments	934	96	1 827	1 135	748	3 992	5 773
Net gains on financial instruments - guarantee commissions	178	180	154	134	115	646	377
4. Net gains on FX and interest rate instruments excluding guarantee commissions	756	(84)	1 673	1 001	633	3 346	5 396

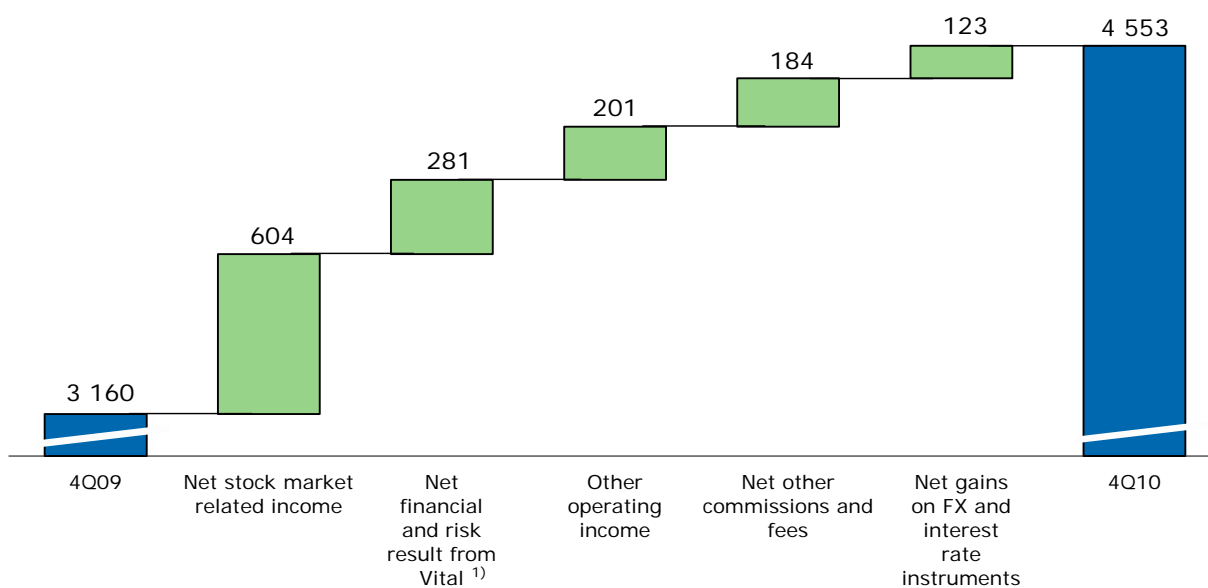
1) In this table items are classified according to main operational areas. Thus, net guarantee commissions, which according to IFRS are classified as "Net gains on financial instruments at fair value" in the income statement, are classified as "Commissions and fees". Stock market related commissions and fees are classified as "Stock market related income".

2) Include gains of NOK 1 170 million from the merger between the payment services company Nordito and the Danish PBS Holding in the second quarter of 2010.

Changes in net other operating income

NOK million

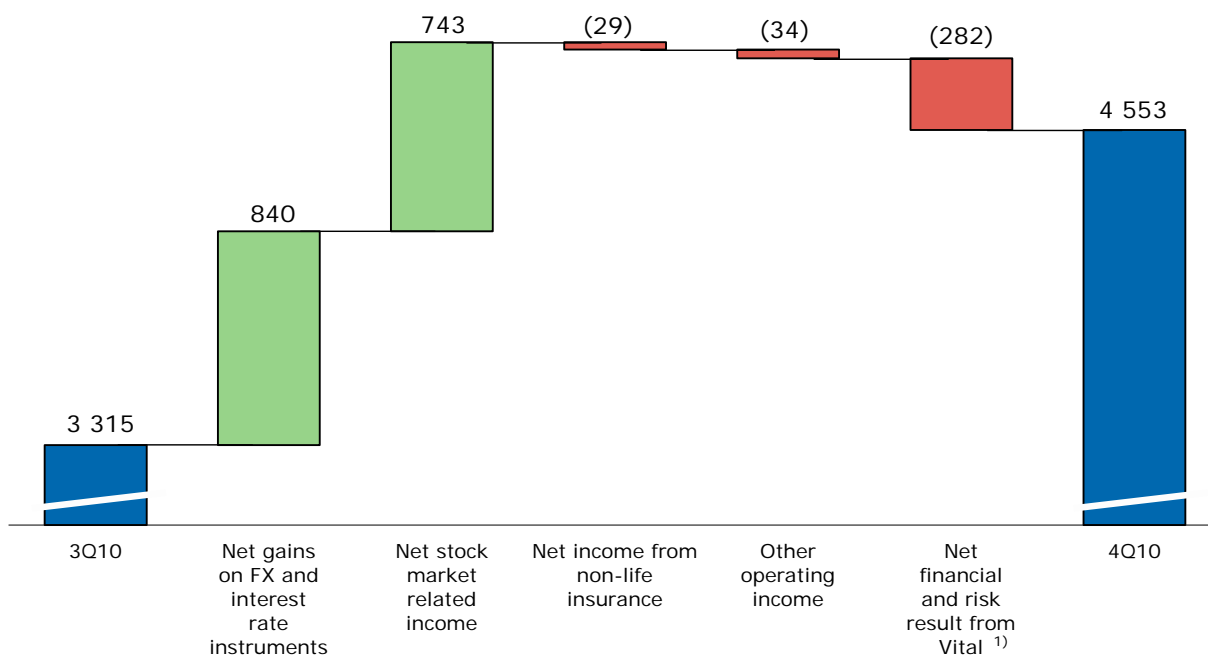
From 4th quarter 2009 to 4th quarter 2010



1) After guaranteed returns and allocations to policyholders

NOK million

From 3rd quarter 2010 to 4th quarter 2010



1) After guaranteed returns and allocations to policyholders

Changes in net other operating income

<i>Amounts in NOK million</i>	2010	Change	2009
Net other operating income	16 156	1 162	14 994
Gain NORDITO		1 170	
Net stock market related income		795	
Net financial and risk result from Vital ¹⁾		477	
Net other commissions and fees		314	
Unrealised loss on investment property in 2009		109	
Profit from associated companies		87	
Real estate broking		87	
Net income from non-life insurance		36	
Net gains on FX and interest rate instruments ²⁾		(2 050)	
Other operating income		135	

1) After guaranteed returns and allocations to policyholders.

2) Excluding guarantees.

Operating expenses

Amounts in NOK million	4Q10	3Q10	2Q10	1Q10	4Q09	Full year	
						2010	2009
Salaries	1 830	1 772	1 784	1 685	1 755	7 071	7 206
Employer's national insurance contributions	260	254	256	254	280	1 025	1 082
Pension expenses ¹⁾	158	221	224	(154)	224	448	960
Restructuring expenses	(19)	13	30	12	10	36	82
Other personnel expenses	209	160	157	154	224	680	587
Total salaries and other personnel expenses	2 438	2 419	2 452	1 950	2 493	9 259	9 917
Fees ²⁾	365	322	406	344	69	1 437	1 155
IT expenses ²⁾	345	421	390	479	446	1 635	1 741
Postage and telecommunications	98	85	95	99	93	377	412
Office supplies	28	21	25	25	24	99	99
Marketing and public relations	224	166	230	192	118	812	572
Travel expenses	83	52	58	50	75	244	234
Reimbursement to Norway Post for transactions executed	36	51	42	22	49	151	203
Training expenses	26	12	14	21	20	75	73
Operating expenses on properties and premises	308	313	330	329	324	1 280	1 306
Operating expenses on machinery, vehicles and office equipment	47	31	36	38	32	151	145
Other operating expenses	123	168	243	201	198	735	846
Other expenses	1 685	1 641	1 869	1 799	1 446	6 995	6 784
Impairment losses for goodwill ³⁾	0	0	194	0	338	194	730
Depreciations and write-downs of fixed and intangible assets ⁴⁾	487	421	789	366	380	2 063	1 479
Total depreciations and write-downs of fixed and intangible assets	487	421	983	366	718	2 256	2 210
Total operating expenses	4 610	4 482	5 304	4 115	4 657	18 511	18 911
Of which DnB NORD	342	328	682	348	768	1 700	2 589

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 IT 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. Impairment losses for goodwill of NOK 194 million relating to Svensk Fastighetsförmedling were recorded in the second quarter of 2010.

4) Including write-downs on IT investments in DnB NORD of NOK 346 million in the second quarter of 2010 and NOK 66 million in the third quarter of 2009.

Changes in operating expenses

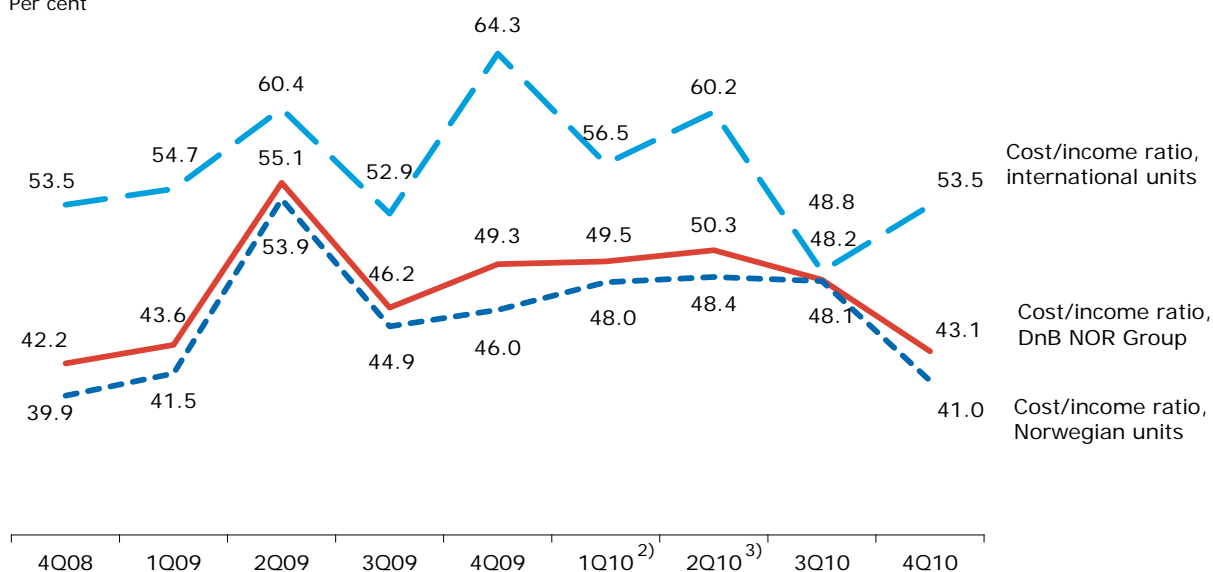
<i>Amounts in NOK million</i>	4Q10	Change	4Q09
Total operating expenses	4 610	(47)	4 657
Cost programme		(174)	
Wage and price inflation		137	
IT expenses		254	
Operational leasing		49	
Performance-based pay		36	
Impairment losses for goodwill and intangible assets		(338)	
Pension expenses		(66)	
Other operating expenses		56	

<i>Amounts in NOK million</i>	4Q10	Change	3Q10
Total operating expenses	4 610	127	4 482
Cost programme		(28)	
Pension expenses		(63)	
Marketing expenses etc.		58	
Performance-based pay		55	
Travel expenses		31	
Other operating expenses		74	

<i>Amounts in NOK million</i>	2010	Change	2009
Total operating expenses	18 511	(400)	18 911
Cost programme		(681)	
Wage and price inflation		557	
IT expenses		312	
Operational leasing		177	
Impairment losses for goodwill and intangible assets		(206)	
Pension expenses		(512)	
Other operating expenses		(47)	

Ordinary cost/income ratio ¹⁾

Per cent



1) Excluding impairment losses for goodwill and intangible assets.

2) Excluding the reversal of provisions for contractual early retirement pensions.

3) Excluding gains from the merger between the payment services company Nordito and the Danish PBS Holding.

Number of employees – full-time positions

Full-time positions	31 Dec. 2010	30 Sept. 2010	30 June 2010	31 March 2010	31 Dec. 2009
Retail Banking	4 842	4 948	4 938	4 953	4 997
Large Corporates and International	1 103	1 084	1 080	1 079	1 061
DnB NOR Markets	668	666	676	660	647
Operations	986	1 022	999	1 022	1 148
Insurance and Asset Management ¹⁾	1 047	1 055	1 062	1 059	1 054
DnB NOR D	3 159	3 138	3 136	3 142	3 174
Staff and support units	1 217	1 226	1 233	1 252	1 236
Total ordinary operations	13 021	13 140	13 125	13 165	13 317

1) DnB NOR Skadeforsikring AS is organised under the business area Insurance and Asset Management with effect from 1 January 2010. DnB NOR Skadeforsikring AS had 102.4 full-time employees as at 31 December 2010. Figures for previous periods have been restated.

IT expenses

Amounts in NOK million	4Q10	3Q10	2Q10	1Q10	4Q09	Full year	
						2010	2009
IT operating expenses ¹⁾	484	469	543	488	437	1 984	1 888
Systems development expenses ^{1) 2)}	472	506	480	500	165	1 958	1 261
IT expenses in Vital, after eliminations ¹⁾	-	-	-	-	101	-	482
Total IT expenses ³⁾	956	975	1 023	988	702	3 942	3 630

1) With effect from 1 January 2010, the Group's IT operations were reorganised in connection with the ONE IT project. Vital now purchases IT services from DnB NOR Bank ASA, and the costs are recorded under IT operating expenses and systems development expenses in the same way as such costs for other units.

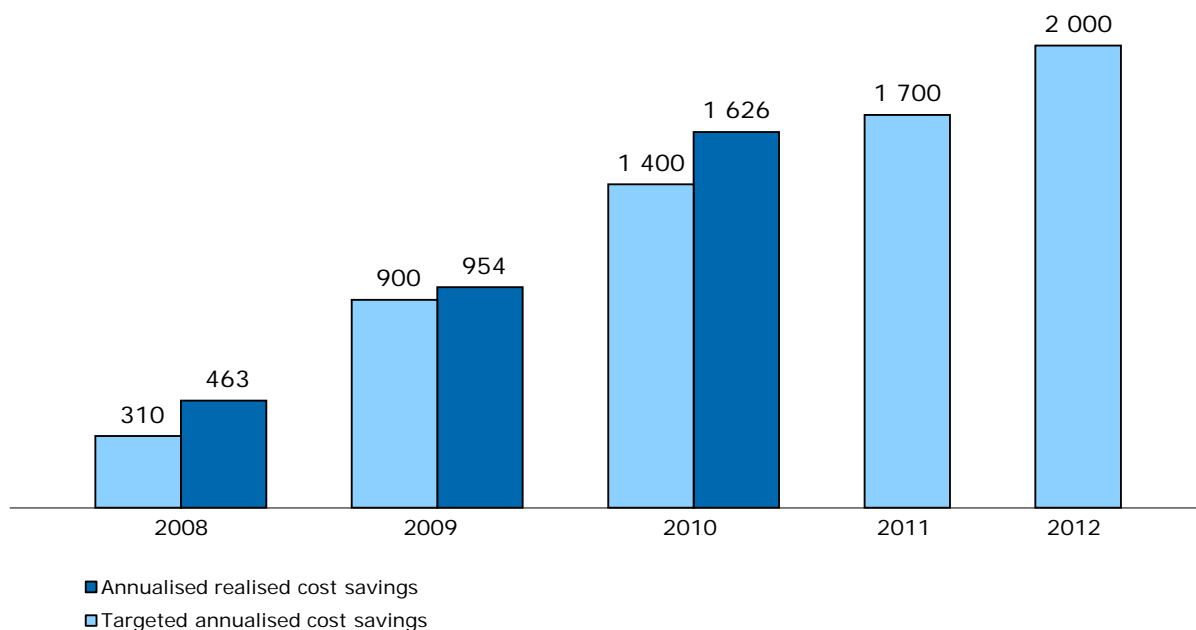
2) Excluding write-downs on IT investments in DnB NOR D of NOK 346 million in the second quarter of 2010 and NOK 66 million in the third quarter of 2009.

3) Including salaries and indirect costs.

Cost programme

Cost programme – ahead of schedule

NOK million



Target of minimum NOK 2 billion in permanent cost savings in 2012 remains in force

- The cost programme is well ahead of schedule at the start of 2011 with considerable remaining potential
 - Larger than expected effect in several units due to
 - LEAN programme
 - One IT
 - Establishment of Retail Banking
 - Measures implemented en route to 2012
 - Integration of DnB NOR Finans in the bank
 - Integration of Postbanken
- Coordination effect of takeover of DnB NOR D might give additional effects in several areas

Taxes

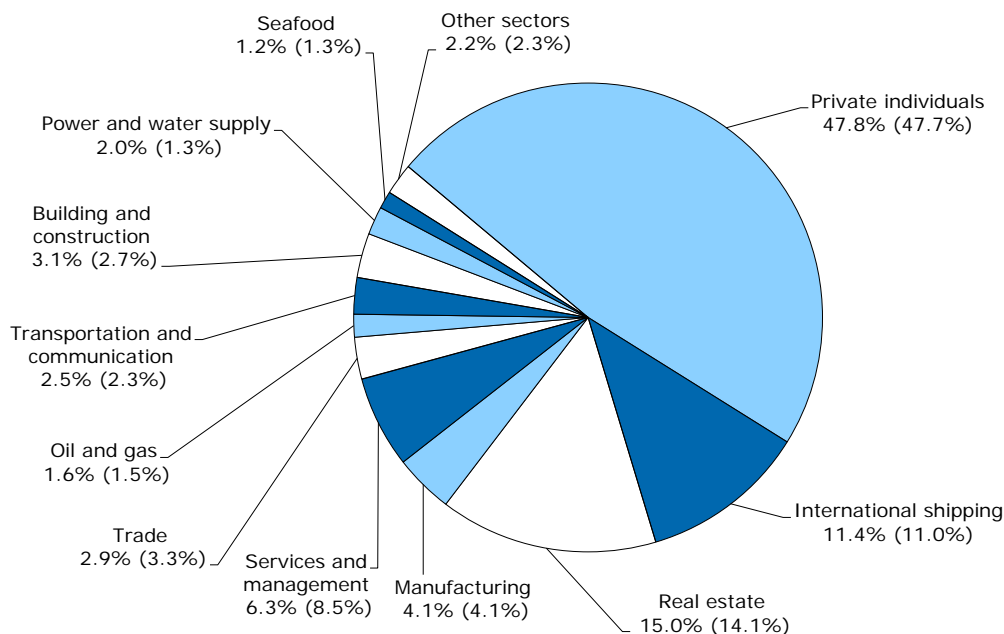
The DnB NOR Group's total tax charge for 2010 was NOK 4 121 million, up NOK 35 million from 2009. Relative to pre-tax operating profits, the tax charge declined from 37 to 23 per cent from 2009 to 2010. Tax-exempt income on shares in Vital was the main factor behind the reduced tax charge.

Lending

Net lending to principal sectors ^{1) 2) 3)}

Amounts in NOK billion	31 Dec. 2010	30 Sept. 2010	30 June 2010	31 March 2010	31 Dec. 2009
Private individuals	559.1	552.5	546.8	537.5	531.8
International shipping	133.9	132.4	138.4	126.7	122.5
Real estate	175.8	162.3	161.9	160.4	156.8
Manufacturing	47.7	45.4	48.4	46.4	46.1
Services and management	74.0	95.8	93.9	93.7	95.1
Trade	33.9	36.2	37.4	36.7	36.3
Oil and gas	18.3	13.1	14.5	14.9	17.1
Transportation and communication	29.4	23.6	24.1	24.4	26.1
Building and construction	35.8	34.0	32.8	30.9	29.8
Power and water supply	22.8	18.4	17.7	17.3	14.1
Seafood	13.9	13.5	13.4	13.6	14.4
Hotels and restaurants	5.1	5.1	5.1	5.2	5.7
Agriculture and forestry	7.5	7.5	7.2	7.3	7.7
Central and local government	6.0	6.3	7.0	5.3	5.1
Other sectors	6.7	5.5	5.4	5.5	7.0
Net lending to customers	1 170.0	1 151.6	1 154.1	1 125.9	1 115.7

Net lending to principal sectors as at 31 December 2010 ^{1) 2) 3)}

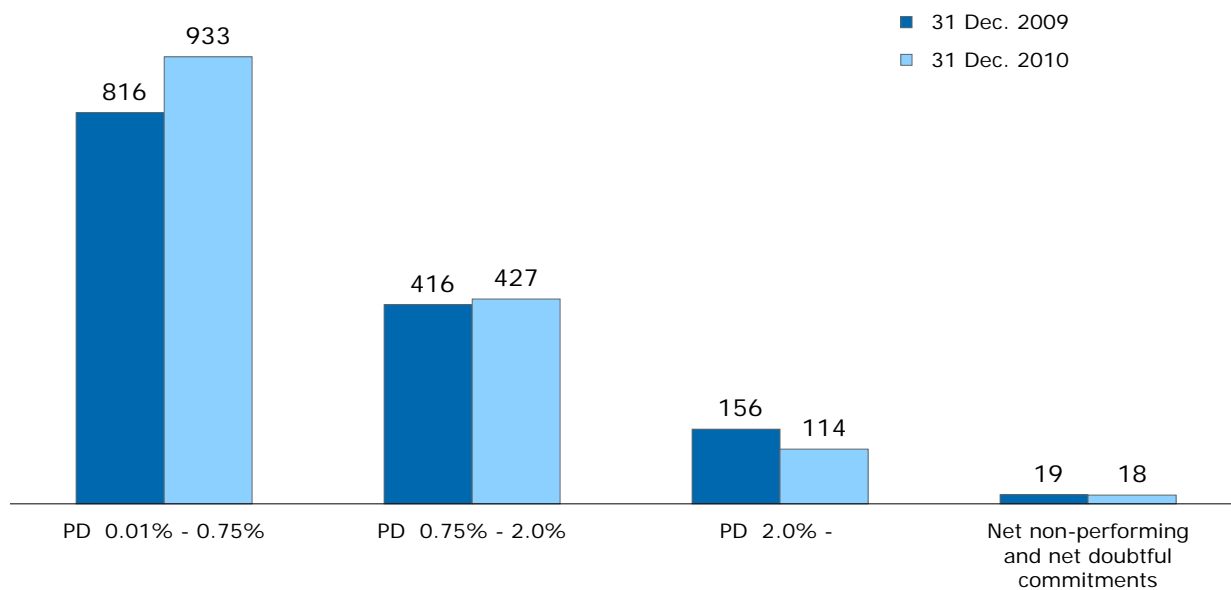


Comparable figures as at 31 December 2009 in parentheses

- 1) Lending after individual write-downs, nominal amounts.
- 2) The breakdown into principal sectors is based on standardised sector and industry categories set up by Statistics Norway.
- 3) In the fourth quarter of 2010, industry codes for the international portfolio were reviewed. Following the review, loans totalling NOK 24 billion were reclassified from services and management to shipping, real estate, manufacturing, oil and gas and transportation and communication.

Risk classification of portfolio ¹⁾

NOK billion



1) Based on DnB NOR's risk classification system. The volume represents the expected outstanding amount in the event of default, except for net non-performing and net doubtful commitments which are net recorded exposures in the accounts. PD = probability of default.

DnB NOR's risk classification ¹⁾

Risk class	Probability of default (per cent)		External rating	
	As from	Up to	Moody's	Standard & Poor's
1	0.01	0.10	Aaa - A3	AAA - A+
2	0.10	0.25	Baa1 - Baa2	BBB+ - BBB
3	0.25	0.50	Baa3	BBB+
4	0.50	0.75	Ba1	BB+
5	0.75	1.25	Ba2	BB
6	1.25	2.00		
7	2.00	3.00	Ba3	BB+
8	3.00	5.00	B1	B+
9	5.00	8.00	B2	B
10	8.00	impaired	B3, Caa/C	B+, CCC/C

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

Write-downs on loans and guarantees

Amounts in NOK million	4Q10	3Q10	2Q10	1Q10	4Q09	Full year	
						2010	2009
Write-offs ¹⁾	113	176	145	25	311	459	554
New individual write-downs ²⁾	1 351	948	1 187	1 637	1 220	5 122	6 521
Total new individual write-downs	1 464	1 124	1 332	1 662	1 531	5 581	7 075
Reassessed individual write-downs	343	262	253	231	155	1 090	693
Recoveries on commitments previously written off	160	85	79	94	75	418	317
Net individual write-downs	961	776	1 000	1 337	1 301	4 074	6 065
Change in collective write-downs on loans ²⁾	(432)	(134)	(122)	(390)	216	(1 077)	1 645
Write-downs on loans and guarantees	529	643	878	947	1 517	2 997	7 710
Total write-downs in relation to average volumes, annualised (%)	0.18	0.22	0.31	0.34	0.53	0.26	0.67
- DnB NOR excl. DnB NORD	0.08	0.14	0.07	0.15	0.25	0.11	0.35
- DnB NORD	1.95	1.62	4.46	3.43	4.40	2.87	4.69

1) The figure for the third quarter of 2010 includes a NOK 98 million adjustment for commitments previously written down.

2) 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.

Amounts in NOK million	4Q10	3Q10	2Q10	1Q10	4Q09	Full year	
						2010	2009
<i>Individual write-downs</i>							
Retail Banking:							
- Private Customer Divisions ¹⁾	135	149	50	(53)	45	282	63
- Small and medium sized enterprises	164	61	(3)	62	61	284	633
- DnB NOR Finans ²⁾	49	153	202	178	222	582	798
- Nordlandsbanken	15	9	34	19	16	76	94
Large Corporates and International:							
- Nordic Corporates Division	4	0	0	(20)	(2)	(15)	393
- International Corporates and Institutions Division	0	1	(12)	13	135	2	208
- Shipping Offshore and Logistics Division	3	8	47	161	55	219	476
- Energy Division	(10)	0	34	65	0	88	0
- Special and Structured Finance	0	0	(7)	(6)	2	(13)	2
- Northern Europe	195	66	0	33	0	295	48
- Other units	(1)	10	2	2	0	13	5
DnB NOR excl. DnB NORD	553	456	347	456	534	1 811	2 719
DnB NORD ³⁾	407	321	653	881	768	2 262	3 346
Total individual write-downs	961	776	1 000	1 337	1 301	4 074	6 065
<i>Collective write-downs</i>							
DnB NOR excl. DnB NORD	(329)	(66)	(168)	(65)	139	(628)	1 062
DnB NORD ³⁾	(103)	(67)	46	(325)	77	(449)	583
Total collective write-downs on loans	(432)	(134)	(122)	(390)	216	(1 077)	1 645
Write-downs on loans and guarantees	529	643	878	947	1 517	2 997	7 710

1) The figure for the third quarter of 2010 includes a NOK 98 million adjustment for commitments previously written down.

2) In the third quarter of 2010, operations in DnB NOR Finans and DnB NOR Kort were merged in a division named DnB NOR Finans, organised under Retail Banking. DnB NOR Kort was previously included in the Private Customer Division in Retail Banking. Figures have been restated following the reorganisation.

3) 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 on loans and guarantees for principal sectors ¹⁾

<i>Amounts in NOK million</i>	4Q10	3Q10	2Q10	1Q10	4Q09	Full year	
						2010	2009
Private individuals ^{2) 3)}	305	377	316	416	283	1 414	1 061
International shipping	36	16	39	191	70	281	520
Real estate	134	51	(11)	288	100	462	970
Manufacturing	165	53	236	69	192	524	765
Services and management	(132)	119	57	80	109	123	574
Trade	51	(11)	147	53	192	240	878
Oil and gas	87	0	88	40	0	216	0
Transportation and communication	(32)	85	(30)	79	35	103	337
Building and construction	265	63	38	28	265	393	637
Power and water supply	58	15	33	53	(2)	158	1
Seafood	(4)	6	6	1	0	9	(10)
Hotels and restaurants	38	11	7	20	53	76	92
Agriculture and forestry	12	30	0	26	0	69	62
Other sectors	(13)	(39)	69	(7)	9	9	184
Total customers	969	776	995	1 337	1 308	4 076	6 073
Credit institutions	(9)	1	5	0	(7)	(2)	(8)
Change in collective write-downs on loans ²⁾	(432)	(134)	(122)	(390)	216	(1 077)	1 645
Write-downs on loans and guarantees ^{*)}	529	643	878	947	1 517	2 997	7 710

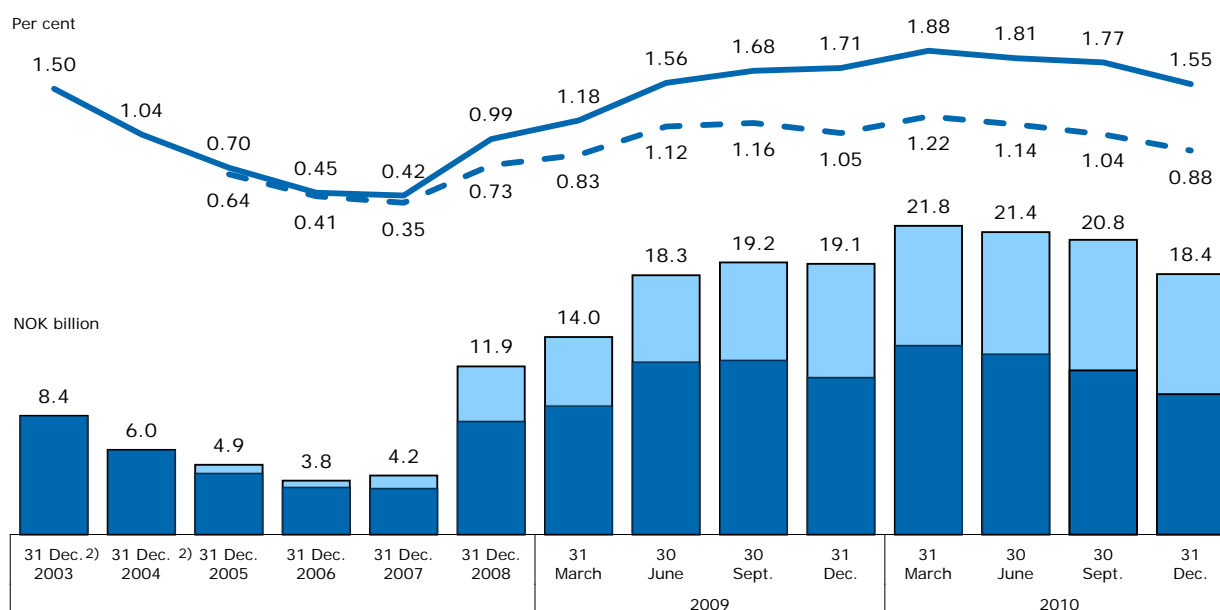
*) Of which individual write-downs on guarantees (24) (16) 29 8 (2) (3) 14

1) The breakdown into principal sectors is based on standardised sector and industry categories set up by Statistics Norway.

2) 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 NOR.

3) The figure for the third quarter of 2010 includes a NOK 98 million adjustment for commitments previously written down.

Net non-performing and net doubtful commitments ¹⁾



1) Comprises all non-performing commitments and commitments classified as doubtful. Accumulated individual write-downs are deducted
2) Pro forma figures prior to 2005

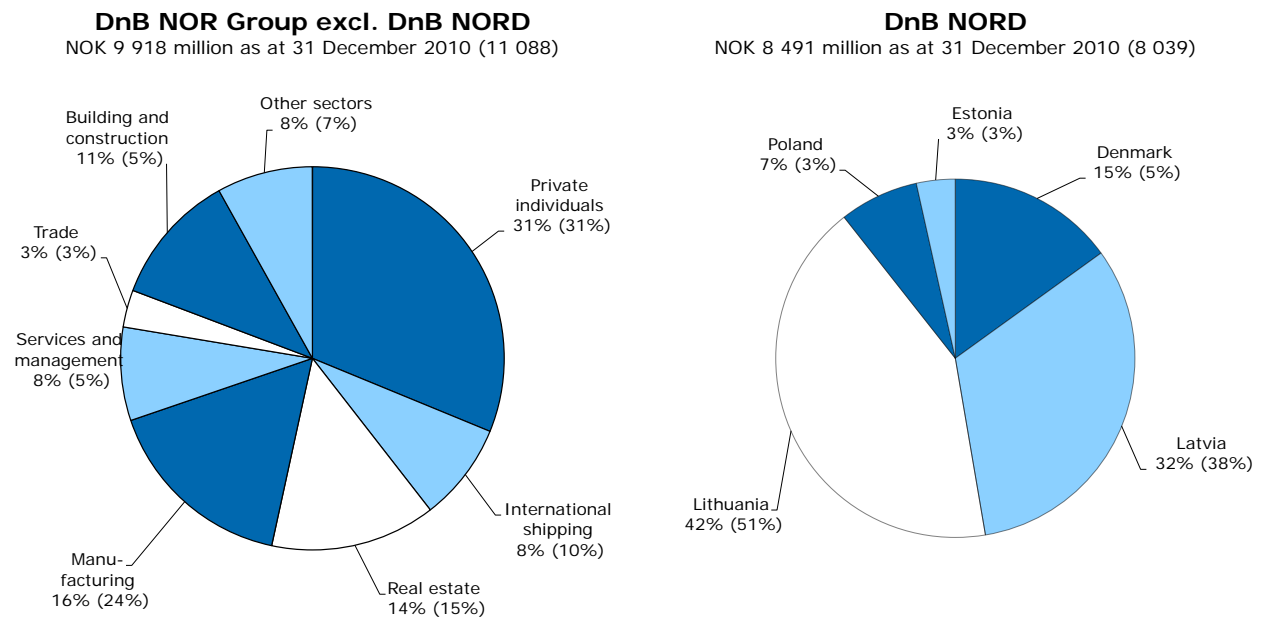
■ DnB NOR
■ DnB NOR Group excl. DnB NOR
— As a percentage of net lending
- - - As a percentage of net lending excl. DnB NOR

Write-down ratio – net non-performing and net doubtful commitments ¹⁾

Amounts in NOK million	31 Dec. 2010	30 Sept. 2010	30 June 2010 ²⁾	31 March 2010	31 Dec. 2009
Non-performing commitments	17 313	19 673	19 129	19 507	19 523
Doubtful commitments	10 369	10 622	11 541	11 074	7 353
Gross non-performing and gross doubtful commitments	27 682	30 295	30 670	30 581	26 876
Individual write-downs	9 273	9 471	9 305	8 768	7 749
Net non-performing and net doubtful commitments	18 409	20 824	21 365	21 813	19 127
Collective write-downs	1 872	2 315	2 494	2 577	2 969
Write-down ratio (per cent)	40.3	38.9	38.5	37.1	39.9
Collateral for loans	17 793	19 843	20 518	20 598	18 928
Coverage ratio (per cent)	104.5	104.4	105.4	104.5	110.3

1) Write-down ratio includes individual and collective write-downs as a percentage of gross non-performing and gross doubtful commitments subject to individual write-downs.
2) Collateral for loans restated due to updated estimates from DnB NOR.

Specification of net non-performing and net doubtful commitments ¹⁾



1) Includes non-performing commitments and, in addition, commitments subject to individual write-downs. Comparable figures as at 31 December 2009 in parentheses.

See page 91 for more details on lending and write-downs in DnB NORD.

Net non-performing and net doubtful commitments ¹⁾

<i>Amounts in NOK million</i>	31 Dec. 2010	30 Sept. 2010	30 June 2010	31 March 2010	31 Dec. 2009
Retail Banking	7 175	7 296	7 199	7 370	7 512
Large Corporates and International	2 743	4 302	5 562	5 976	3 576
DnB NORD	8 491	9 226	8 604	8 466	8 039
Net non-performing and net doubtful commitments ^{*)}	18 409	20 824	21 365	21 813	19 127
^{*)} Of which Norwegian units	8 258	8 921	9 046	9 162	8 722

1) Includes non-performing commitments and, in addition, commitments subject to individual write-downs.

Development in net non-performing and net doubtful commitments ¹⁾

<i>Amounts in NOK million</i>	4Q10		3Q10		2Q10		1Q10		4Q09	
	Private individuals	Corporate customers	Private individuals	Corporate customers	Private individuals	Corporate customers	Private individuals	Corporate customers	Private individuals	Corporate customers
Net non-performing and net doubtful commitments at beginning of period	5 553	15 271	5 738	15 627	5 711	16 102	6 107	13 020	5 541	13 688
New non-performing and doubtful commitments	848	2 465	856	1 856	1 188	2 065	902	4 945	1 238	2 155
Transferred to current commitments	878	4 318	826	2 138	1 101	2 404	1 088	1 813	485	2 507
Write-offs etc. ²⁾	232	300	215	74	60	137	210	50	188	317
Net non-performing and net doubtful commitments at end of period	5 291	13 118	5 553	15 271	5 738	15 627	5 711	16 102	6 107	13 020

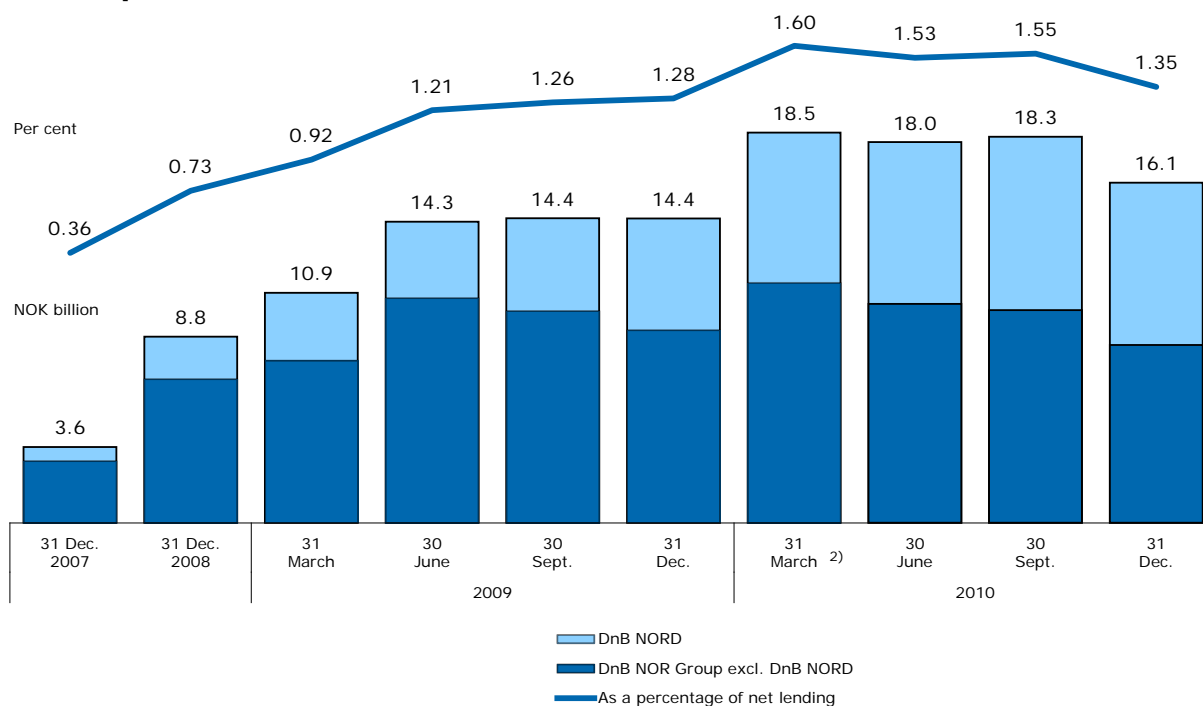
1) Of which DnB NORD:

Net non-performing and net doubtful commitments at beginning of period	2 240	6 986	2 216	6 388	2 224	6 242	2 641	5 398	2 115	4 809
New non-performing and doubtful commitments ^{*)}	174	400	163	902	368	829	(57)	1 044	875	1 529
Transferred to current commitments	217	1 090	139	304	376	633	360	200	349	835
Write-offs etc.	1	1	0	1	1	49	0	0	0	104
Net non-performing and net doubtful commitments at end of period	2 196	6 295	2 240	6 986	2 216	6 388	2 224	6 242	2 641	5 398

^{*)} 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.

2) The figure for the third quarter of 2010 includes a NOK 98 million adjustment for commitments previously written down.

Net impaired commitments ¹⁾



1) Includes loans and guarantees on which individual write-downs have been recorded.

2) First quarter 2010 development includes an increase of NOK 817 million due to reclassification of non-performing commitments previously collectively written down in DnB NOR.

Write-down ratio – net impaired commitments ¹⁾

Amounts in NOK million	31 Dec. 2010	30 Sept. 2010	30 June 2010 ²⁾	31 March 2010	31 Dec. 2009
Gross impaired commitments subject to individual write-downs ³⁾	25 370	27 750	27 326	27 266	22 153
Individual write-downs ⁴⁾	9 273	9 471	9 305	8 768	7 749
Net impaired commitments	16 097	18 279	18 021	18 498	14 403
Collective write-downs ⁴⁾	1 872	2 315	2 494	2 577	2 969
Write-down ratio (per cent)	43.9	42.5	43.1	41.6	48.4
Collateral for loans	17 793	19 843	20 518	20 598	18 928
Coverage ratio (per cent)	114.1	114.0	118.3	117.2	133.8

1) Write-down ratio includes individual and collective write-downs as a percentage of gross impaired commitments subject to individual write-downs.

2) Collateral for loans restated due to updated estimates from DnB NOR.

3) First quarter 2010 development includes an increase of NOK 817 million due to reclassification of non-performing commitments previously collectively written down in DnB NOR.

4) 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 NOR.

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.

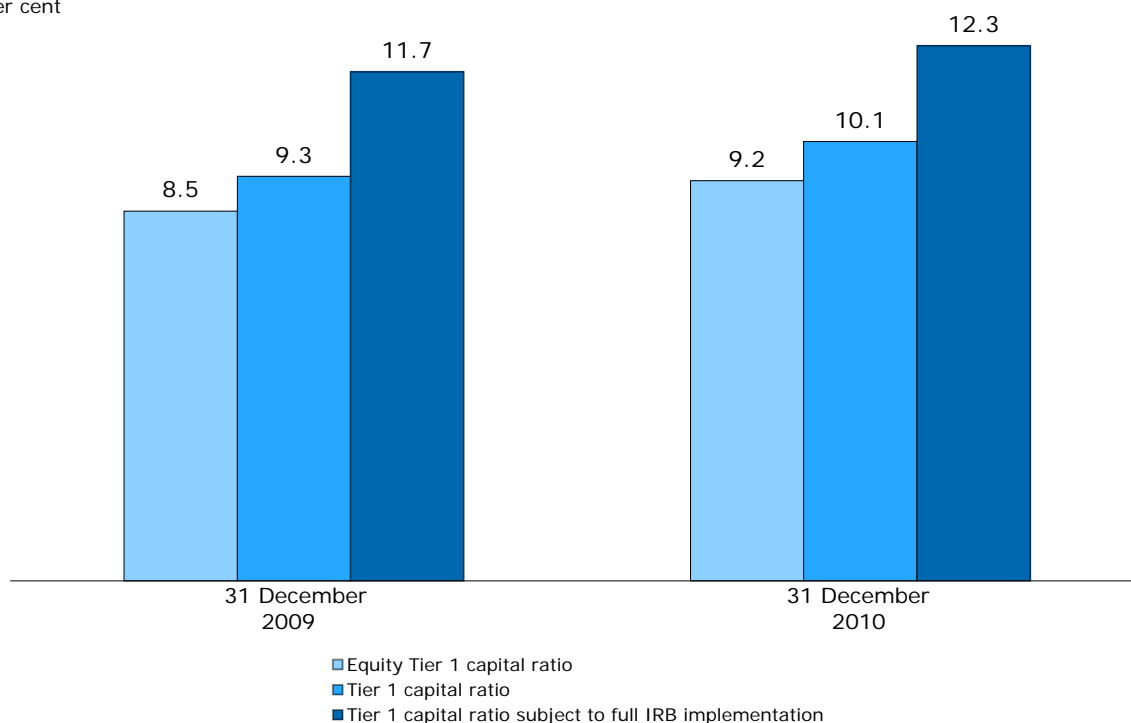
Primary capital	DnB NOR Bank ASA		DnB NOR Bank Group		DnB NOR Group	
	31 Dec. 2010	31 Dec. 2009	31 Dec. 2010	31 Dec. 2009	31 Dec. 2010	31 Dec. 2009
<i>Amounts in NOK million</i>						
Share capital	17 514	17 514	17 514	17 514	16 232	16 231
Other equity	61 582	54 948	72 344	65 800	94 964	85 172
Total equity	79 096	72 462	89 859	83 314	111 196	101 403
Deductions						
Pension funds above pension commitments	0	0	(16)	(3)	(119)	(119)
Goodwill	(2 419)	(1 650)	(3 472)	(3 853)	(5 378)	(5 653)
Deferred tax assets	(481)	(1 153)	(324)	(295)	(977)	(300)
Other intangible assets	(1 159)	(912)	(1 963)	(1 980)	(2 219)	(2 270)
Dividends payable etc.	0	0	(6 000)	(3 750)	(6 515)	(2 850)
Unrealised gains on fixed assets	0	0	(30)	(30)	(30)	(30)
50 per cent of investments in other financial institutions	(1 024)	(1 033)	(1 024)	(1 033)	0	(2)
50 per cent of expected losses exceeding actual losses, IRB portfolios	(515)	(101)	(666)	(222)	(666)	(222)
Adjustments for unrealised losses/(gains) on liabilities recorded at fair value	94	182	(346)	(404)	(346)	(404)
Equity Tier 1 capital	73 592	67 796	76 018	71 745	94 946	89 553
Perpetual subordinated loan capital securities ^{1) 2)}	8 241	8 468	8 423	8 655	8 423	8 655
Tier 1 capital	81 833	76 264	84 441	80 400	103 368	98 208
Perpetual subordinated loan capital	7 004	6 830	7 004	6 830	7 004	6 830
Term subordinated loan capital ²⁾	17 085	21 111	17 775	23 003	17 775	23 003
Deductions						
50 per cent of investments in other financial institutions	(1 024)	(1 033)	(1 024)	(1 033)	0	(2)
50 per cent of expected losses exceeding actual losses, IRB portfolios	(515)	(101)	(666)	(222)	(666)	(222)
Additions						
45 per cent of unrealised gains on fixed assets	0	0	18	18	18	18
Tier 2 capital	22 549	26 807	23 108	28 597	24 132	29 628
Total eligible primary capital ³⁾	104 382	103 071	107 548	108 997	127 500	127 836
Risk-weighted volume	738 194	831 885	918 659	960 208	1 028 404	1 052 566
Minimum capital requirement	59 056	66 551	73 493	76 817	82 272	84 205
Equity Tier 1 capital ratio (%)	10.0	8.1	8.3	7.5	9.2	8.5
Tier 1 capital ratio (%)	11.1	9.2	9.2	8.4	10.1	9.3
Capital ratio (%)	14.1	12.4	11.7	11.4	12.4	12.1

- 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 December 2010, calculations of capital adequacy included a total of NOK 789 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.

Tier 1 capital ratio

Per cent



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. 2010	31 Dec. 2011
Retail:		
- mortgage loans, DnB NOR Bank and DnB NOR Boligkreditt	IRB ¹⁾	IRB ¹⁾
- qualifying revolving retail exposures, DnB NOR Bank ²⁾	IRB ¹⁾	IRB ¹⁾
- mortgage loans, Nordlandsbanken	Standardised	IRB ¹⁾
- loans in Norway, DnB NOR Finans, DnB NOR Bank	IRB ¹⁾	IRB ¹⁾
Corporates:		
- small and medium-sized corporates, DnB NOR Bank	Advanced IRB	Advanced IRB
- large corporate clients (scorecard models), DnB NOR Bank	Advanced IRB	Advanced IRB
- large corporate clients (simulation models), DnB NOR Bank	Standardised	Advanced IRB
- corporate clients, Nordlandsbanken	Standardised	Advanced IRB
- leasing DnB NOR Bank	Advanced IRB	Advanced IRB
- corporate clients, DnB NOR Næringskreditt	Standardised	Advanced IRB
Securitisation positions:		
- DnB NOR Markets' liquidity portfolio	IRB ¹⁾	IRB ¹⁾
Institutions:		
- banks and financial institutions, DnB NOR Bank	Standardised	Advanced IRB
Exceptions:		
- approved exceptions: government and municipalities, equity positions	Standardised	Standardised
- temporary exceptions: DnB NOR, DnB NOR Luxembourg, Monchebank and various other portfolios	Standardised	Standardised

1) There is only one IRB approach for retail exposures and securitisation positions.

2) Reported according to the IRB category Other retail exposures.

Financial results

Income statement

Amounts in NOK million						Full year	
	4Q10	3Q10	2Q10	1Q10	4Q09	2010	2009
Total interest income	15 168	14 803	13 896	13 041	12 667	56 909	58 363
Total interest expenses	9 015	8 825	8 152	7 480	7 061	33 473	35 730
Net interest income	6 153	5 978	5 744	5 561	5 606	23 436	22 633
Commissions and fees receivable etc.	2 420	2 367	2 311	2 162	2 137	9 261	8 724
Commissions and fees payable etc.	511	587	588	534	521	2 220	2 069
Net gains on financial instruments at fair value	1 684	225	1 754	1 298	1 066	4 961	6 286
Net gains on assets in Vital	6 404	4 156	754	3 760	4 107	15 074	13 462
Guaranteed returns and allocations to policyholders in Vital	5 879	3 324	944	3 353	3 798	13 500	12 712
Premium income etc. included in the risk result in Vital	1 242	1 164	1 173	1 142	1 169	4 721	4 705
Insurance claims etc. included in the risk result in Vital	1 248	1 195	1 226	1 308	1 240	4 977	4 613
Premium income non-life insurance	273	260	242	233	221	1 009	593
Insurance claims etc. non-life insurance	249	206	200	263	201	918	538
Profit from companies accounted for by the equity method	72	99	(52)	61	(49)	180	93
Other income	343	356	1 571	294	268	2 565	1 063
Net other operating income	4 553	3 315	4 795	3 493	3 160	16 156	14 994
Total income	10 706	9 294	10 538	9 054	8 766	39 592	37 627
Salaries and other personnel expenses	2 438	2 419	2 452	1 950	2 493	9 259	9 917
Other expenses	1 685	1 641	1 869	1 799	1 446	6 995	6 784
Depreciation and write-downs of fixed and intangible assets	487	421	983	366	718	2 256	2 210
Total operating expenses	4 610	4 482	5 304	4 115	4 657	18 511	18 911
Pre-tax operating profit before write-downs	6 096	4 812	5 234	4 940	4 109	21 081	18 717
Net gains on fixed and intangible assets	26	(11)	(1)	10	19	24	26
Write-downs on loans and guarantees	529	643	878	947	1 517	2 997	7 710
Pre-tax operating profit	5 593	4 157	4 355	4 002	2 610	18 108	11 032
Taxes	367	1 149	1 524	1 081	1 001	4 121	4 086
Profit from operations and non-current assets held for sale, after taxes	57	30	(8)	(4)	80	75	80
Profit for the period	5 284	3 038	2 823	2 917	1 689	14 062	7 026
Profit attributable to shareholders	5 349	3 084	3 264	3 117	2 122	14 814	8 585
Profit attributable to minority interests	(65)	(46)	(442)	(199)	(433)	(752)	(1 559)
Earnings/diluted earnings per share (NOK)	3.25	1.90	2.01	1.92	1.58	8.66	6.43
Earnings per share excluding operations held for sale (NOK)	3.22	1.88	2.02	1.92	1.52	8.62	6.37

Balance sheet

Amounts in NOK million	31 Dec. 2010	30 Sept. 2010	30 June 2010	31 March 2010	31 Dec. 2009
Cash and deposits with central banks	16 198	16 049	9 807	15 287	31 859
Lending to and deposits with credit institutions	47 792	50 369	213 009	75 514	62 317
Lending to customers	1 170 341	1 152 001	1 154 491	1 125 946	1 114 886
Commercial paper and bonds	204 204	213 326	189 715	227 846	225 415
Shareholdings	75 179	66 534	65 074	63 113	58 227
Financial assets, customers bearing the risk	23 506	21 903	21 149	21 193	21 337
Financial derivatives	78 156	99 179	94 829	72 277	70 072
Commercial paper and bonds, held to maturity	179 461	180 015	181 465	179 185	179 832
Investment property	36 838	34 498	34 012	33 626	33 381
Investments in associated companies	2 307	1 912	1 816	2 579	2 521
Intangible assets	7 164	7 000	6 884	7 431	7 644
Deferred tax assets	915	227	223	256	246
Fixed assets	7 789	5 673	5 608	5 519	5 482
Operations and non-current assets held for sale	1 271	1 304	1 310	1 314	1 255
Other assets	10 499	13 467	13 214	11 221	8 979
Total assets	1 861 620	1 863 457	1 992 607	1 842 309	1 823 453
Loans and deposits from credit institutions	257 931	258 063	338 678	305 097	302 669
Deposits from customers	641 914	606 502	621 882	585 835	590 745
Financial derivatives	60 871	69 256	62 553	53 167	53 019
Debt securities issued	501 668	533 313	575 611	498 796	493 732
Insurance liabilities, customers bearing the risk	23 506	21 903	21 149	21 193	21 337
Liabilities to life insurance policyholders	205 550	202 226	198 255	200 698	193 556
Insurance liabilities, non-life insurance	1 091	1 051	1 042	960	704
Payable taxes	4 865	3 687	2 594	8 973	9 093
Deferred taxes	116	510	629	550	525
Other liabilities	14 738	18 900	21 814	19 308	12 331
Operations held for sale	387	373	376	347	366
Provisions	4 308	4 558	4 585	4 546	4 923
Subordinated loan capital	33 479	35 857	38 941	38 614	39 051
Total liabilities	1 750 424	1 756 200	1 888 108	1 738 085	1 722 050
Minority interests	0	1 965	2 011	2 448	2 755
Share capital	16 232	16 233	16 216	16 222	16 231
Share premium reserve	22 609	22 609	22 609	22 609	22 609
Other equity	72 356	66 450	63 663	62 945	59 808
Total equity	111 196	107 257	104 498	104 224	101 403
Total liabilities and equity	1 861 620	1 863 457	1 992 607	1 842 309	1 823 453

Key figures

						Full year	
	4Q10	3Q10	2Q10	1Q10	4Q09	2010	2009
Interest rate analysis							
1 Combined weighted total average spread for lending and deposits (%)	1.17	1.16	1.15	1.12	1.13	1.15	1.15
2 Spread for ordinary lending to customers (%)	1.67	1.57	1.60	1.58	1.61	1.61	1.61
3 Spread for deposits from customers (%)	0.27	0.41	0.32	0.29	0.23	0.32	0.29
Rate of return/profitability							
4 Net other operating income, per cent of total income	42.5	35.7	45.5	38.6	36.0	40.8	39.8
5 Cost/income ratio (%)	43.1	48.2	50.3	49.5	49.3	47.6	48.1
6 Return on equity, annualised (%)	19.6	11.8	12.8	12.5	10.1	13.6	10.6
7 RARORAC, annualised (%)	27.8	19.1	17.6	18.4	15.0	19.0	17.2
8 RORAC, annualised (%)	48.2	19.1	20.5	19.8	15.5	25.2	12.6
9 Average equity including allocated dividend (NOK million)	107 173	103 920	102 011	100 066	84 110	103 292	81 236
10 Return on average risk-weighted volume, annualised (%)	2.00	1.11	1.05	0.74	0.63	1.17	0.83
Financial strength							
11 Tier 1 capital ratio at end of period (%)	10.1	9.2	9.0	9.3	9.3	10.1	9.3
12 Tier 1 capital ratio incl. 50 per cent of profit for the period (%)	-	9.7	9.3	9.4	-	-	-
13 Capital ratio at end of period (%)	12.4	11.7	11.6	12.1	12.1	12.4	12.1
14 Capital ratio incl. 50 per cent of profit for the period (%)	-	12.1	11.9	12.2	-	-	-
15 Tier 1 capital at end of period (NOK million)	103 368	98 529	99 491	98 166	98 208	103 368	98 208
16 Risk-weighted volume at end of period (NOK million)	1 028 404	1 066 639	1 104 417	1 056 102	1 052 566	1 028 404	1 052 566
Loan portfolio and write-downs							
17 Individual write-downs relative to average net lending to customers, annualised	0.33	0.27	0.35	0.48	0.46	0.36	0.53
18 Write-downs relative to average net lending to customers, annualised	0.18	0.22	0.31	0.34	0.53	0.26	0.67
19 Net non-performing and net doubtful commitments, per cent of net lending	1.55	1.77	1.81	1.88	1.71	1.55	1.71
20 Net non-performing and net doubtful commitments at end of period (NOK million)	18 409	20 824	21 365	21 813	19 127	18 409	19 127
Liquidity							
21 Ratio of customer deposits to net lending to customers at end of period (%)	54.8	52.6	53.9	52.0	53.0	54.8	53.0
Total assets owned or managed by DnB NOR							
22 Customer assets under management at end of period (NOK billion)	509	496	481	483	468	509	468
23 Total combined assets at end of period (NOK billion)	2 141	2 134	2 253	2 103	2 076	2 141	2 076
24 Average total assets (NOK billion)	1 995	1 987	1 953	1 943	1 935	1 970	1 906
25 Customer savings at end of period (NOK billion)	1 151	1 103	1 103	1 069	1 059	1 151	1 059
Staff							
26 Number of full-time positions at end of period	13 021	13 140	13 125	13 165	13 317	13 021	13 317
The DnB NOR share							
27 Number of shares at end of period (1 000)	1 628 799	1 628 799	1 628 799	1 628 799	1 628 799	1 628 799	1 628 799
28 Average number of shares (1 000)	1 628 799	1 628 799	1 628 799	1 628 799	1 345 391	1 628 799	1 335 838
29 Earnings per share (NOK)	3.25	1.90	2.01	1.92	1.58	8.66	6.43
30 Earnings per share excluding operations held for sale (NOK)	3.22	1.88	2.02	1.92	1.52	8.62	6.37
31 Dividend per share (NOK) ¹⁾	-	-	-	-	-	4.00	1.75
32 Total shareholder's return (%)	2.3	26.8	(4.6)	8.2	(1.2)	33.9	144.7
33 Dividend yield (%)	-	-	-	-	-	4.88	2.79
34 Equity per share including allocated dividend at end of period (NOK)	68.27	64.64	62.92	62.49	60.56	68.27	60.56
35 Share price at end of period (NOK)	81.90	80.05	63.15	67.90	62.75	81.90	62.75
36 Diluted share price at end of period, adjusted for rights issue (NOK)	81.90	80.05	63.15	67.90	62.75	81.90	62.75
37 Price/earnings ratio	6.36	10.64	7.83	8.83	10.33	9.50	9.85
38 Price/book value	1.20	1.24	1.00	1.09	1.04	1.20	1.04
39 Market capitalisation (NOK billion)	133.4	130.4	102.9	110.6	102.2	133.4	102.2

1) Proposed dividend for 2010.

For definitions of selected key figures, see next page.

Definitions to key figures

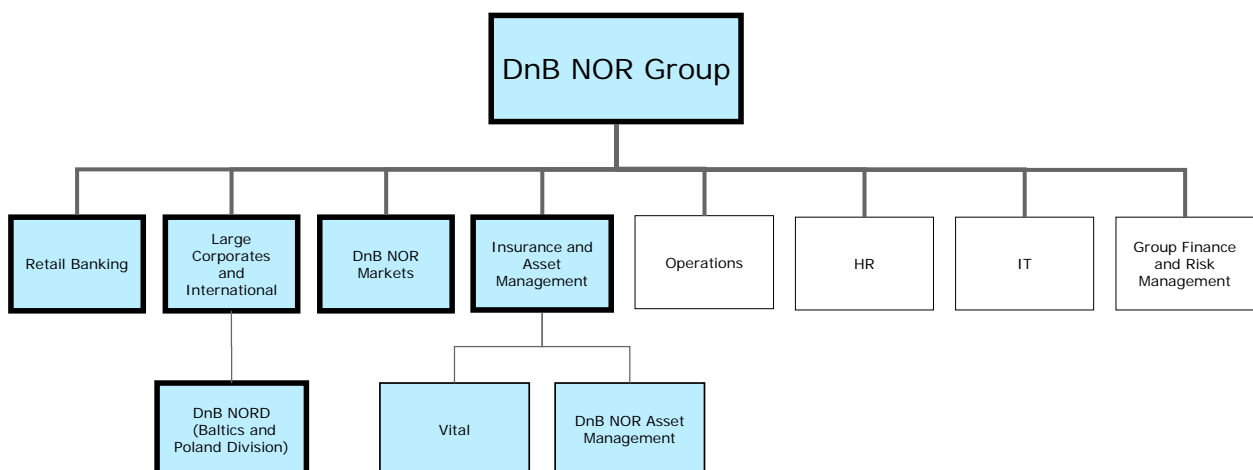
- 1, 2, 3 Based on nominal values excluding lending to and deposits with credit institutions and impaired loans, measured against the 3-month money market rate.
- 5 Total operating expenses relative to total income. Expenses exclude impairment losses for goodwill, other intangible assets and reversals of provisions for contractual early retirement pensions. Total income exclude gains resulting from the merger between the payment services company Nordito and the Danish PBS Holding.
- 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 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 1 547 358 918, corresponding to 9.5 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.
- 38 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.

Section 3

Business areas

There have been some minor changes of the Group's business organisational structure with effect from 2010. The responsibility for DnB NOR Skadeforsikring and DnB NOR Luxembourg was transferred from Retail Banking to Insurance and Asset Management and Large Corporates and International, respectively.

Figures for previous periods have been restated accordingly.



Business areas – financial performance

DnB NOR's business areas; Retail Banking, Large Corporates and International, DnB NOR Markets and Insurance and Asset Management are independent profit centres carrying responsibility for customer segments served by the Group and the products offered. In addition, DnB NOR which from end-2010 became wholly owned by DnB NOR, also is reported as a separate profit centre.

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. Historical figures are restated in accordance with the current organisational structure and the Group's current principles for allocating costs and capital between business areas. The figures for business areas are based on a number of assumptions, estimates and discretionary distributions. Internal transfer rates used between the business areas are determined based on observable market rates, e.g. NIBOR. Additional costs relating to the Group's long-term funding are charged to the business areas. According to the Group's liquidity management policy, 90 per cent of lending is financed through stable deposits and long-term funding. The additional costs thus arising were charged to the business areas. In the management accounts, Retail Banking and Large Corporates and International are measured based on the business areas' ordinary operations. Volatile IFRS effects are not allocated to the business areas.

Return on capital for the business areas are presented in the descriptions of each area in this section. Return on capital is measured as the business area's profits after taxes relative to average risk adjusted capital, and the quarterly figures are annualised. Capital allocated to the business areas corresponds to the areas' risk-adjusted capital requirement based on the risk involved in operations. The capital requirement is measured in accordance with DnB NOR's total risk model.

Internal pricing

DnB NOR's financial management model and operational organisation entail the sale of products and services between the business areas in the Group. The pricing of such intra-group transactions is regulated by internal agreements based on market terms.

Certain customers and transactions of major importance require extensive cooperation within the Group. To stimulate such cooperation, operating income and expenses relating to some of these customers and transactions are recorded in the accounts of the relevant business areas. This refers primarily to income from customer trading in DnB NOR Markets. 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. In the fourth quarter of 2010, net income from such transactions totalled NOK 556 million. Double entries are eliminated in the group accounts.

Services provided by staff and support units will as far as possible be scaled and priced according to use. Joint expenses incurred by group staff units and other group expenditures that cannot be debited according to use, are charged to the business areas' accounts on the basis of special distribution formulas. Costs relating to the Group's equity transactions, including strategic investments, and direct shareholder-related expenses and costs concerning the Group's governing bodies are not charged to the business areas.

Changes in net interest income

<i>Amounts in NOK million</i>	4Q10	Change 3Q10-4Q10	Change 4Q09-4Q10
Net interest income	6 153	174	547
Retail Banking	3 631	128	36
Large Corporates and International	1 773	118	333
DnB NOR Markets	259	(14)	(57)
Insurance and Asset Management	17	(11)	15
DnB NORD	355	11	(13)
Other	118	(57)	232

Changes in net other operating income

<i>Amounts in NOK million</i>	4Q10	Change 3Q10-4Q10	Change 4Q09-4Q10
Net other operating income	4 553	1 238	1 393
Retail Banking	1 128	(92)	(68)
Large Corporates and International	1 049	211	295
DnB NOR Markets	1 164	162	220
Insurance and Asset Management	1 243	(294)	315
DnB NORD	120	(103)	(63)
Other	(151)	1 354	694

Changes in operating expenses

<i>Amounts in NOK million</i>	4Q10	Change 3Q10-4Q10	Change 4Q09-4Q10
Operating expenses	4 610	127	(47)
Retail Banking	2 677	49	48
Large Corporates and International	799	78	201
DnB NOR Markets	467	1	8
Insurance and Asset Management	628	71	29
DnB NORD	342	15	(426)
Other	(304)	(86)	92

Changes in write-downs on loans and guarantees

<i>Amounts in NOK million</i>	4Q10	Change 3Q10-4Q10	Change 4Q09-4Q10
Write-downs on loans and guarantees	529	(114)	(988)
Retail Banking	362	(9)	18
Large Corporates and International	190	105	5
DnB NORD, including collective write-downs on loans	304	51	(541)
Unallocated collective write-downs on loans excl. DnB NORD	(329)	(262)	(468)
Other	1	2	(2)

Extracts from income statement, full year

	Retail Banking		Large Corporates and International		DnB NOR Markets		Insurance and Asset Management		DnB NOR		Other operations/ eliminations		DnB NOR Group	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
<i>Amounts in NOK million</i>														
Net interest income - ordinary operations	13 643	14 425	5 884	5 333	928	1 100	(253)	(243)	1 383	1 462	1 851	556	23 436	22 633
Interest on allocated capital ²⁾	497	500	608	793	145	144	339	239	38	96	(1 627)	(1 771)	0	0
Net interest income	14 139	14 925	6 492	6 126	1 073	1 244	86	(5)	1 422	1 559	224	(1 216)	23 436	22 633
Other operating income	3 501	3 324	1 151	1 272	4 398	5 999	4 116	3 587	627	684	2 364	128	16 156	14 994
Income attributable to product suppliers	1 263	1 336	2 006	2 032	0	0	0	0	0	0	(3 269)	(3 368)	0	0
Net other operating income	4 764	4 660	3 157	3 304	4 398	5 999	4 116	3 587	627	684	(905)	(3 239)	16 156	14 994
Total income	18 903	19 585	9 649	9 430	5 471	7 243	4 201	3 582	2 048	2 242	(681)	(4 455)	39 592	37 627
Other operating expenses	10 290	9 989	2 130	1 877	1 833	1 913	2 288	2 335	1 700	2 589	270	207	18 511	18 911
Cost attributable to product suppliers	675	770	806	749	0	0	0	0	0	0	(1 481)	(1 519)	0	0
Operating expenses	10 965	10 758	2 935	2 627	1 833	1 913	2 288	2 335	1 700	2 589	(1 211)	(1 312)	18 511	18 911
Pre-tax operating profit before write-downs	7 938	8 826	6 713	6 803	3 638	5 331	1 913	1 247	348	(347)	530	(3 143)	21 081	18 717
Net gains on fixed and intangible assets	6	1	0	0	0	0	0	0	(15)	(13)	33	38	24	26
Write-downs on loans and guarantees	1 225	1 586	586	1 128	0	0	0	0	1 813	3 929	(627)	1 067	2 997	7 710
Write-downs attributable to product suppliers	0	0	3	6	0	0	0	0	0	0	(3)	(6)	0	0
Pre-tax operating profit	6 719	7 241	6 124	5 669	3 638	5 331	1 913	1 247	(1 481)	(4 289)	1 194	(4 166)	18 108	11 032

Extracts from income statement, fourth quarter

	Retail Banking		Large Corporates and International		DnB NOR Markets		Insurance and Asset Management		DnB NOR		Other operations/ eliminations ¹⁾		DnB NOR Group	
	4Q10	4Q09	4Q10	4Q09	4Q10	4Q09	4Q10	4Q09	4Q10	4Q09	4Q10	4Q09	4Q10	4Q09
<i>Amounts in NOK million</i>														
Net interest income - ordinary operations	3 497	3 496	1 616	1 287	224	288	(74)	(45)	344	354	546	226	6 153	5 606
Interest on allocated capital ²⁾	134	99	157	153	35	28	91	47	12	14	(429)	(341)	0	0
Net interest income	3 631	3 595	1 773	1 440	259	315	17	2	355	369	118	(115)	6 153	5 606
Other operating income	781	850	388	397	1 164	943	1 243	929	120	182	858	(141)	4 553	3 160
Income attributable to product suppliers	347	347	661	357	0	0	0	0	0	0	(1 008)	(704)	0	0
Net other operating income	1 128	1 197	1 049	754	1 164	943	1 243	929	120	182	(151)	(845)	4 553	3 160
Total income	4 760	4 792	2 822	2 194	1 422	1 259	1 260	930	475	551	(33)	(960)	10 706	8 766
Other operating expenses	2 490	2 427	533	434	467	459	628	599	342	768	149	(29)	4 610	4 657
Cost attributable to product suppliers	187	203	266	164	0	0	0	0	0	0	(453)	(367)	0	0
Operating expenses	2 677	2 629	799	598	467	459	628	599	342	768	(304)	(396)	4 610	4 657
Pre-tax operating profit before write-downs	2 083	2 162	2 023	1 595	955	800	632	332	133	(217)	271	(564)	6 096	4 109
Net gains on fixed and intangible assets	5	0	0	0	0	0	0	0	13	(15)	8	34	26	19
Write-downs on loans and guarantees	362	344	191	189	0	0	0	0	304	845	(329)	139	529	1 517
Write-downs attributable to product suppliers	0	0	(1)	(3)	0	0	0	0	0	0	1	3	0	0
Pre-tax operating profit	1 725	1 818	1 833	1 410	955	800	632	332	(159)	(1 078)	606	(672)	5 593	2 610

1) Other operations/eliminations:

	Eliminations of income/cost attributable to product suppliers		Other eliminations		Group Centre ¹⁾		Total	
	4Q10	4Q09	4Q10	4Q09	4Q10	4Q09	4Q10	4Q09
<i>Amounts in NOK million</i>								
Net interest income - ordinary operations	0	0	(10)	(8)	556	234	546	226
Interest on allocated capital	0	0	0	0	(429)	(341)	(429)	(341)
Net interest income	0	0	(10)	(8)	128	(107)	118	(115)
Other operating income	0	0	(330)	(160)	1 188	19	858	(141)
Income attributable to product suppliers	(1 008)	(704)	0	0	0	0	(1 008)	(704)
Net other operating income	(1 008)	(704)	(330)	(160)	1 188	19	(151)	(845)
Total income	(1 008)	(704)	(340)	(169)	1 315	(87)	(33)	(960)
Other operating expenses	0	0	(340)	(169)	489	139	149	(29)
Cost attributable to product suppliers	(453)	(367)	0	0	0	0	(453)	(367)
Operating expenses	(453)	(367)	(340)	(169)	489	139	(304)	(396)
Pre-tax operating profit before write-downs	(555)	(337)	0	0	826	(227)	271	(564)
Net gains on fixed and intangible assets	0	0	0	0	8	34	8	34
Write-downs on loans and guarantees	0	0	0	0	(329)	139	(329)	139
Write-downs attributable to product suppliers	1	3	0	0	0	0	1	3
Pre-tax operating profit	(556)	(340)	0	0	1 162	(332)	606	(672)

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*

	4Q10	4Q09
Income from equities investment	593	(60)
Interest on unallocated equity	255	90
Mark-to-market adjustments Treasury and fair value on lending	248	(109)
Eksportfinans AS	87	(113)
Net interest income DnB NOR ASA	17	(70)
Ownership-related expenses (costs relating to shareholders, investor relations, strategic planning etc.)	56	45
Unallocated write-downs on loans and guarantees	(329)	139
Other	(311)	113
Pre-tax operating profit	1 162	(332)

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

Main average balance sheet items

	Retail Banking		Large Corporates and International		DnB NOR Markets		Insurance and Asset Management		DnB NOR		Other operations/eliminations		DnB NOR Group	
	4Q10	4Q09	4Q10	4Q09	4Q10	4Q09	4Q10	4Q09	4Q10	4Q09	4Q10	4Q09	4Q10	4Q09
<i>Amounts in NOK billion</i>														
Net lending to customers ¹⁾	748.3	719.6	354.9	345.5	25.8	6.4	2.9	2.8	61.7	75.9	(8.1)	(19.9)	1 185.5	1 130.3
Deposits from customers ¹⁾	382.1	366.8	247.2	221.0	21.0	28.0			24.0	20.0	(3.7)	(15.8)	670.6	620.0
Assets under management ²⁾							522.0	480.0					522.0	480.0
Allocated capital ³⁾	21.1	19.7	24.6	30.3	5.5	5.5	14.2	9.2	4.5	7.8				

Key figures

	Retail Banking		Large Corporates and International		DnB NOR Markets		Insurance and Asset Management		DnB NOR		Other operations		DnB NOR Group	
	4Q10	4Q09	4Q10	4Q09	4Q10	4Q09	4Q10	4Q09	4Q10	4Q09	4Q10	4Q09	4Q10	4Q09
<i>Per cent</i>														
Cost/income ratio ⁴⁾	56.2	52.7	28.3	27.3	32.8	36.5	49.8	64.4	72.2	72.6			43.1	49.3
Ratio of deposits to lending ^{1) 5)}	51.1	51.0	69.6	64.0					38.9	26.4			56.6	54.9
Return on allocated capital, annualised ³⁾	23.4	26.4	21.3	13.3	49.6	41.5	36.2	47.0	(11.2)	(28.9)			48.2	15.5
Full-time positions as at 31 Dec.	4 842	4 997	1 103	1 061	668	647	1 047	1 054	3 159	3 174	2 203	2 385	13 021	13 317

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

2) The figures include total assets in Vital and was NOK 247.1 billion as at 31 December 2010 and NOK 232.5 billion as at 31 December 2009.

3) The allocated capital and return on allocated capital are for the business areas calculated on the basis of internal measurement of risk-adjusted capital requirement. Recorded return on capital is used for the Group.

4) Total operating expenses relative to total income. Expenses exclude impairment losses for goodwill and intangible assets.

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

Market shares lending and deposits, Norwegian customers

Retail customers ¹⁾

<i>Per cent</i>	30 Nov. 2010	30 Sept. 2010	30 June 2010	31 March 2010	31 Dec. 2009
Total lending to households ²⁾	28.0	28.1	28.3	28.4	28.4
Bank deposits from households ³⁾	32.4	32.3	32.3	32.2	32.4

<i>Per cent</i>	30 Sept. 2009	30 June 2009	31 March 2009	31 Dec. 2008	30 Sept. 2008
Total lending to households ²⁾	28.4	28.4	28.2	28.2	28.4
Bank deposits from households ³⁾	32.5	32.4	32.5	32.7	33.0

1) Based on nominal values.

2) Total lending includes all credits extended to Norwegian customers by domestic commercial and savings banks, state banks, insurance companies and finance companies.

3) Domestic commercial and savings banks.

Source: Norges Bank, DnB NOR

Corporate customers ^{1) 2)}

<i>Per cent</i>	30 Nov. 2010	30 Sept. 2010	30 June 2010	31 March 2010	31 Dec. 2009
Of total lending to corporate clients ³⁾	14.1	14.0	14.1	13.9	14.0
Of deposits from corporate clients ⁴⁾	35.7	34.6	35.5	35.2	35.5

<i>Per cent</i>	30 Sept. 2009	30 June 2009	31 March 2009	31 Dec. 2008	30 Sept. 2008
Of total lending to corporate clients ³⁾	14.5	14.9	14.4	15.2	15.0
Of deposits from corporate clients ⁴⁾	36.1	35.7	37.1	36.6	36.3

1) Based on nominal values.

2) Updated according to adjusted data from Norges Bank.

3) Overall lending includes all credits extended to Norwegian customers by domestic commercial and savings banks, state banks, insurance companies, finance companies and foreign institutions, as well as bonds and commercial paper. Excluding lending to financial institutions, central government and social security services.

4) Excluding deposits from financial institutions, central government and social security services.

Source: Norges Bank, DnB NOR

Retail Banking

Retail Banking aims to maintain its leading market position and stand out as the customers' best financial partner. Karin Bing Orgland, group executive vice president, heads the business area.

Retail Banking includes:

- The retail market activities (private individuals and small and medium sized enterprises) of DnB NOR Bank, Postbanken and Nordlandsbanken
- DnB NOR Boligkreditt (excluding funding activities)
- DnB NOR Finans
- Residential real estate broking activities through DnB NOR Eiendom and Postbanken Eiendom
- Retail banking activities in Sweden
- Svensk Fastighetsförmedling
- SalusAnsvar

Customers/markets

- Serving 2.2 million private customers and 180 000 corporate customers, of which 760 000 customers have loans
- 1.4 million customers subscribe to DnB NOR loyalty programmes and Postbanken Leve
- 1.3 million customers have agreed to receive notifications from the bank, such as account statements, via e-mail
- 70 million payment transactions were carried out through the Internet banks in 2010
- 6.2 million payment transactions were carried out through in-store postal and banking outlets in 2010
- 43 million SMS messages were received in 2010
- Brand names
 - DnB NOR
 - Postbanken
 - Nordlandsbanken
 - Cresco

In 2011, the operations under the brand name Postbanken will gradually be integrated with DnB NOR.

Organisation and distribution

Retail Banking offers a wide range of financial products and services through Norway's largest distribution network, in terms of number of contact points with customers. The major distribution channels are:

- Branch offices: 165 DnB NOR, 40 Postbanken and 15 Nordlandsbanken
- Investment Advisory Services for private customers: 42
- Investment Advisory Services for corporate customers: 54
- In-store postal and banking outlets: 2 238
- Postal offices: 179
- Internet and telephone
- Real estate outlets in Norway: 128
- Real estate outlets in Sweden: 221

DnB NOR Bank ASA and Norway Post have an agreement relating to the distribution of financial services through the postal network. The agreement is mainly based on transaction-specific prices and a common aim to increase the number of financial services distributed through the postal network.

Postbanken and Norway Post have established joint service solutions provided through in-store postal outlets where customers can carry out everyday banking transactions in their local supermarkets. The distribution of standard banking services through in-store banking outlets is based on an agreement between DnB NOR and NorgesGruppen.

Employees

At end-December 2010, the business area had a staff of 4 842 full-time positions, with 4 517 positions in Norway, including 685 in Norwegian subsidiaries, and 325 in international units. Streamlining measures in the Group's cost programme resulted in staff reductions in the Norwegian operations.

Cooperation with other group entities

Cross selling of products is one of the major strengths of the DnB NOR Group. Through its distribution network Retail Banking offers:

- Asset management services, Life and pension insurance and Non-life insurance (Insurance and Asset Management)
- Financial instruments (DnB NOR Markets)

Financial performance ¹⁾

<i>Amounts in NOK million</i>	4Q10	3Q10	2Q10	1Q10	4Q09	Full year	
						2010	2009
Net interest income - ordinary operations	3 497	3 369	3 452	3 325	3 496	13 643	14 425
Interest on allocated capital ²⁾	134	135	120	108	99	497	500
Net interest income	3 631	3 504	3 572	3 432	3 595	14 139	14 925
Other operating income	781	956	910	854	850	3 501	3 324
Income attributable to product suppliers	347	265	340	310	347	1 263	1 336
Net other operating income	1 128	1 221	1 250	1 165	1 197	4 764	4 660
Total income	4 760	4 724	4 822	4 597	4 792	18 903	19 585
Other operating expenses	2 490	2 503	2 785	2 512	2 427	10 290	9 989
Cost attributable to product suppliers	187	126	187	176	203	675	770
Operating expenses	2 677	2 628	2 972	2 687	2 629	10 965	10 758
Pre-tax operating profit before write-downs	2 083	2 096	1 850	1 910	2 162	7 938	8 826
Net gains on fixed and intangible assets	5	0	1	0	0	6	1
Write-downs on loans and guarantees	362	372	284	207	344	1 225	1 586
Write-downs attributable to product suppliers	0	0	0	0	0	0	0
Pre-tax operating profit	1 725	1 725	1 566	1 703	1 818	6 719	7 241

Net lending to customers (NOK billion) ³⁾	748.3	739.2	731.2	725.5	719.6	736.1	708.3
Deposits from customers (NOK billion) ³⁾	382.1	379.6	368.0	367.6	366.8	374.4	366.7
Allocated capital ⁴⁾	21.1	20.0	19.6	19.5	19.7	20.0	19.2
Cost/income ratio (%)	56.2	55.6	57.6	58.5	52.7	57.0	53.9
Ratio of deposits to lending (%)	51.1	51.4	50.3	50.7	51.0	50.9	51.8
Return on allocated capital, annualised (%) ⁴⁾	23.4	24.6	23.1	25.4	26.4	24.1	27.1

1) In connection with the restructuring of Retail Banking and Large Corporates and International, figures for previous periods have been restated after the release of the third quarter results for 2009.

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

3) Average balances. Based on nominal values.

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

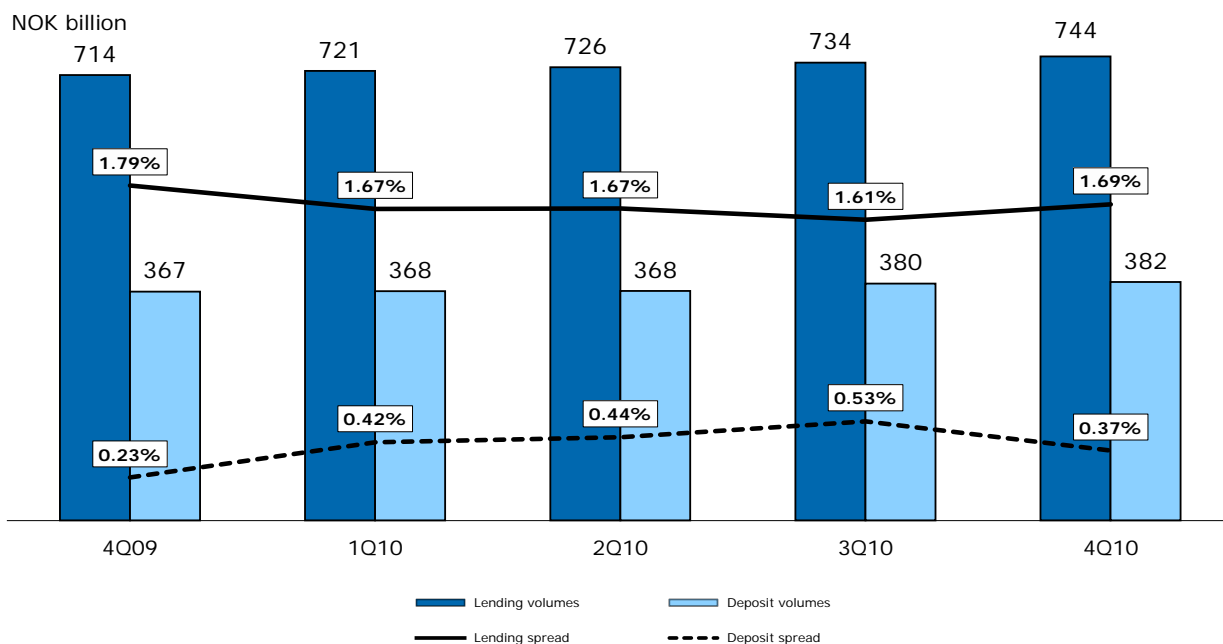
Net interest income

<i>Amounts in NOK million</i>	Average volumes			Spreads in per cent			Net interest income		
	4Q10	3Q10	4Q09	4Q10	3Q10	4Q09	4Q10	3Q10	4Q09
Lending ^{1) 2)}	743 683	733 685	713 776	1.69	1.61	1.79	3 166	2 971	3 243
Deposits ¹⁾	382 007	379 558	366 770	0.37	0.53	0.23	360	507	213
Allocated capital	21 070	20 003	19 653	2.53	2.69	2.00	134	135	99
Other							(28)	(110)	40
Total net interest income							3 631	3 504	3 595

1) Based on nominal values.

2) Excluding impaired loans.

Development in average volumes and interest spreads ¹⁾

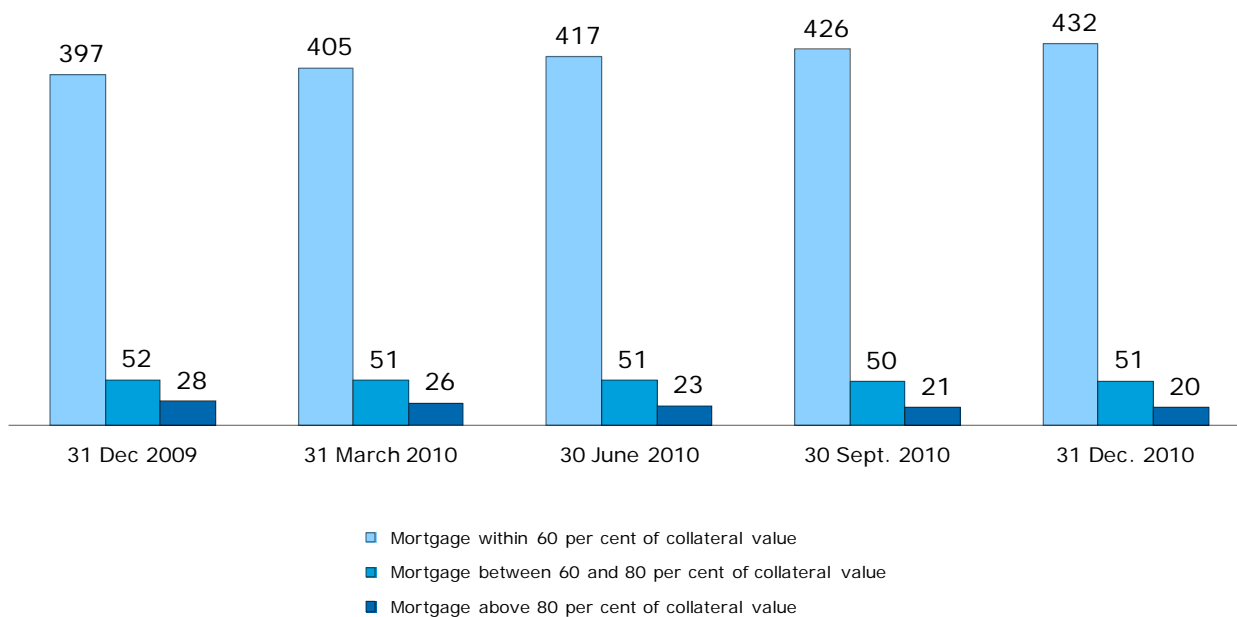


1) Excluding impaired loans.

Residential mortgages

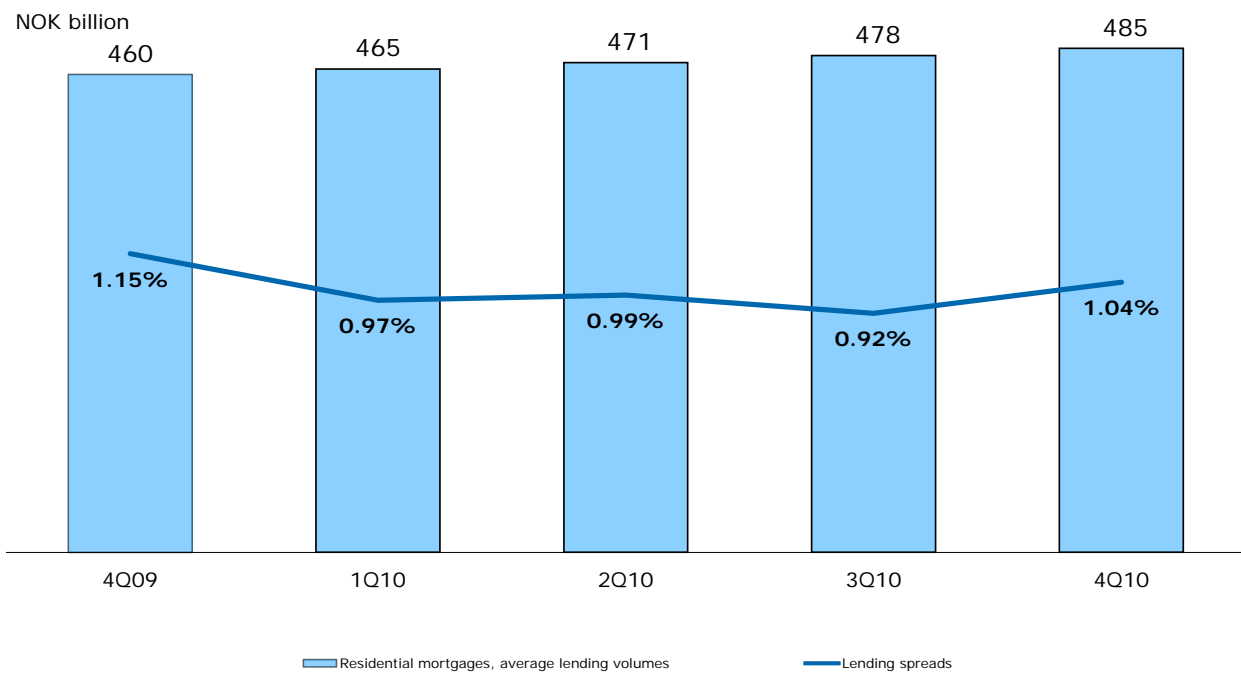
Distribution of lending according to collateral value ¹⁾

NOK billion



1) Residential mortgages in the business area Retail Banking based on actual collateral categories

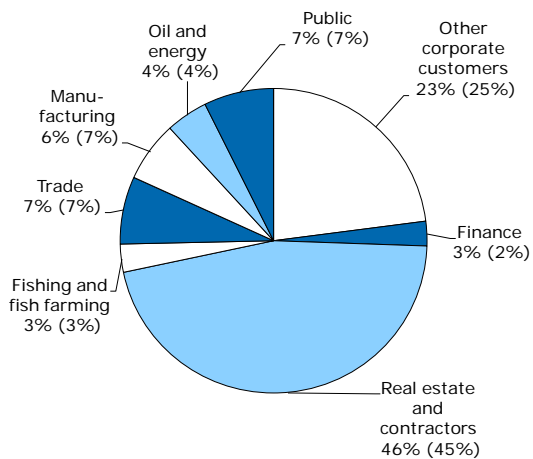
Average mortgage lending - volumes and spreads ¹⁾



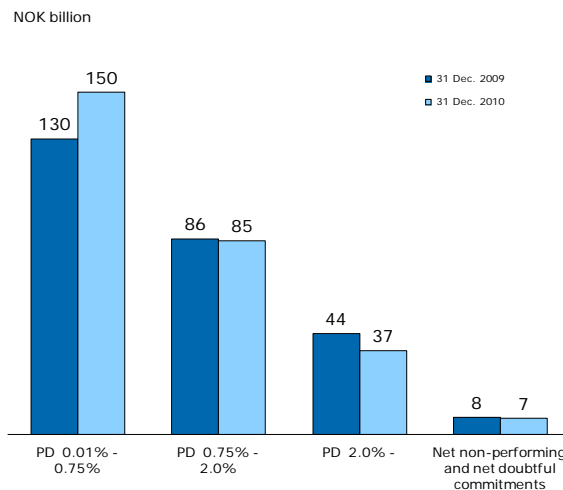
1) Residential mortgages to customers in Norway in the business area Retail Banking.

Retail corporate customers

Exposure at default according to sector ¹⁾



Risk classification of portfolio ²⁾



1) Corporate customers. Figures as at 31 December 2010. Percentages as at 31 December 2009 in parentheses.

2) Based on DnB NOR's risk classification system. The volume represents the expected outstanding amount in the event of default, except for net non-performing and net doubtful commitments which are net recorded exposure in the accounts.
 PD = probability of default.

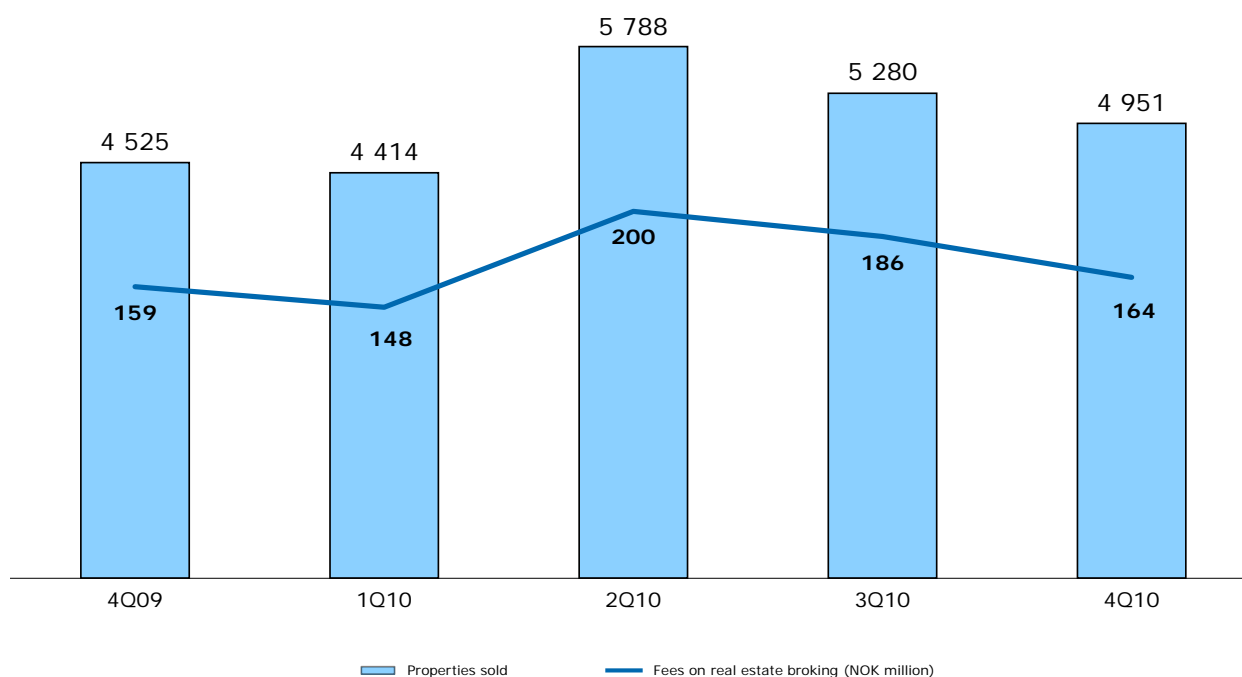
Residential real estate broking

DnB NOR's real estate broking activities are coordinated by DnB NOR Eiendom, a market leader within the real estate broking business in Norway. DnB NOR Eiendom had 92 outlets located in DnB NOR branches at the end-December 2010. Postbanken Eiendom has established 36 real estate broking customer service centres.

After the acquisition of Svensk Fastighetsförmedling DnB NOR became the largest provider of real estate brokerage services in the Nordic region. Svensk Fastighetsförmedling had 221 outlets in Sweden at end-December.

In addition to fee income, real estate broking operations generate business in the form of residential mortgages and savings.

Real estate broking in Norway



Properties sold and market shares ¹⁾

Properties sold	4Q10	3Q10	2Q10	1Q10	4Q09	Full year	
						2010	2009
DnB NOR Eiendom	3 867	4 155	4 610	3 534	3 702	16 166	15 413
Postbanken Eiendom	1 084	1 125	1 178	880	823	4 267	3 539
Total properties sold	4 951	5 280	5 788	4 414	4 525	20 433	18 952
Market shares, per cent ²⁾						19	19

1) Norwegian operations only.

2) Management's estimates.

DnB NOR Finans

The former operations in DnB NOR Finans AS and DnB NOR Kort are merged in a division in the bank named DnB NOR Finans, organised under Retail Banking.

Net lending to customers - average volumes

Amounts in NOK billion	4Q10	3Q10	2Q10	1Q10	4Q09	Full year	
						2010	2009
Motor vehicle finance, leasing and factoring	45.8	45.4	45.2	45.2	45.5	45.4	45.9
Consumer finance	12.4	11.3	13.0	14.4	14.1	12.8	13.5
Total net lending to customers	58.2	56.8	58.2	59.6	59.6	58.2	59.5

- There was a 11 per cent increase in new leasing and lending contracts in the fourth quarter of 2010 compared to the corresponding period in 2009.
- The value of processed factoring invoices was down 5.2 per cent.
- Consumer finance activities generated healthy profits in the fourth quarter of 2010.
- As at 31 December 2010, the entity had issued nearly 1.9 million credit and charge cards.

Business profile

DnB NOR Finans is Norway's leading provider of services within the division's lines of business. DnB NOR Finans coordinates DnB NOR's credit card-based services and consumer finance activities as well as providing leasing, factoring, motor vehicle financing and Auto lease (car fleet management services).

DnB NOR Finans has a strong local presence in Norway. In addition, DnB NOR Finans has local representation in Denmark and Sweden. In Denmark the business is concentrated on offering Auto lease services, whereas in Sweden DnB NOR Finans offers a wide range of services, including Auto lease services, car finance, investment and equipment finance and credit cards.

Nordlandsbanken

Average volumes

Amounts in NOK billion	4Q10	3Q10	2Q10	1Q10	4Q09	Full year	
						2010	2009
Net lending to customers	36.0	35.2	34.5	34.1	33.7	34.9	33.2
Customer deposits	13.6	13.2	12.8	13.1	12.8	13.2	12.7

Business profile

Nordlandsbanken is a wholly owned subsidiary of DnB NOR ASA. Nordlandsbanken serves private customers, businesses and the public sector through 15 branches in Nordland county.

Nordlandsbanken aim to be the leading bank in Nordland county for customers who seek local expertise.

Large Corporates and International

Large Corporates and International (LCI) aims to offer good solutions to the customers and continue building strong customer relationships for the future. Leif Teksum, group executive vice president, heads the business area.

LCI is organised in seven divisions:

- Nordic Corporates
- International Corporates and Institutions
- Energy
- Shipping, Offshore and Logistics
- Northern Europe
- Special and Structured Finance
- Business Development and Cash Management

DnB NOR Monchebank and DnB NOR Luxembourg are separate subsidiaries in LCI.

Employees

At end-December 2010, the business area had a staff of 1 103 full-time positions, with 472 positions in Norway and 631 in international units.

Financial performance ¹⁾

<i>Amounts in NOK million</i>	4Q10	3Q10	2Q10	1Q10	4Q09	Full year	
						2010	2009
Net interest income - ordinary operations	1 616	1 492	1 440	1 336	1 287	5 884	5 333
Interest on allocated capital ²⁾	157	163	152	136	153	608	793
Net interest income	1 773	1 655	1 593	1 471	1 440	6 492	6 126
Other operating income	388	313	201	248	397	1 151	1 272
Income attributable to product suppliers	661	525	458	362	357	2 006	2 032
Net other operating income	1 049	838	659	610	754	3 157	3 304
Total income	2 822	2 493	2 252	2 082	2 194	9 649	9 430
Other operating expenses	533	528	521	548	434	2 130	1 877
Cost attributable to product suppliers	266	194	195	151	164	806	749
Operating expenses	799	721	716	699	598	2 935	2 627
Pre-tax operating profit before write-downs	2 023	1 772	1 536	1 383	1 595	6 713	6 803
Net gains on fixed and intangible assets	0	0	0	0	0	0	0
Write-downs on loans and guarantees	191	84	63	249	189	586	1 128
Write-downs attributable to product suppliers	(1)	1	0	3	(3)	3	6
Pre-tax operating profit	1 833	1 687	1 474	1 131	1 410	6 124	5 669
Net lending to customers (NOK billion) ³⁾	354.9	362.2	355.2	343.5	345.5	354.0	376.9
Deposits from customers (NOK billion) ³⁾	247.2	228.8	222.4	215.0	221.0	228.4	228.8
Allocated capital ⁴⁾	24.6	24.0	24.9	24.5	30.3	24.5	30.3
Cost/income ratio (%)	28.3	28.9	31.8	33.6	27.3	30.4	27.9
Ratio of deposits to lending (%)	69.6	63.2	62.6	62.6	64.0	64.5	60.7
Return on allocated capital, annualised (%) ⁴⁾	21.3	20.1	17.1	13.5	13.3	18.0	13.5

1) In connection with the restructuring of Retail Banking and Large Corporates and International, figures for previous periods have been restated after the release of the third quarter results for 2009.

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

3) Average balances. Based on nominal values and includes lending and deposits from credit institutions.

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

Average total volumes

<i>Amounts in NOK billion</i>	4Q10	3Q10	2Q10	1Q10	4Q09	Full year	
						2010	2009
Loans ¹⁾	355	362	355	344	346	354	377
Guarantees	59	61	62	60	61	61	68
Total loans and guarantees	414	423	417	403	406	415	444
Adjusted for exchange rate movements	414	420	415	409	407	415	427
Commercial paper during the period	11	13	12	11	6	48	31
Syndicated loans during the period ²⁾	2	3	0	0	0	5	0
Bond issues during the period	17	13	15	10	17	54	142

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

2) Difference between DnB NOR underwriting and DnB NOR final hold.

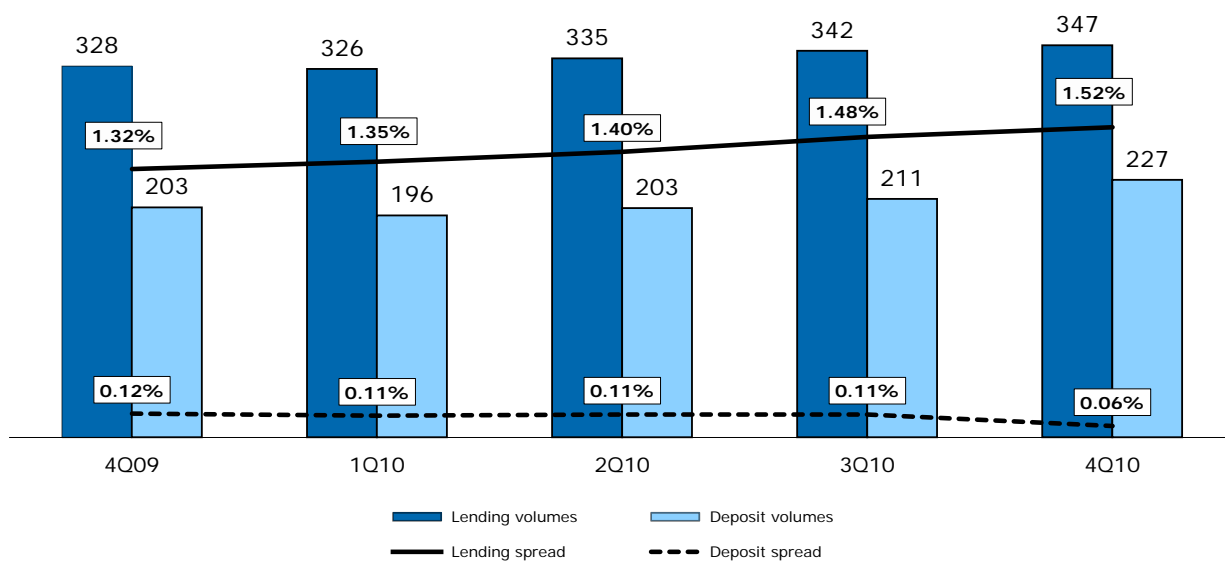
Net interest income

<i>Amounts in NOK million</i>	Average volumes			Spreads in per cent			Net interest income		
	4Q10	3Q10	4Q09	4Q10	3Q10	4Q09	4Q10	3Q10	4Q09
Lending ¹⁾	346 510	341 535	328 139	1.52	1.48	1.32	1 330	1 270	1 076
Deposits ¹⁾	227 500	210 676	203 187	0.06	0.11	0.12	33	60	60
Allocated capital	24 605	24 003	30 345	2.53	2.69	2.00	157	163	153
Other							253	162	151
Total net interest income							1 773	1 655	1 440

1) Based on nominal values excluding lending to and deposits from credit institutions and impaired loans.

Development in average volumes and interest spreads ¹⁾

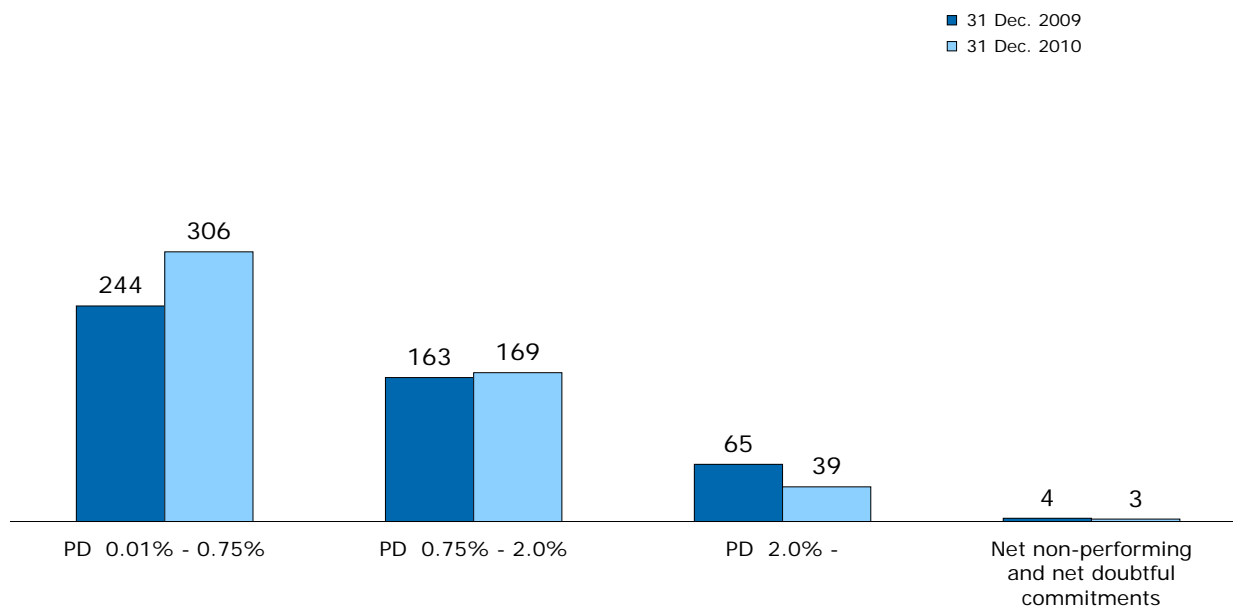
NOK billion



1) Excluding lending to and deposits from credit institutions and impaired loans.

Risk classification of portfolio ¹⁾

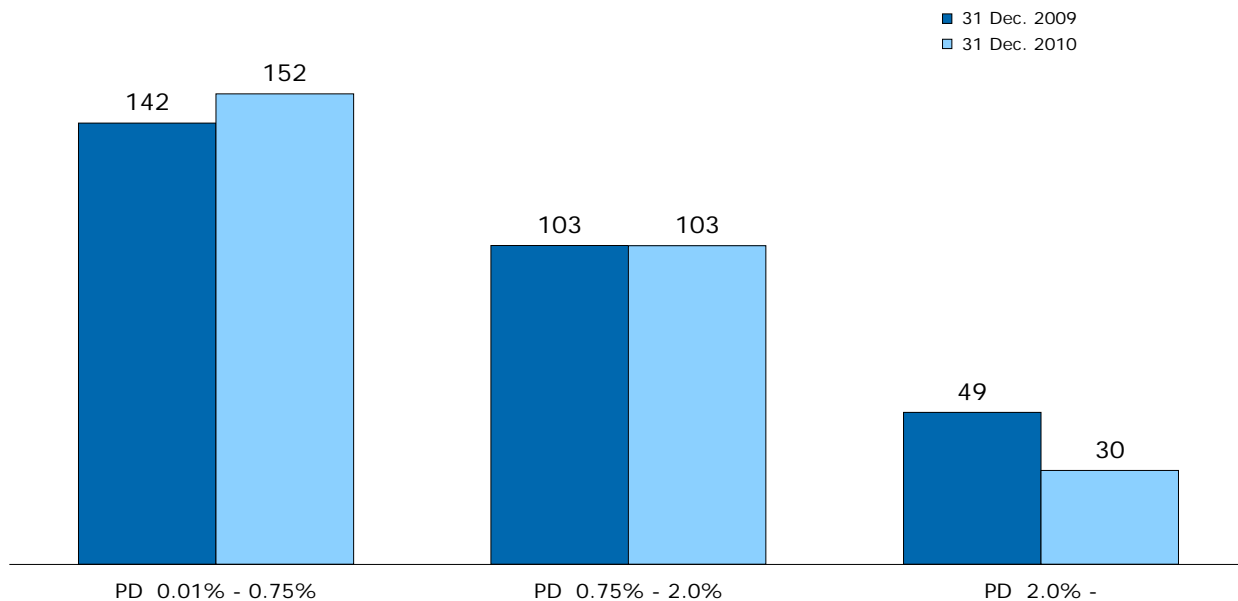
NOK billion



1) Based on DnB NOR's risk classification system. The volume represents the expected outstanding amount in the event of default, except for net non-performing and net doubtful commitments which are net recorded exposure in the accounts. PD = probability of default

Risk classification of international portfolio ¹⁾

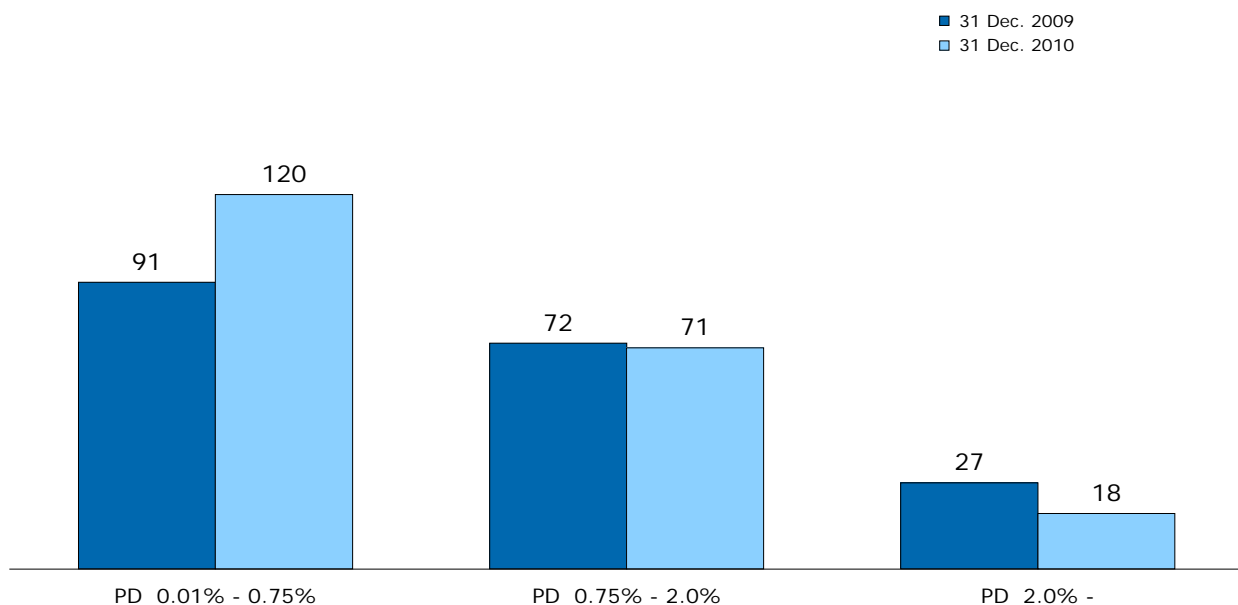
NOK billion



1) Based on DnB NOR's risk classification system. The volume represents the expected outstanding amount in the event of default.
 PD = probability of default
 The international portfolio comprises business recorded outside Norway

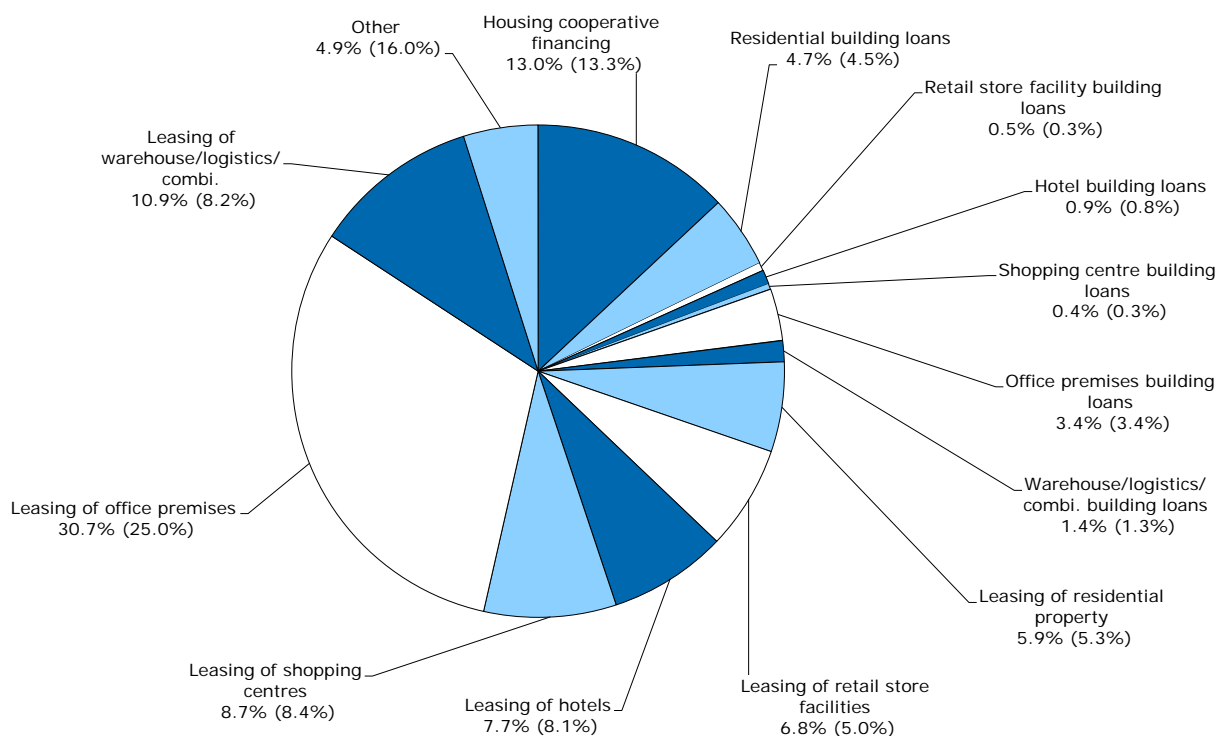
Risk classification of commercial property exposure ¹⁾

NOK billion

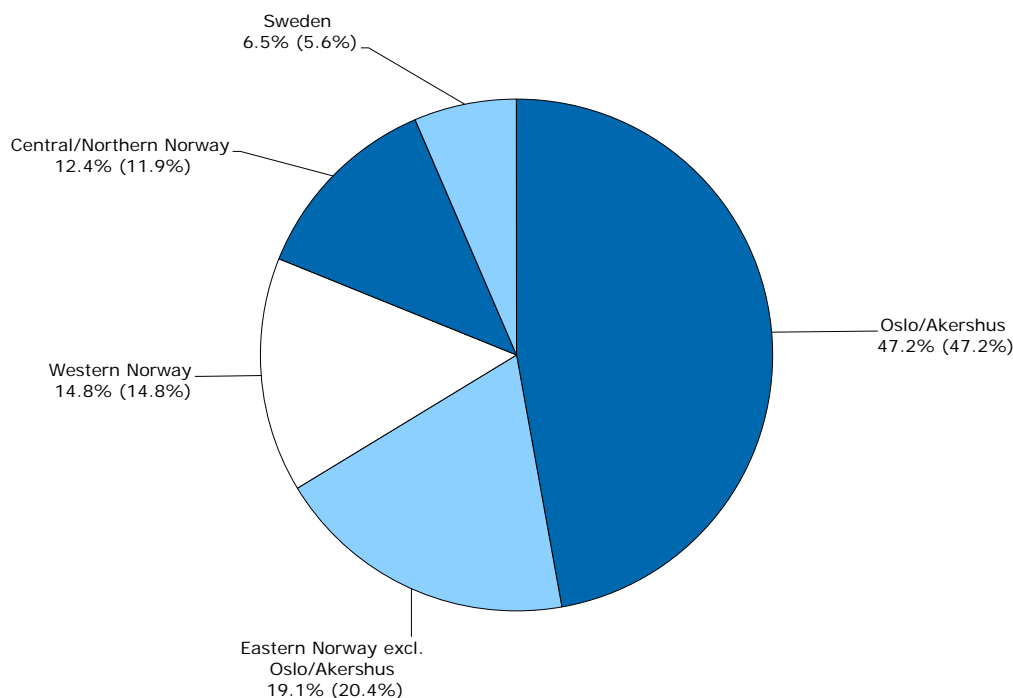


1) Based on DnB NOR's risk classification system. The volume represents the expected outstanding amount in the event of default.
 PD = probability of default

Commercial property exposure according to segment as at 31 December 2010



Geographic distribution of commercial property exposure as at 31 December 2010



Comparable figures as at 31 December 2009 in parentheses.

Nordic Corporate Division

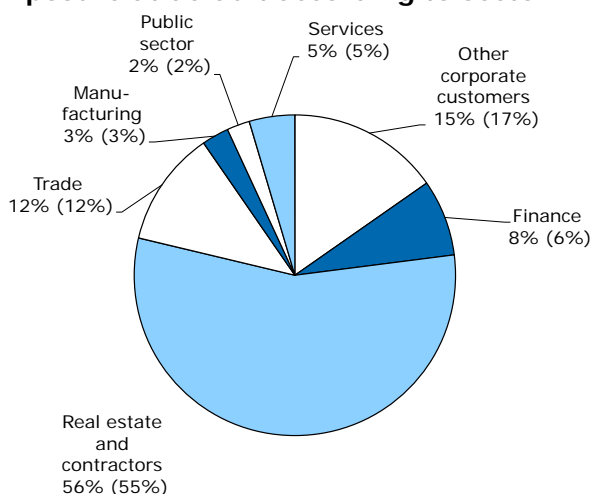
- The NC Division serves the bank's largest Norwegian and Nordic corporate clients within the retail and service industries, commercial real estate and contractors, financial institutions, the public sector and non-government organisations. The NC Division also serves international clients in the same segments while international banks and financial institutions are served by ICI.
- DnB NOR has a very strong market position in these segments in Norway. The majority of Norway's largest corporations are banking with DnB NOR.
- Commercial real estate broking services are offered through the subsidiary DnB NOR Næringsmegling AS.

Average volumes

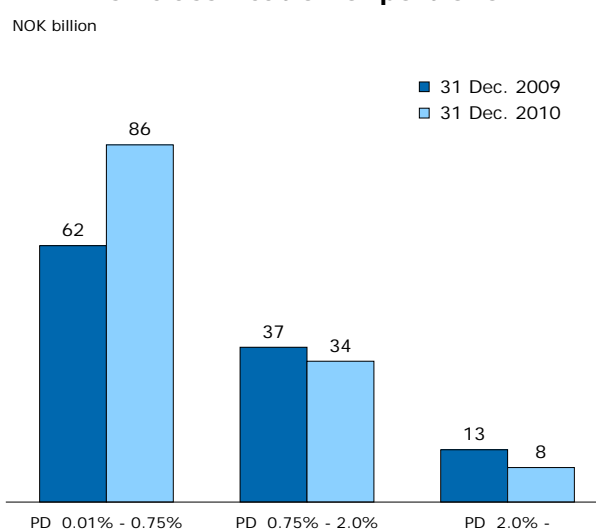
Amounts in NOK billion	4Q10	3Q10	2Q10	1Q10	4Q09	Full year	
						2010	2009
Net lending to customers ¹⁾	93	90	91	86	84	90	87
- Adjusted for exchange rate movements ¹⁾	93	90	92	86	84	90	86
Guarantees	14	13	14	14	14	14	14
Customer deposits ¹⁾	73	75	77	74	75	75	76

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

Exposure at default according to sector ¹⁾



Risk classification of portfolio ²⁾



1) Figures as at 31 December 2010. Percentages as at 31 December 2009 in parentheses.

2) Based on DnB NOR's risk classification system. The volume represents the expected outstanding amount in the event of default.
PD = probability of default

International Corporate and Institutions Division

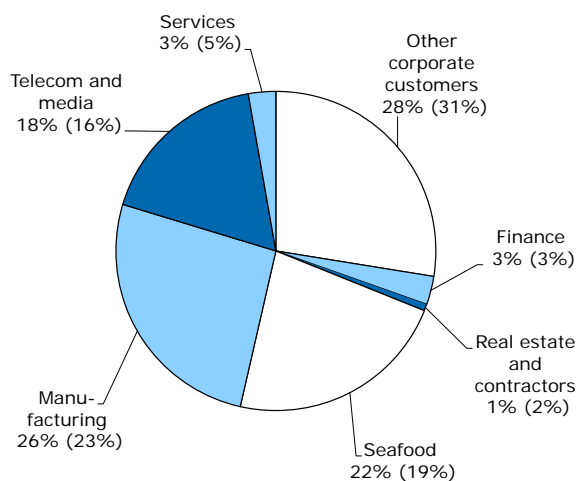
- The International Corporates and Institutions Division serves large Norwegian corporates, international companies with business in Norway, international customers in the following sectors; seafood, telecom, media, technology, healthcare, forest industry, general manufacturing and international financial institutions.
- The division serves a majority of the Norwegian companies in the defined industries as their lead banker. In addition there is a broad interaction with a majority of the other corporates in these segments in Norway, as well as with selected corporates within LCI's strategy internationally.

Average volumes

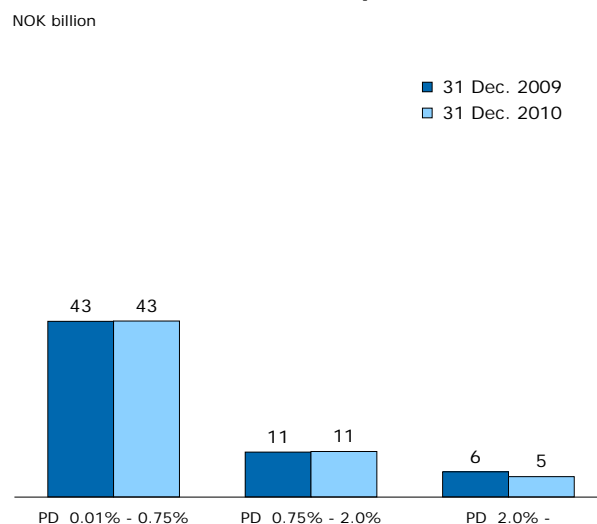
Amounts in NOK billion	4Q10	3Q10	2Q10	1Q10	4Q09	Full year	
						2010	2009
Net lending to customers ¹⁾	43	39	37	38	41	39	45
- Adjusted for exchange rate movements ¹⁾	43	39	37	39	40	39	43
Guarantees	11	11	11	12	12	11	14
Customer deposits ¹⁾	36	33	31	32	34	33	35

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

Exposure at default according to sector ¹⁾



Risk classification of portfolio ²⁾



1) Figures as at 31 December 2010. Percentages as at 31 December 2009 in parentheses.

2) Based on DnB NOR's risk classification system. The volume represents the expected outstanding amount in the event of default. PD = probability of default

Energy Division

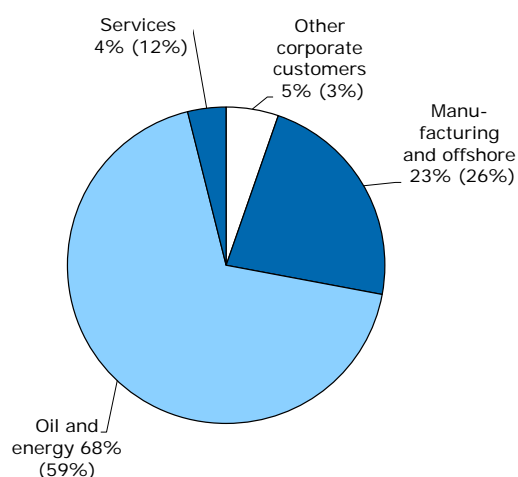
- The Division serves Energy customers in Norway and internationally in the oil and gas, offshore contractors and oilfield services, power and renewables industries.
- The oil and gas and the offshore contractors and oilfield services industries are amongst the largest sectors in the world. Huge investments are needed in order to meet future demand for oil and gas.
- The power and renewables industries are fast growing sectors with focus on low carbon emissions energy production. Increasing commitment to reduce greenhouse gases paves the way for environmentally friendly energy production. The bank has a strong global focus on renewable energy, with main emphasis on hydro, wind and solar technologies. Considerable investments are needed in order to meet future ambitions within renewable energy.

Average volumes

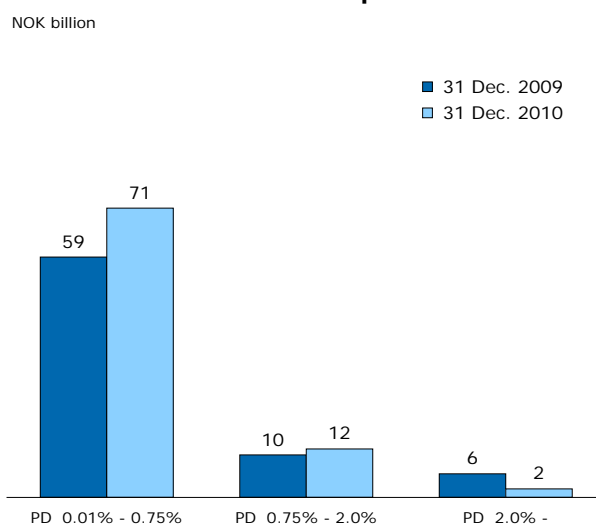
Amounts in NOK billion	4Q10	3Q10	2Q10	1Q10	4Q09	Full year	
						2010	2009
Net lending to customers ¹⁾	37	35	34	35	35	35	38
- Adjusted for exchange rate movements ¹⁾	37	34	33	35	34	35	36
Guarantees	23	23	23	22	22	23	25
Customer deposits ¹⁾	37	34	29	29	31	32	36

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

Exposure at default according to sector ¹⁾



Risk classification of portfolio ²⁾



1) Figures as at 31 December 2010. Percentages as at 31 December 2009 in parentheses.

2) Based on DnB NOR's risk classification system. The volume represents the expected outstanding amount in the event of default.
PD = probability of default

Shipping, Offshore and Logistics Division

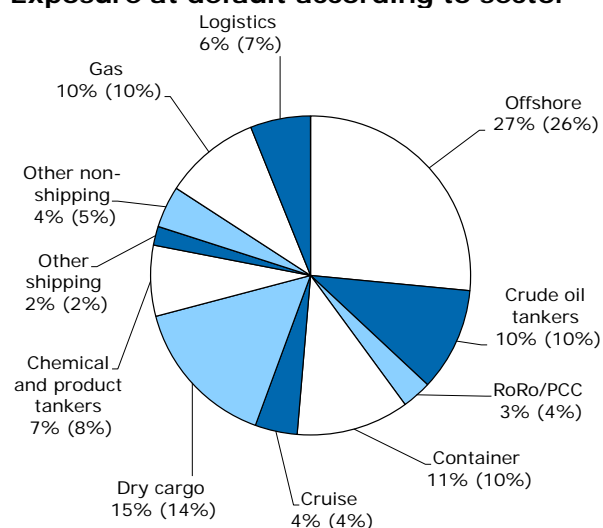
- The Shipping, Offshore and Logistics Division provides commercial and investment banking services to high-quality Norwegian and international shipping, offshore and logistics clients.
- The division aims to achieve satisfactory growth in risk-adjusted profitability by being one of the leading international shipping banks.
- The division aims to be the preferred strategic discussion partner for clients.
- The division focuses on competence development to further improve the quality and range of client services.

Average volumes

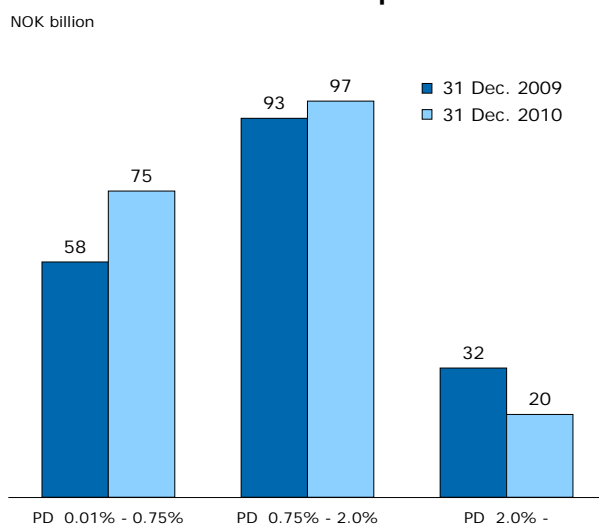
Amounts in NOK billion	4Q10	3Q10	2Q10	1Q10	4Q09	Full year	
						2010	2009
Net lending to customers ¹⁾	140	145	141	133	134	140	151
- Adjusted for exchange rate movements ¹⁾	140	142	138	136	134	140	142
Guarantees	11	11	12	10	10	11	11
Customer deposits ¹⁾	77	75	71	67	66	72	70

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

Exposure at default according to sector ¹⁾



Risk classification of portfolio ²⁾



1) Figures as at 31 December 2010. Percentages as at 31 December 2009 in parentheses.

2) Based on DnB NOR's risk classification system. The volume represents the expected outstanding amount in the event of default. PD = probability of default

Portfolio

- DnB NOR has a diversified portfolio in the maritime sector, as shown above.
- Lessons are learned from previous downturns, and internal credit analysis has been based on low rate estimates.
- Clients within the dry bulk segment are mainly well-established operators with good contract coverage.
- The container portfolio is characterised by companies that are among the major operators and tonnage providers.
- Within the crude tanker portfolio, clients are mainly leading international tanker owners.
- The container market has improved, but the dry bulk and tanker markets remain volatile, the supply/demand balance being an issue going forward

Northern Europe

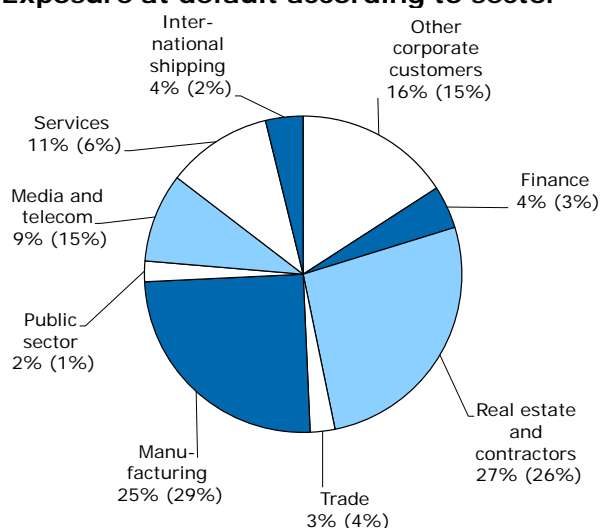
The Group's corporate business units in Northern Europe are organised in a separate division. The division's aim is to effectively utilise the business potential in the Nordic/Northern European region, which is increasingly becoming an integrated market with a growing number of corporate customers operating cross-border. The division consists of the Group's offices in Sweden, Germany, Denmark and Finland, and aims to serve and cross-sell solutions to corporate customers within the Group's defined industries in these countries. The division also aims to be the preferred provider of financial services for DnB NORD customers doing business in Northern European countries.

Average volumes

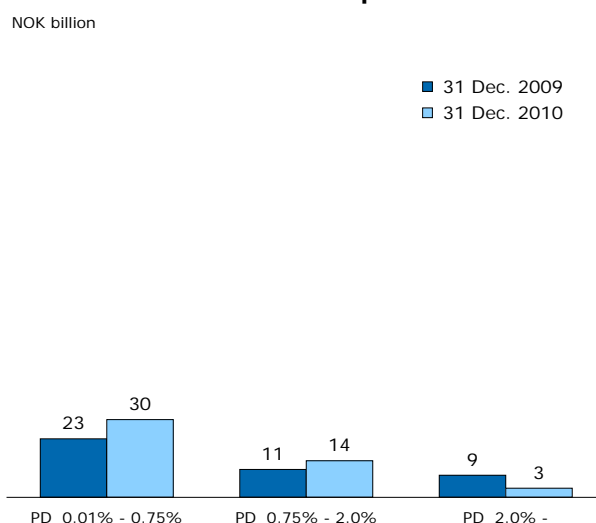
Amounts in NOK billion	4Q10	3Q10	2Q10	1Q10	4Q09	Full year	
						2010	2009
Net lending to customers ¹⁾	36	48	48	46	48	45	51
- Adjusted for exchange rate movements ¹⁾	36	49	49	48	49	45	50
Guarantees	2	2	2	2	2	2	2
Customer deposits ¹⁾	12	10	11	11	12	11	10

1) Based on nominal values and includes lending and deposits from credit institutions. Average net lending to customers was reduced by NOK 11 billion and NOK 2.8 billion in 4Q10 and 2010 respectively, following the merger of DnB NOR Finans with the bank.

Exposure at default according to sector ¹⁾



Risk classification of portfolio ²⁾



1) Figures as at 31 December 2010. Percentages as at 31 December 2009 in parentheses.

2) Based on DnB NOR's risk classification system. The volume represents the expected outstanding amount in the event of default. PD = probability of default

DnB NOR Monchebank (part of the Business Development and Cash Management Division)

DnB NOR Monchebank is a regional bank serving corporate and retail customers and has a firm foothold in the Murmansk region in Russia. The bank holds a general licence for banking operations throughout Russia. The bank will be the fundament for further development of DnB NOR's business in the Murmansk and Arkhangelsk region.

Average volumes

<i>Amounts in NOK billion</i>	4Q10	3Q10	2Q10	1Q10	4Q09	Full year	
						2010	2009
Net lending to customers ¹⁾	0.8	0.9	0.9	0.9	0.6	0.9	0.7
Guarantees	-	-	-	-	-	-	-
Customer deposits ¹⁾	0.9	0.9	0.9	0.9	0.9	0.9	0.9

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

DnB NOR Luxembourg

DnB NOR Luxembourg S.A. is a fully licensed bank with two business areas: International Private banking and Bank guaranteed non-NOK loans to clients of Norwegian savings banks.

Average volumes

<i>Amounts in NOK billion</i>	4Q10	3Q10	2Q10	1Q10	4Q09	Full year	
						2010	2009
Net lending to customers ¹⁾	4.1	4.2	4.0	4.0	4.2	4.1	5.0
Guarantees	-	-	-	-	-	-	-
Customer deposits ¹⁾	1.9	1.6	1.5	1.3	1.5	1.6	1.4

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

DnB NOR Markets

DnB NOR Markets is Norway's largest provider of a wide range of securities and investment banking services. Ottar Ertzeid, group executive vice president, is head of DnB NOR Markets.

DnB NOR Markets comprises the following units:

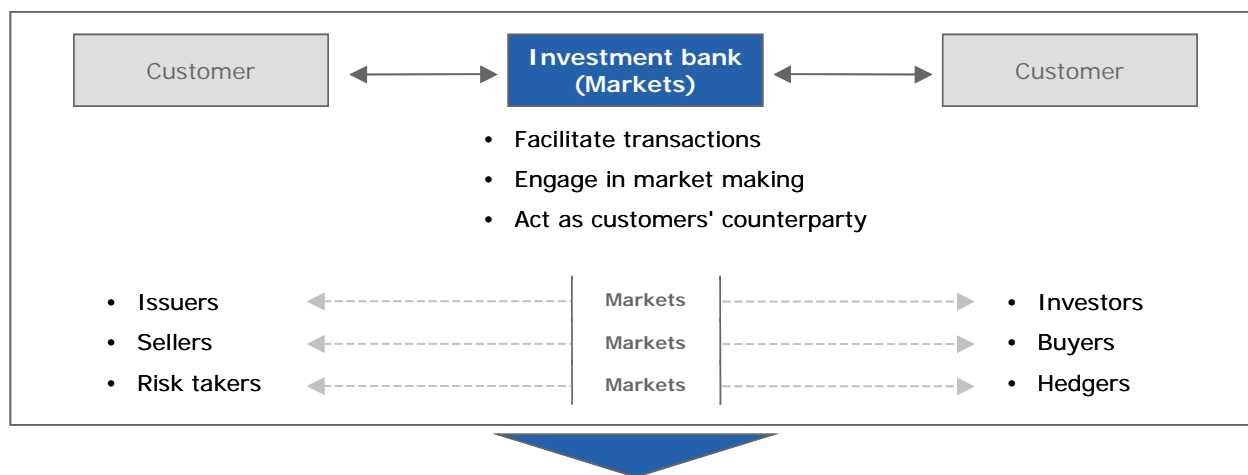
- Fixed Income/Currencies/Commodities
- Equities
- Investment Products
- Corporate Finance
- Securities Services

The Group Treasury is organised within DnB NOR Markets though profits and losses for the unit are not recorded under this business area.

DnB NOR Markets aims to be the leading investment bank for Norwegian and Norwegian-related customers, as well as international clients requiring services relating to Norway and the Norwegian krone. Clients outside Norway are served through the Group's international units, especially shipping, energy and seafood clients.

DnB NOR Markets is a full-service investment bank with leading market positions in Norway. The business area has:

- A diversified business/revenues mix (products and customers)
- A sound mix of customer and trading activities
- Cost and capital-efficient operations



Through its diversified business and products, DnB NOR Markets is well positioned to capitalise on the Group's customer base and interest rate and currency positions.

Products and services

- Currency, interest rate and commodity derivatives.
- Securities and other investment products.
- Debt and equity financing in capital markets, as well as merger and acquisition and other advisory and corporate finance services.
- Custodial and other securities services.

Customers and market shares

- In spite of intensifying competition, DnB NOR Markets maintained its leading market position in Norway within foreign exchange and interest rate activities.
- Manager for the greatest number of Norwegian kroner bond and commercial paper issues in NOK in the domestic market in the fourth quarter of 2010 (Source: Stamdata, Bloomberg).
- The largest brokerage house on Oslo Børs with respect to equities and the largest within fixed income securities in the secondary market in the fourth quarter of 2010 (Source: Oslo Stock Exchange).
- Leading within domestic securities services (Source: Oslo Stock Exchange).
- 54.4 per cent of limited companies use DnB NOR Markets as registrar in the Norwegian Central Securities Depository (Source: Norwegian Central Securities Depository).

Employees

DnB NOR Markets staff located in offices in Norway and abroad represents 668 full-time positions.

Financial performance

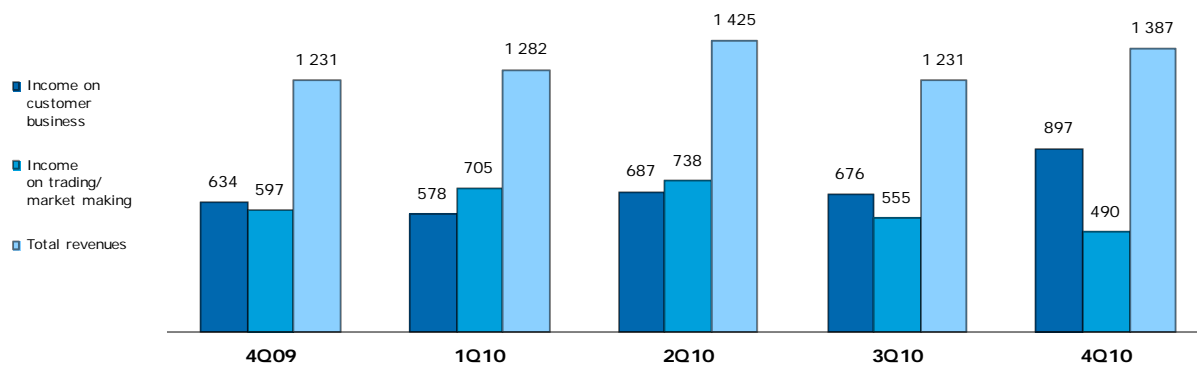
<i>Amounts in NOK million</i>	4Q10	3Q10	2Q10	1Q10	4Q09	Full year	
						2010	2009
Net interest income - ordinary operations	224	230	214	260	288	928	1 100
Interest on allocated capital ¹⁾	35	43	36	31	28	145	144
Net interest income	259	273	250	291	315	1 073	1 244
Net other operating income	1 164	1 002	1 211	1 022	943	4 398	5 999
Total income	1 422	1 274	1 462	1 313	1 259	5 471	7 243
Operating expenses	467	466	484	417	459	1 833	1 913
Pre-tax operating profit before write-downs	955	808	978	896	800	3 638	5 331
Net gains on fixed and intangible assets	0	0	0	0	0	0	0
Write-downs on loans and guarantees	0	0	0	0	0	0	0
Pre-tax operating profit	955	808	978	896	800	3 638	5 331
Allocated capital ²⁾	5.5	6.4	6.0	5.6	5.5	5.9	5.5
Cost/income ratio (%)	32.8	36.6	33.1	31.7	36.5	33.5	26.4
Return on allocated capital, annualised (%) ²⁾	49.6	36.2	47.4	47.0	41.5	44.8	69.8

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

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

Income distribution

NOK million



Total revenues	1 231	1 282	1 425	1 231	1 387
Interest on allocated capital	28	31	36	43	35
Total income	1 259	1 313	1 462	1 274	1 422

Revenues within various segments, quarterly*Amounts in NOK million*

	4Q10	3Q10	2Q10	1Q10	4Q09
FX, interest rate and commodity derivatives	387	308	331	292	311
Investment products	85	101	99	114	135
Corporate finance	365	216	201	122	130
Securities services	60	51	57	50	58
Total customer revenues	897	676	687	578	634
Net income liquidity portfolio	291	292	265	304	230
Other market making/trading revenues	199	264	474	401	367
Total trading revenues	490	555	738	705	597
Interest income on allocated capital	35	43	36	31	28
Total income	1 422	1 274	1 462	1 313	1 259

Revenues within various segments, annual*Amounts in NOK million*

	2010	2009	2008	2007	2006
FX, interest rate and commodity derivatives	1 317	1 665	1 936	1 332	1 044
Investment products	399	766	574	705	851
Corporate finance	903	570	643	828	695
Securities services	218	190	333	388	316
Total customer revenues	2 838	3 191	3 486	3 253	2 907
Net income liquidity portfolio	1 151	1 147	(707)	(1 139)	98
Other market making/trading revenues	1 337	2 761	2 600	986	808
Total trading revenues	2 488	3 908	1 893	(153)	906
Interest income on allocated capital	145	144	305	117	59
Total income	5 471	7 243	5 685	3 217	3 872

Distribution and cooperation with other entities

Maintaining a broad distribution network and effective cooperation with other business areas within the Group is a key priority for DnB NOR Markets. Customers are served through:

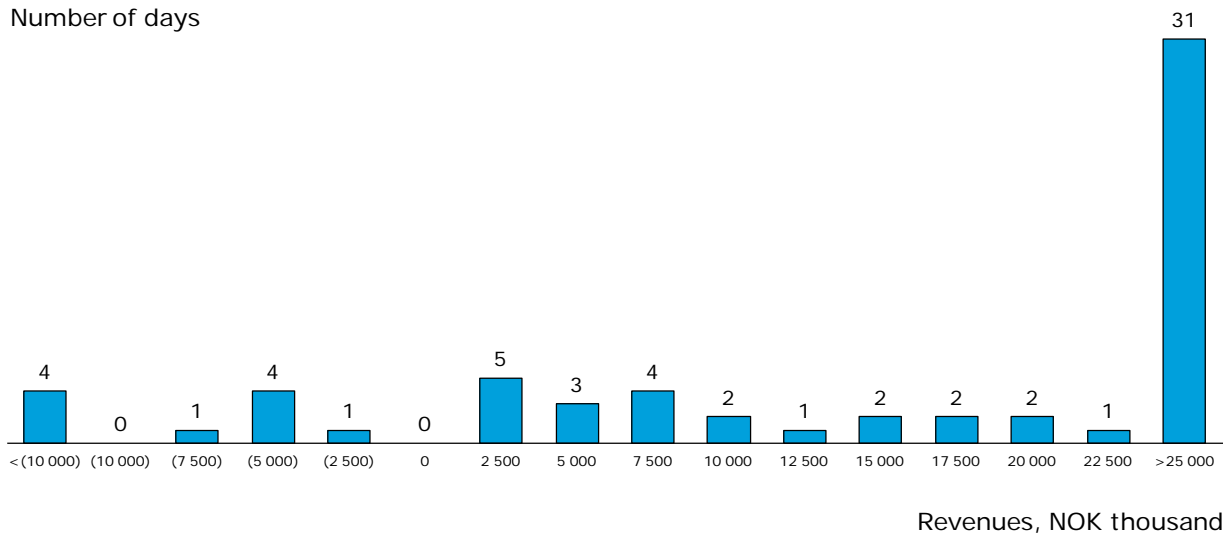
- Central units located in Oslo.
- International offices (Stockholm, London, New York, Houston, Singapore and Shanghai) and 13 regional offices in Norway.
- DnB NOR Markets launched “Exchange Traded Notes” quoted on Oslo Børs in October 2010.

Daily revenue statistics

Amounts in NOK thousand	Fourth quarter		Full year	
	2010	2009	2010	2009
Minimum	(74 962)	(48 637)	(82 403)	(67 096)
Maximum	99 780	169 022	105 172	231 705
Average	21 071	19 063	21 164	27 411
Loss days	13	13	44	43
Gain days	53	52	216	216

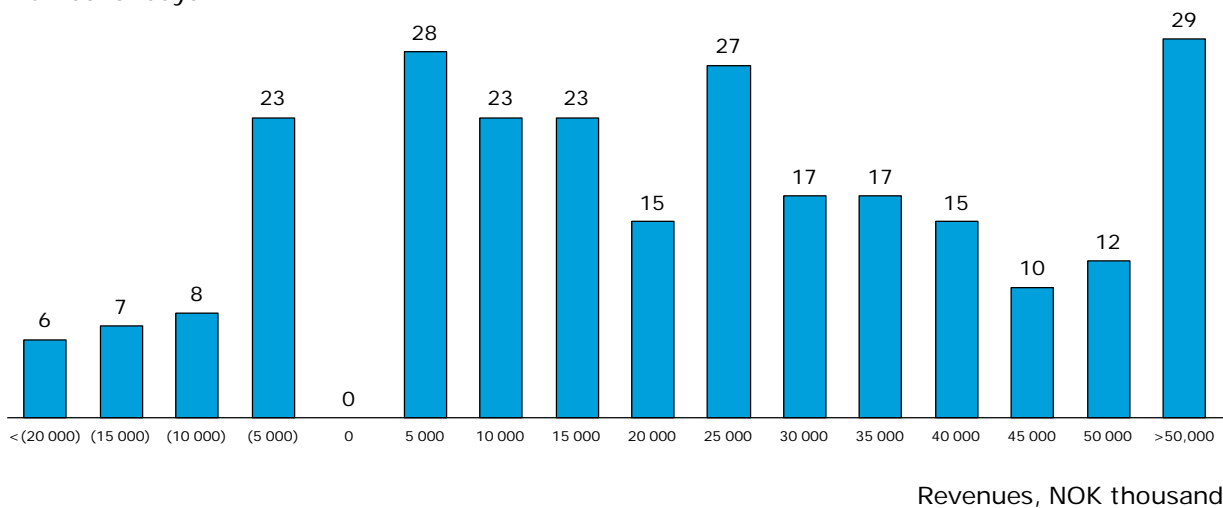
Daily revenue distribution in the fourth quarter of 2010

Number of days



Daily revenue distribution in 2010

Number of days



Risk profile

DnB NOR Markets has a moderate risk profile. Customer activities represent the main business. Trading activities support customer activities with products and prices, with focus on Norwegian kroner products.

Value-at-Risk ¹⁾

Market risk arises as a consequence of open positions in foreign exchange, interest rates and equities. The risk is linked to variations in financial results due to fluctuations in market prices or exchange rates. Value-at-risk increased during the fourth quarter of 2010 due to higher market volatility.

<i>Amounts in NOK thousand</i>	31 Dec. 2010	Fourth quarter 2010		
	Actual	Average	Maximum	Minimum
Currency risk	1 370	7 469	14 740	1 090
Interest rate risk	44 850	43 876	51 310	29 200
Equities	3 076	1 692	8 022	281
Diversification effects ²⁾	(1 560)	(7 308)	-	
Total	47 736	45 729	74 072	30 571

1) Value-at-Risk is the maximum loss that could be incurred on trading positions from one day to the next at a 99 per cent confidence level.

2) Diversification effects refer to currency and interest rate risk only.

Interest rate sensitivity

The value of financial investments recorded on and off the balance sheet is affected by interest rate movements. The table below shows potential losses for DnB NOR resulting from parallel one percentage point changes in all interest rates. The calculations are based on a hypothetical situation where interest rate movements in all currencies are unfavourable for DnB NOR relative to the Group's positions. Also, all interest rate movements within the same interval are assumed to be unfavourable for the Group. The calculations are based on the Group's positions as at 31 December 2010 and market rates at the same date.

Potential losses for DnB NOR resulting from parallel one percentage point changes in all interest rates

<i>Amounts in NOK million</i>	Up to 1 month	From 1 month to 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	Total
Trading portfolio						
NOK	13	84	356	250	169	160
USD	28	86	9	6	5	116
EURO	5	26	61	8	43	5
GBP	1	1	1	2	1	1
Other currencies	8	14	14	19	14	53
Banking portfolio						
NOK	66	254	204	25	104	114
EURO	0	0	12	0	0	12
Total						
NOK	53	338	560	275	273	274
USD	28	86	9	6	5	116
EURO	5	26	72	8	43	16
GBP	1	1	1	2	1	1
Other currencies	8	14	14	19	14	53

Insurance and Asset Management

The business area Insurance and Asset Management consists of Vital Forsikring ASA and DnB NOR Kapitalforvaltning Holding AS and their respective subsidiaries, in addition to DnB NOR Skadeforsikring. The business area is headed by Tom Rathke, managing director of Vital Forsikring and group executive vice president in DnB NOR.

Insurance and Asset Management is responsible for life insurance, pension savings, non-life insurance and asset management operations and aspires to be the most attractive provider of these services in the Norwegian market. An important instrument in achieving this position is to develop a customer-oriented and cost-effective organisation with strong distribution power. Insurance and Asset Management will focus on profitable growth while ensuring competitive returns for the owner and customers.

Insurance operations in the DnB NOR Group were integrated in one business area with effect from 2010. DnB NOR Skadeforsikring was thus transferred from the Retail Banking business area to the Insurance and Asset Management business area. The purpose of the reorganisation is to give customers a more coordinated insurance offering.

Financial performance

Insurance and Asset Management <i>Amounts in NOK million</i>	Full year						
	4Q10	3Q10	2Q10	1Q10	4Q09	2010	2009
Total income ¹⁾	1 260	1 565	508	869	930	4 201	3 582
Operating expenses	628	557	532	571	599	2 288	2 335
Pre-tax operating profit ^{*) **)}	632	1 008	(24)	298	332	1 913	1 247
Taxes	(663)	(54)	115	(30)	(763)	(630)	(144)
Operating profit	1 295	1 062	(140)	327	1 094	2 544	1 390
Assets under management (NOK billion) ²⁾	527	517	506	501	486	527	486
Allocated capital ³⁾	14.2	13.9	13.6	12.9	9.2	13.7	9.1
Return on allocated capital, annualised (%) ³⁾	36.2	30.3	(4.1)	10.3	47.0	18.6	15.2
Cost/income ratio (%)	49.8	35.6	104.8	65.7	64.4	54.5	65.2
Number of full-time positions at end of period ^{***)}	1 047	1 055	1 062	1 059	1 054	1 047	1 054

*) of which Vital:

Pre-tax operating profit including interest on allocated capital	600	931	(90)	325	299	1 766	1 134
Difference between recorded equity and allocated capital	8	13	12	8	(5)	42	(23)
Recorded pre-tax operating profit	591	918	(102)	317	304	1 724	1 156

***) of which DnB NOR Asset Management:

Pre-tax operating profit	67	75	82	53	66	276	217
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***) of which:

Vital	726	732	730	745	738	726	738
DnB NOR Asset Management	218	217	224	222	223	218	223
DnB NOR Skadeforsikring	102	105	107	92	93	102	93

1) Total income includes interest on allocated capital. The interest is calculated on the basis of internal measurement of risk-adjusted capital requirement.

2) Assets at end of period.

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

Descriptions of the financial performance of Vital, DnB NOR Skadeforsikring and DnB NOR Asset Management are divided into three separate sections on the next pages.

Vital

Vital comprises Vital Forsikring ASA including subsidiaries. Vital Forsikring provides both products with guaranteed returns and products with a choice of investment profile.

Vital aims to be Norway's strongest provider of pension savings. Vital seeks continued growth within the company's business segments and aims to deliver competitive results to its policyholders and owner. Devoting further efforts to improving cost efficiency, providing top-quality advisory services, maintaining high levels of service and customer relationship management exploiting the DnB NOR Group distribution network and serving as an attractive entry portal for customers into the DnB NOR Group will be instrumental in reaching these targets.

Business model

Vital's products fall into three main categories:

- Guaranteed products without profit sharing, where the company's main source of income is fee charged based on guaranteed investment return and insurance risk covered
- Fee based products without interest guarantees
- Guaranteed products where total profit is split between policy owners and the company.

In addition the corporate portfolio (i.e. shareholders equity, subordinated loan etc) is managed in a separate investment portfolio.

		Reserves as at 31 Dec. 2010 (NOK billion)
Fee - based with guarantee	Corporate sector - defined benefit	66
	Municipal sector - defined benefit	31
	Individual sector - defined benefit	5
Fee - based without guarantee	Unit linked - individual	12
	Defined contribution - corporate	12
	Risk products - individual/corporate	1
Profit sharing with guarantee	Paid-up policies (profit sharing 20/80) ¹⁾	54
	Previously established individual products (profit sharing 35/65) ²⁾	48
Corporate portfolio		15

1) 20 per cent to the owner and 80 per cent to the customers.

2) 35 per cent to the owner and 65 per cent to the customers.

Products

- Group pension schemes to businesses and the public sector, the most important products being defined-benefit and defined-contribution occupational pension schemes.
- Employer's Liability Insurance to the corporate market.
- Group pension schemes to businesses, adapted to customer needs for defined-benefit and defined-contribution schemes.
- Long-term savings alternatives in the form of individual pension agreements and annuities in the retail market.
- Products are offered with guaranteed returns or with a choice of investment profile.
- Risk products in both the corporate and individual markets.
- Savings products from other units in the DnB NOR Group, including mutual funds from DnB NOR Asset Management and equity-linked bonds from DnB NOR Markets.

Organisation and markets

The business area is represented in most parts of Norway through sales offices and also provides services through DnB NOR's and Postbanken's distribution networks and independent agents, as well as via the Internet.

Employees

Vital gives priority to retaining and developing a high level of expertise within insurance products, management and other relevant areas of competence. At end-December 2010, Vital's staff included 726 permanent full-time positions and 96 temporary employees.

Financial performance

Amounts in NOK million	4Q10	3Q10	2Q10	1Q10	4Q09	Full year	
						2010	2009
Net result from equities	3 937	3 124	(3 019)	839	1 674	4 880	2 780
Net result from other asset classes ^{*)}	1 841	2 299	2 135	2 756	1 912	9 031	7 981
Value-adjusted financial result ^{1) 2)}	5 778	5 422	(884)	3 595	3 587	13 911	10 762
Guaranteed return on policyholders' funds	1 725	1 593	1 633	1 643	1 617	6 594	6 413
Financial result after guaranteed returns	4 053	3 829	(2 517)	1 953	1 970	7 317	4 349
+ From securities adjustment reserve	(831)	(1 759)	1 850	(544)	(617)	(1 284)	(1 306)
Recorded interest result before the application of/ (transfers to) additional allocations	3 222	2 070	(667)	1 408	1 353	6 033	3 043
Application of/(transfers to) additional allocations	(407)	(38)	38	0	(173)	(407)	(173)
Recorded interest result	2 815	2 031	(629)	1 408	1 180	5 626	2 870
Risk result ^{**)}	(9)	(22)	(46)	(166)	(70)	(242)	92
Administration result	(62)	(11)	8	(39)	2	(104)	(108)
Upfront pricing of risk and guaranteed rate of return	135	141	138	137	113	552	477
Transferred from security reserve	2	(9)	4	(11)	(12)	(14)	(36)
Allocations to policyholders, products with guaranteed returns	2 290	1 213	(423)	1 013	908	4 093	2 138
Net profit in Vital	591	918	(102)	317	304	1 724	1 156
Tax charge	(672)	(75)	97	(22)	(771)	(672)	(175)
Profit from Vital	1 263	993	(199)	339	1 075	2 396	1 331
Return on allocated capital, annualised ³⁾	38.9	31.3	(6.0)	11.9	50.8	19.5	16.0
*) Of which property revaluation ⁴⁾	300	8	28	5	5	341	(887)
**) Of which provisions for higher life expectancy ⁵⁾	(244)	(243)	(243)	(243)	(44)	(973)	(177)

1) Before unrealised gains on long-term securities.

2) See table below. For developments in the asset mix and return on assets from products with guaranteed returns, see tables on pages 79 and 77.

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

4) Changes in the value of directly owned properties, Vital Eiendomsfond and properties owned through joint ventures. The total value of investment properties was NOK 36.0 billion as at 31 December 2010.

5) As Norwegian life insurance companies offer life-long pension payments, higher life expectancy is one of many risk factors. As part of the process to increase life expectancy assumptions, Vital strengthened reserves for individual pension insurance by NOK 973 million in 2010, of which NOK 341 million was charged to the owner. The remaining required increase in reserves is estimated at NOK 770 million, which will be split evenly over the coming two years. The escalation plan has been approved by Finanstilsynet.

Result

<i>Amounts in NOK million</i>	4Q10	3Q10	2Q10	1Q10	4Q09	Full year	
						2010	2009
Upfront pricing of risk and guaranteed rate of return	135	141	138	137	113	552	477
Return on corporate portfolio	226	221	(51)	89	132	485	530
Total inadequate additional allocations ¹⁾	0	0	0	0	0	0	0
Total negative return ¹⁾	0	0	0	0	0	0	0
Owner's share of interest profit, common portfolio ^{2) 3)}	319	367	(185)	162	144	662	237
Owner's share of risk result, common portfolio ^{3) 4)}	(42)	134	(1)	(22)	(44)	69	40
Administration result, common portfolio + unit linked ⁵⁾	(55)	(10)	4	(29)	3	(90)	(89)
Risk products ⁶⁾	9	65	(7)	(20)	(43)	46	(38)
Pre-tax operating profit	591	918	(102)	317	304	1 724	1 156

- 1) The owner must cover negative return on financial assets. If the return on financial assets is between nil and the guaranteed rate of return, the owner must cover the difference for contracts for which no or inadequate additional allocations have been made.
- 2) Including the owner's share of the interest result from paid-up policies and previously established individual products.
- 3) 35 per cent of the increase in reserves to cover higher life expectancy within individual annuity and pension insurance will be charged to the owner. This charge is included under 'Owner's share of risk result'. If there is a negative result within individual annuity and pension insurance, the owner have been required to cover more than 35 per cent of the increase in reserves. With effect from the third quarter of 2010, charges in excess of 35 per cent will be included under 'Owner's share of interest result'. Figures for previous periods have been restated accordingly. This means that the amount charged to the owner in excess of 35 per cent in the second quarter of 2010 has been moved from 'Owner's share of risk result' to 'Owner's share of interest result'.
- 4) 50 per cent of the positive risk result from the common portfolio may be allocated to the risk equalisation fund. The positive risk result for individual products and paid-up policies will be allocated to the owner according to the profit sharing model, i.e. by 35 per cent and 20 per cent respectively. A negative result will be charged to the owner.
- 5) The administration result from the low, moderate and high-risk portfolios and from paid-up policies will be allocated to the owner. If the overall result for individual products show a profit, the administration result will be divided between policyholders and the owner (65/35). A negative result will be charged to the owner.
- 6) Includes Employer's Liability Insurance and group life insurance.

Tax charge in Vital after the introduction of the "exemption model" ¹⁾

<i>Amounts in NOK million</i>	Full year				
	2010	2009	2008	2007	2006
Tax charge	(672)	(175)	427	(2 074)	(771)

- 1) With effect from the 2004 fiscal year, new rules were introduced for the taxation of dividends and income from shares for corporate shareholders, the so-called "exemption model". This model implies that as a rule, corporate shareholders will only be subject to a limited tax on dividends and income from shares etc. Correspondingly, there will be no tax deduction for losses upon the realisation of shares.

Value-adjusted return on assets

Per cent	4Q10	3Q10	2Q10	1Q10	4Q09	Full year	
						2010	2009
Return - common portfolio ¹⁾							
Financial assets							
Norwegian equities	18.1	13.8	(13.5)	2.1	16.4	18.6	72.2
International equities ²⁾	8.7	10.4	(10.7)	3.7	5.9	10.7	35.7
Norwegian bonds	(0.3)	1.4	2.3	2.5	1.3	6.0	5.2
International bonds	(2.1)	3.7	3.0	2.6	0.4	7.2	6.4
Money market instruments	0.7	0.8	0.6	0.7	0.7	2.8	3.2
Bonds held to maturity	1.3	1.2	1.3	1.2	1.3	5.0	4.8
Investment property	2.2	1.3	1.5	1.3	1.3	6.3	2.5
Value-adjusted return on assets I ³⁾	2.7	2.6	(0.4)	1.8	1.8	6.8	5.4
Value-adjusted return on assets II ⁴⁾	1.9	2.8	(0.1)	2.1	1.9	6.9	5.7
Recorded return on assets ^{5) *)}	2.3	1.7	0.5	1.5	1.5	6.2	4.7
Value-adjusted return on assets I, annualised ³⁾	11.4	10.9	(1.6)	7.4	7.4	6.8	5.4
Value-adjusted return on assets II, annualised ⁴⁾	8.1	11.7	(0.2)	8.7	8.0	6.9	5.7
Return - corporate portfolio							
Value-adjusted return on assets I ³⁾	2.0	1.9	(0.2)	0.9	1.1	4.7	5.1

*) Recorded return broken down on sub-portfolios in the common portfolio

Previously established individual products	2.3	1.9	0.4	1.5	1.4	6.3	4.7
Paid-up policies	2.4	1.6	0.8	1.5	1.3	6.4	4.3
Common portfolio with low risk	1.8	1.0	1.3	1.4	1.3	5.5	4.2
Common portfolio with moderate risk	2.2	1.6	0.5	1.6	1.5	6.0	4.8
Common portfolio with high risk	2.7	2.3	(0.4)	1.7	1.9	6.5	5.8
Recorded return on assets	2.3	1.7	0.5	1.5	1.5	6.2	4.7

- 1) Returns are calculated on a quarterly basis and there may be differences to the full year figures.
2) International equities include Vital's exposure in hedge funds, private equities and real estate funds.
3) Excluding changes in value of commercial paper and bonds held to maturity.
4) Including unrealised gains on commercial paper and bonds held to maturity.
5) Excluding unrealised gains on financial instruments.

Key figures per sub-portfolio as at 31 December 2010

Per cent	Corporate portfolio	Common portfolio					
		Total common portfolio	Advance pricing of guaranteed rate of return			Profit sharing	
			Common portfolio with low risk	Common portfolio with moderate risk	Common portfolio with high risk	Paid-up policies	Previously established individual products
Recorded return on assets	4.7	6.2	5.5	6.0	6.5	6.4	6.3
Value-adjusted return on assets	4.7	6.8	6.1	6.6	7.0	6.9	6.9
Asset class breakdown:							
- Equity exposure ¹⁾	14.7	20.9	11.1	18.7	23.7	20.7	24.3
- Money market instruments	70.2	11.5	21.3	13.7	8.7	11.7	8.1

- 1) The equity exposure includes financial derivatives and exposure in private equity, hedge funds and property funds.

Premium income

Amounts in NOK million	4Q10	3Q10	2Q10	1Q10	4Q09	Full year	
						2010	2009
Total premiums due ^{1) 2)}	2 847	4 119	2 562	6 599	2 614	16 126	16 090
Inflow of reserves	457	849	178	2 269	241	3 753	3 368
Outflow of reserves	563	753	607	1 248	761	3 171	3 933
Net premiums paid	2 741	4 215	2 132	7 619	2 093	16 708	15 526
Outflow of reserves	563	753	607	1 248	761	3 171	3 933
Total premium income	3 304	4 968	2 739	8 868	2 854	19 879	19 459
1) Of which group pensions - defined benefit	1 156	2 666	876	4 485	547	9 184	8 994
2) Of which group pensions - defined contribution	696	680	646	673	646	2 695	2 625

Reconciliation of Vital's and the Group's income statement

The table below shows how lines in Vital's income statement are included in the Group's income statement.

	4Q10	3Q10	2Q10	1Q10	4Q09	Full year	
						2010	2009
<u>DnB NOR Group:</u>							
Net gains on assets in Vital	6 414	4 152	755	3 748	4 113	15 068	13 464
Guaranteed returns and allocations to policyholders in Vital	5 879	3 324	944	3 353	3 799	13 500	12 712
Premium income etc. included in the risk result in Vital	1 242	1 164	1 173	1 142	1 169	4 721	4 705
Insurance claims etc. included in the risk result in Vital	1 248	1 195	1 226	1 308	1 240	4 977	4 613
Net financial and risk result in Vital	528	797	(242)	229	246	1 313	844
<u>Vital:</u>							
Recorded interest result	2 815	2 031	(629)	1 408	1 180	5 626	2 870
Allocations to policyholders, products with guaranteed returns	2 290	1 213	(423)	1 013	908	4 093	2 138
Risk result	(9)	(22)	(46)	(166)	(70)	(242)	92
Transferred from security reserve	2	(9)	4	(11)	(12)	(14)	(36)
+ Costs from subsidiaries which are fully consolidated in Vital's accounts	10	10	7	10	55	36	55
Net financial and risk result in Vital	528	797	(242)	229	246	1 313	844

<u>DnB NOR Group:</u>							
Commissions and fees receivable	585	579	584	556	553	2 303	2 209
Commissions and fees payable	90	87	88	93	79	358	336
Operating expenses	431	371	357	376	415	1 534	1 561
Administration result including profit for risk and guaranteed rate of return	63	121	139	88	59	411	313
<u>Vital:</u>							
Upfront pricing of risk and guaranteed rate of return	135	141	138	137	113	552	477
Administration result	(62)	(11)	8	(39)	2	(104)	(108)
- Costs from subsidiaries which are fully consolidated in Vital's accounts	10	10	7	10	55	36	55
Administration result including profit for risk and guaranteed rate of return	63	121	139	88	59	411	313

Balance sheets ¹⁾

Amounts in NOK million	31 Dec. 2010	30 Sept. 2010	30 June 2010	31 March 2010	31 Dec. 2009
Lending to and deposits with credit institutions	4 730	5 932	13 609	4 997	4 871
Lending to customers	2 833	2 980	3 285	3 157	3 076
Commercial paper and bonds	46 574	54 812	53 238	54 013	52 673
Shareholdings	60 443	51 864	49 175	49 970	44 955
Financial assets, customers bearing the risk	23 506	21 903	21 149	21 193	21 337
Financial derivatives	2 445	2 245	1 139	1 879	2 149
Commercial paper and bonds, held to maturity	68 038	67 853	66 707	67 622	68 128
Investment property	35 961	33 784	33 327	33 000	32 766
Investments in associated companies	16	17	17	17	19
Intangible assets	256	262	287	289	288
Deferred tax assets	629	52	15	74	52
Fixed assets	21	27	31	32	43
Other assets	1 654	3 114	2 769	3 672	2 109
Total assets	247 107	244 844	244 745	239 915	232 465
Financial derivatives	1 299	1 347	2 214	1 667	1 909
Insurance liabilities, customers bearing the risk ^{*)}	23 506	21 903	21 149	21 193	21 337
Liabilities to life insurance policyholders ^{**)}	205 550	202 226	198 255	200 698	193 556
Payable taxes	27	16	51	654	654
Other liabilities	1 591	5 477	10 152	2 599	2 277
Provisions	224	222	222	227	227
Subordinated loan capital	2 497	2 503	2 545	2 522	2 489
Total liabilities	234 693	233 694	234 588	229 559	222 448
Share capital	1 321	1 321	1 321	1 321	1 321
Share premium reserve	1 175	1 175	1 175	1 175	1 175
Other equity	9 918	8 654	7 661	7 861	7 522
Total equity	12 413	11 150	10 157	10 356	10 018
Total liabilities and equity	247 107	244 844	244 745	239 915	232 465

*) Of which group pensions - defined contribution

11 941

10 744

9 754

9 337

8 546

**) Of which group pensions - defined benefit

149 231

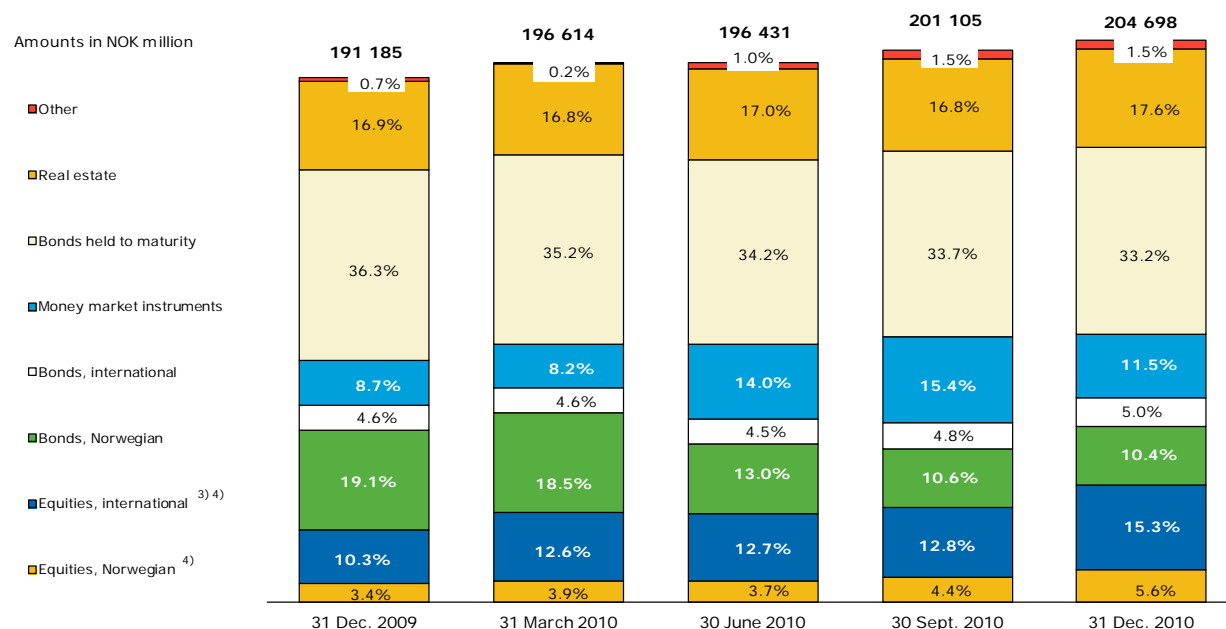
147 226

143 466

141 546

138 396

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.

Financial exposure - common portfolio ^{1) 2)}

1) The figures represent net exposure after derivative contracts.

2) Figures for previous periods have been restated in accordance with Regulations on the calculation of return on capital in life insurance companies.

3) International equities include Vital's exposure in hedge funds, private equities and real estate funds.

4) Equity exposure per sub-portfolio in the common portfolio, see table on page 77.

Market shares in Norway

Per cent	30 Sept. 2010	31 Dec. 2009	30 Sept. 2009
Of insurance funds including products with a choice of investment profile ¹⁾	29.7	31.8	32.0
- Corporate market	40.5	41.3	41.2
- Public market	9.7	10.8	10.7
- Retail market	53.1	52.4	54.1

Source: Finance Norway (FNO)

1) The reduction was due to the fact that an existing market player has started reporting to Finance Norway (FNO) with effect from 2010.

Cooperation with other group entities

- By taking advantage of the strength of the DnB NOR Group's total distribution network, Vital is well positioned to enjoy continued market growth.
- In the fourth quarter of 2010, other business areas accounted for 28.6 per cent of the sales of Vital's products in the retail market, compared with 34.9 per cent in the corresponding period of 2009.

Solvency capital ^{1) 2)}

Amounts in NOK million	31 Dec. 2010	30 Sept. 2010	30 June 2010	31 March 2010	31 Dec. 2009
Interim profit, accumulated	0	2 936	805	1 330	0
Securities adjustment reserve	2 591	1 760	0	1 851	1 306
Additional allocations	5 694	5 271	5 248	5 423	5 550
Security reserve	158	160	153	155	143
Equity	12 414	10 018	10 018	10 018	10 018
Subordinated loan capital and perpetual subordinated loan capital securities	2 492	2 498	2 541	2 508	2 489
Unrealised gains on long-term securities	1 100	2 597	2 196	1 489	865
Solvency capital	24 448	25 239	20 961	22 772	20 372
Buffer capital ³⁾	11 172	8 362	8 521	8 742	9 259

1) According to prevailing regulations for the statutory accounts of life insurance companies.

2) The table shows the composition of and development in solvency capital. All these elements, with the exception of part of the security reserve, can be used to meet the guaranteed rate of return on policyholders' funds.

3) Buffer capital represents the sum of equity in excess of the minimum statutory capital requirement, interim profits, additional allocations and the securities adjustment reserve.

Capital adequacy and solvency margin capital ¹⁾

Amounts in NOK million	31 Dec. 2010	30 Sept. 2010	30 June 2010	31 March 2010	31 Dec. 2009
Capital adequacy ²⁾					
Total eligible primary capital	12 552	10 969	11 030	11 092	11 269
Capital adequacy ratio (%)	11.0	10.1	10.3	10.7	11.6
Core capital	10 980	9 333	9 344	9 440	9 465
Core capital (%)	9.7	8.6	8.7	9.1	9.7
Risk-weighted assets	113 607	109 058	107 063	104 005	97 239
Solvency margin capital ³⁾					
Solvency margin capital	15 800	13 808	13 876	14 007	14 247
Solvency margin capital exceeding minimum requirement	6 962	5 041	5 204	5 452	5 930
Solvency margin capital in per cent of solvency margin capital requirement (%)	179	158	160	164	171

1) Prepared in accordance with prevailing regulations for life insurance companies. New regulations are expected upon the introduction of Solvency II.

2) Capital adequacy regulations regulate the relationship between the company's primary capital and the investment exposure on the asset side of the balance sheet. Life insurance companies are subject to a minimum capital adequacy requirement of 8 per cent.

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

European Embedded Value at 31 December 2010

The European Embedded Value (EEV) is a valuation of the company based on the present value of future cash flows to shareholders from the portfolio at the balance sheet date, in addition to recorded equity. The costs of binding equity in the company are deducted.

For more comprehensive information about Vital's EEV calculations, see the report "European Embedded Value 2010, Supplementary Information – 10 February 2010", published on DnB NOR's web pages dnbnor.no.

European Embedded Value

<i>Amounts in NOK million</i>	31 Dec. 2010	31 Dec. 2009	31 Dec. 2008
Adjusted net asset value:			
Required capital	10 717	10 077	9 597
Free surplus	1 697	(59)	(857)
Cost of capital	(2 974)	(2 431)	(2 313)
Adjusted net asset value	9 439	7 587	6 427
Value of in-force:			
Private sector, active contracts ¹⁾	6 929	6 502	8 120
Public sector, active contracts ¹⁾	1 635	1 807	
Paid-ups	857	1 161	904
Group pension defined benefit	9 421	9 469	9 023
Group pension defined contribution	2 494	2 750	1 164
Employer's Liability Insurance	192	191	137
Group contracts	12 108	12 411	10 324
Guaranteed products, profit sharing	1 520	1 808	1 696
Guaranteed products, fee based	183	128	113
Unit Link contracts	266	243	334
Individual contracts	1 969	2 180	2 143
Aggregate reserves	232	208	362
Time value of options and guarantees	(5 193)	(4 617)	(5 460)
Value of in-force	9 116	10 182	7 369
EEV	18 555	17 768	13 796

1) No split between public and private sectors in 2008.

Non-life insurance

DnB NOR Skadeforsikring AS offers non-life insurance products, mainly to private individuals (home, car, travel etc.). DnB NOR Skadeforsikring AS provides non-life insurance products within the Group's distribution network and customer base, with products accommodated to the bank assurance concept. A high level of service in claims handling and advisory are significant components in creating customer loyalty.

From 2010 the responsibility for DnB NOR Skadeforsikring was transferred to the business area Insurance and Asset Management. DnB NOR Skadeforsikring will continue as a separate company, and non-life insurance will be sold through Retail Banking's distribution channels.

DnB NOR Skadeforsikring is in a growth phase. Premium income for own account increased by 70 per cent from 2009 to 2010. Profits for 2010 reflected a high claims frequency, with a large number of claims for frost and fire damage. These claims were partially covered by the company's reinsurance programme, however, the company's share of the claims was sizeable.

DnB NOR Asset Management

DnB NOR Asset Management provides mutual funds and discretionary portfolio management services to Norwegian, Nordic and European corporate clients, the public sector, private pension funds and retail clients. Torkild Varran is head of DnB NOR Asset Management.

DnB NOR Asset Management seeks to provide first-class returns on customer funds within the preferred risk profile and investment horizon. The company aspires to be the leading asset manager for clients in the Nordic region, providing sound long-term returns and a high level of service based on a thorough understanding of customer needs.

Products and services

- Mutual funds, hedge funds and absolute return products
- Discretionary portfolio management
- Management and monitoring of investment portfolios
- Asset allocation and risk management advisory services

Organisation

- One holding company, DnB NOR Kapitalforvaltning Holding AS, with separate asset management companies in major markets.
- Customer activity is concentrated in Norway, Sweden and Luxembourg. In order to provide competitive global asset management, investment operations have also been established in Hong Kong and Chennai.
- A combination of regional and sector-oriented management teams with a presence in major financial markets.
- Asset management services are provided through channels adapted to the various markets:
 - Retail clients in Norway
 - DnB NOR's extensive network of branches and regional financial services centres
 - Postal offices and in-store postal outlets
 - The Internet
 - External channels including brokers, investment advisers and regional and local savings banks
 - Retail clients in Sweden
 - Local distributors
 - Institutional markets in Sweden and Norway
 - The business area's own sales force and, in Norway, through cooperation with Retail Banking

Employees

DnB NOR Asset Management totalled 218 full-time positions at the end of the quarter.

Financial performance

<i>Amounts in NOK million</i>	4Q10	3Q10	2Q10	1Q10	4Q09	Full year	
						2010	2009
Net interest income - ordinary operations	(5)	(1)	1	1	2	(3)	(14)
Interest on allocated capital ¹⁾	3	3	3	3	3	13	17
Net interest income	(1)	2	5	4	6	10	3
Net commission income							
- from retail customers	90	92	85	90	73	357	269
- from institutional clients	122	113	132	114	131	481	528
Other income	4	13	(1)	4	0	20	68
Total income	214	221	220	212	209	868	868
Operating expenses	147	146	138	160	143	592	650
Pre-tax operating profit before write-downs	67	75	82	52	66	276	217
Net gains on fixed and intangible assets	0	0	0	0	0	0	0
Pre-tax operating profit	67	75	82	53	66	276	217
Assets under management (NOK billion) ²⁾							
Institutional	417	412	399	399	384	417	384
- of which Vital ³⁾	199	196	192	196	188	199	188
Retail	63	57	55	58	57	63	57
Total	479	468	454	457	441	479	441
Key figures							
Cost/income ratio (%)	68.8	66.2	62.6	75.3	68.2	68.2	74.9
Return on allocated capital, annualised (%) ⁴⁾	35.7	41.7	47.3	28.8	29.7	38.2	24.5

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

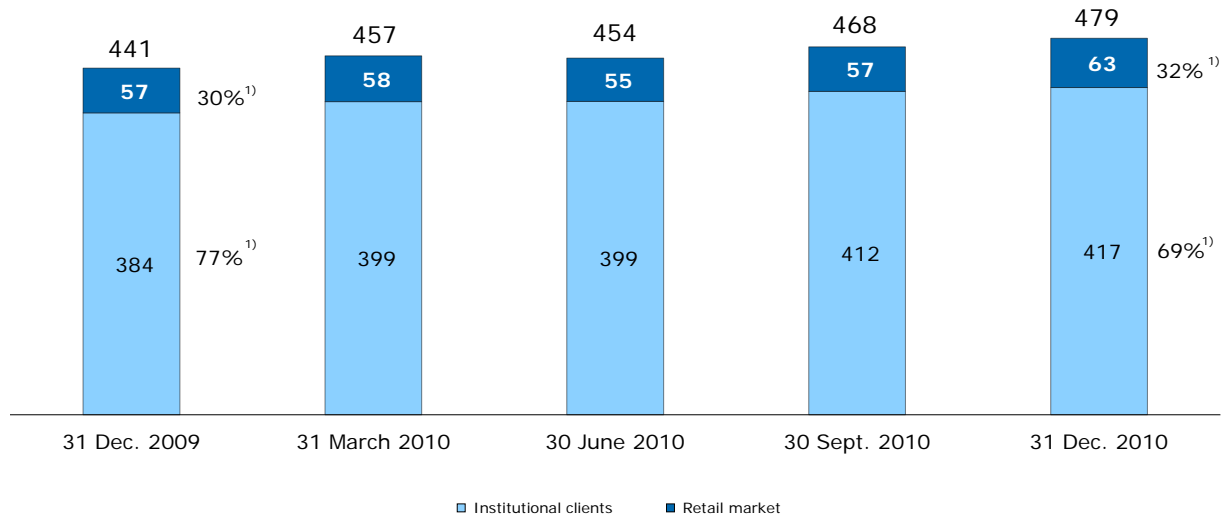
2) Assets under management and assets under operation at end of period.

3) Managed on behalf of Vital Forsikring.

4) The return on allocated capital is calculated on the basis of internal measurement of risk-adjusted capital requirement.

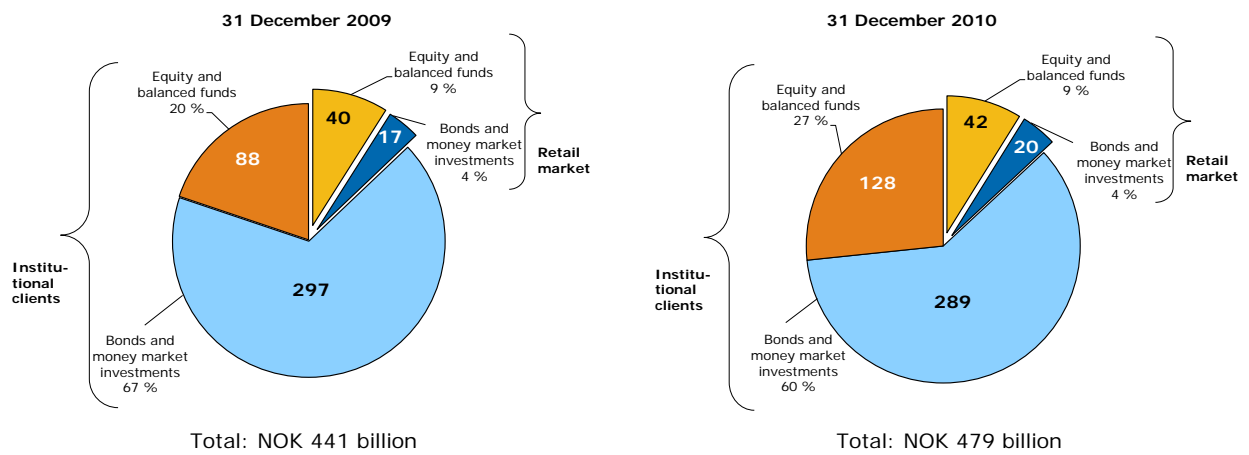
Assets under management - distribution by market segment

NOK billion



1) Share of total assets in the institutional and retail market respectively, invested in bonds, fixed-income funds and money market funds.

Assets under management - distribution by investment type



(Amounts in NOK billion and per cent of total assets)

Changes in assets under management - net inflow

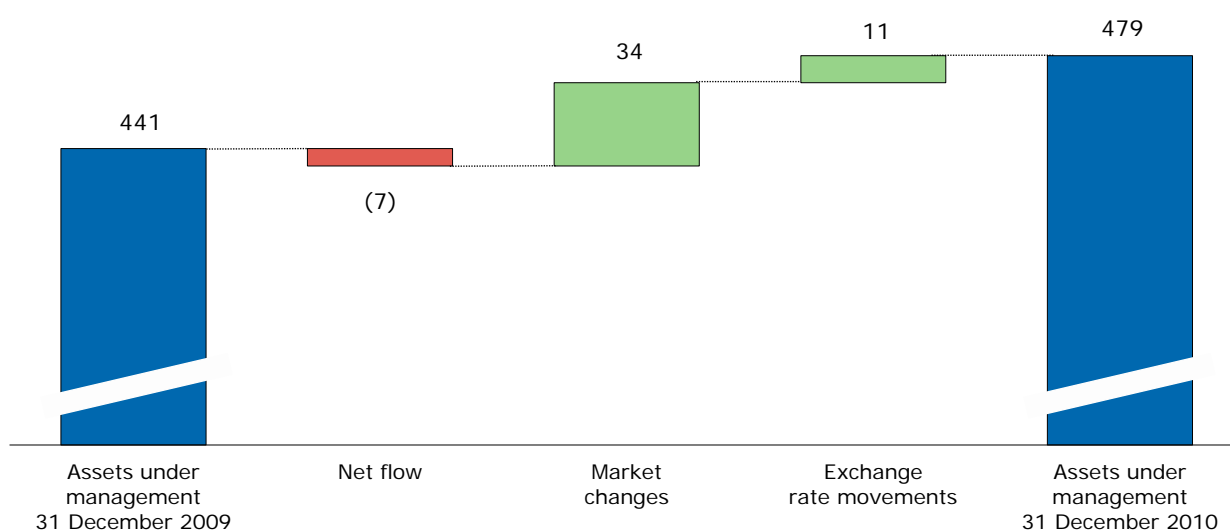
Amounts in NOK million	4Q10	3Q10	2Q10	1Q10 ¹⁾	4Q09	Full year	
						2010 ¹⁾	2009 ²⁾
Retail market	840	(1 070)	(1 414)	603	2 215	(1 041)	5 210
Institutional clients	(3 072)	(6 551)	1 722	1 808	5 549	(6 093)	(76 832)
Total	(2 233)	(7 621)	309	2 411	7 764	(7 134)	(71 622)

1) Excluding dividends of NOK 2 450 million, of which NOK 537 million refers to retail and NOK 1 913 million to institutional clients

2) Excluding dividends of NOK 2 705 million, of which NOK 816 million refers to retail and NOK 1 889 million to institutional clients

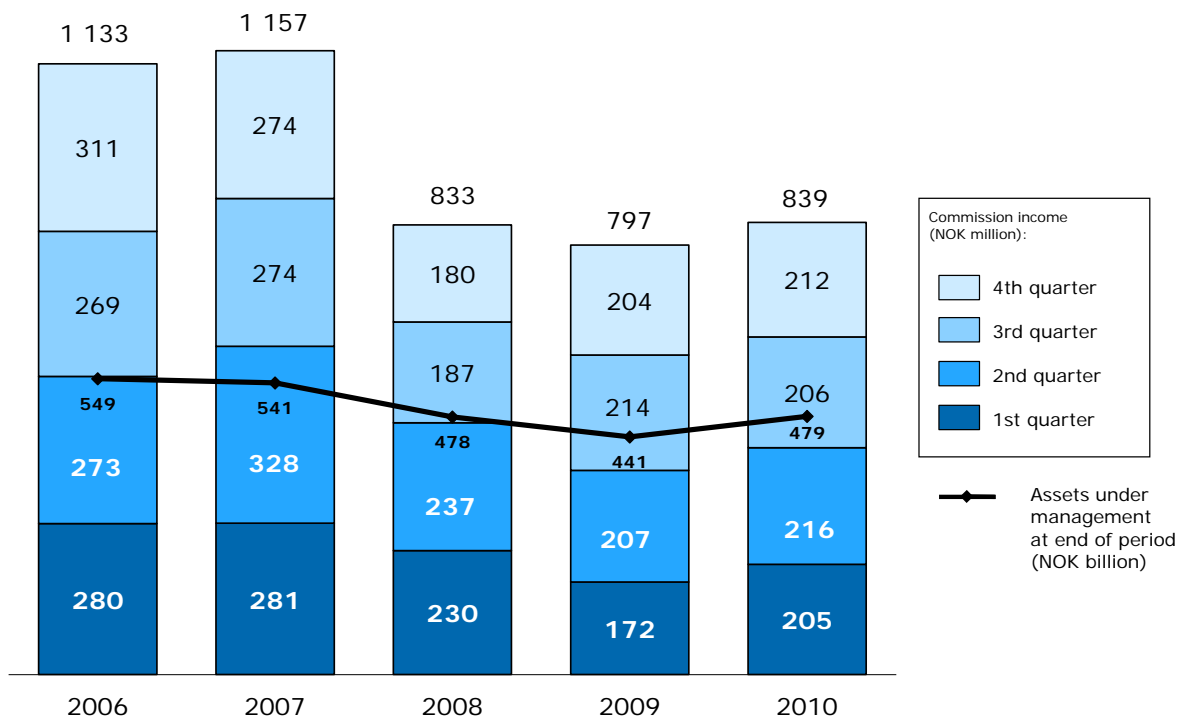
Changes in assets under management

NOK billion

**Comments to changes in assets under management as from 31 December 2009**

- Assets under management increased by NOK 37.9 billion or 8.6 per cent.
 - Net flow:
 - There was a net outflow of funds from institutional clients of NOK 6 billion or 1.4 per cent.
 - New institutional mandates were obtained in both Sweden and Norway.
 - There was a net outflow of funds from the retail market of NOK 1 billion or 0.2 per cent.
 - Market changes:
 - Market developments led to a NOK 34 billion increase in assets under management, representing 7.7 per cent measured in clients' base currencies.
 - During the last four quarters, Morgan Stanley's global equity index increased by 11.8 per cent measured in USD and increased by 12.5 per cent measured in NOK.
 - Prices on the stock exchange in Stockholm (OMX) increased by 21.4 per cent, and the stock exchange in Oslo (OSEBX) experienced a 18.3 per cent growth in prices during the last four quarters.
 - Exchange rate movements:
 - The appreciation of NOK against other currencies, especially SEK, increased assets under management by NOK 11 billion.

Development in commission income and assets under management



Investment returns on assets under management as from 31 December 2009

- Returns on a number of major client portfolios and funds outperformed relevant benchmarks.
- Fund managers' specialisation has led to strong relative performance for several funds (return in excess of benchmark):
 - Equity funds:
 - DnB NOR Private Equity (22.3 per cent)
 - DnB NOR Miljøinvest (18.9 per cent)
 - DnB NOR Nordic Technology (13.5 per cent)
 - Money Market funds:
 - DnB NOR Likviditet (I) (1.0 per cent)
 - DnB NOR Pengemarked (I) (0.4 per cent)
 - Bond funds:
 - DnB NOR Kredittobligasjon (1.9 per cent)
 - DnB NOR Obligasjon (III) (1.8 per cent)

Clients/markets

- DnB NOR Asset Management serves the Nordic and European savings markets, offering domestic and international asset management services.
- Brand names:
 - DnB NOR Kapitalforvaltning in the Norwegian institutional and retail markets.
 - Carlson in the Swedish institutional and retail markets.
 - DnB NOR Asset Management and Carlson in the European institutional and retail markets, respectively.
- A leading position in the institutional market in both Norway and Sweden with 265 institutional clients. The largest clients are Vital Forsikring and Skandia Liv.
- The number of mutual fund clients in Norway was approximately 556 000 at the end of December 2010. The number of active savings schemes reached nearly 277 000.
- Market shares:
 - DnB NOR Kapitalforvaltning (retail mutual funds in Norway) 29.3 per cent ¹⁾
 - Carlson Fonder (total mutual funds in Sweden and Luxembourg) ≈ 1.6 per cent
 - Institutional market in Norway (mutual funds in Norway) 21.7 per cent ¹⁾
 - Institutional market in Sweden > 15 per cent

1) Source: Norwegian Mutual Fund Association.

Retail: Fund capital and market shares in Norway

	31 December 2010		31 December 2009		31 December 2008	
	Fund capital	Market share	Fund capital	Market share	Fund capital	Market share
<i>Amounts in NOK million and per cent</i>						
Equity funds	23 306	22.2	21 098	26.2	12 962	25.7
Balanced funds	7 753	56.3	6 802	60.3	5 948	70.4
Fixed-income funds	15 979	38.0	14 693	45.8	15 106	49.4
Total mutual funds	47 039	29.3	42 593	34.4	34 017	38.0

Source: Norwegian Mutual Fund Association

Cooperation with other group entities

- DnB NOR's extensive network represents the major distribution channel in the Norwegian retail market.
- DnB NOR Asset Management and Retail Banking cooperate in providing a complete range of financial services to corporate clients.
- DnB NOR Asset Management manages Vital's equity and bond portfolios.
- DnB NOR Asset Management cooperates with other group entities in developing products adapted to the various markets.

DnB NORD

DnB NORD's core markets are Estonia, Latvia, Lithuania and Poland, where the bank has a strong market position or a long-term growth potential. The bank provides a broad range of products to both the retail and corporate markets and is committed to developing a strong brand as a full-service bank.

Organisation and market

- DnB NORD serves more than 960 000 retail and corporate clients.
- At end-December 2010 DnB NORD had 166 branches and offices in four countries in the Baltics and Poland, while the head office is in Copenhagen.
- DnB NORD's staff represented 3 159 full-time positions at end-December 2010.
- DnB NORD was the third largest bank in Lithuania and number four in Latvia, measured by lending to customers. DnB NORD is providing a full range of services to individual and corporate customers. In Estonia, the bank was number five in terms of total lending and the main focus is on corporate lending.
- DnB NORD in Poland is providing financial services to individual and corporate customers and is among the leading banks in providing new mortgage loans in the Polish market.
- After a serious economic cool-down at end-2008 and in 2009, the macro economic development for the Baltics showed signs of stabilization and a moderate growth towards the end of 2010. Forecast for 2011 also shows a moderate GDP growth. In general, the Baltic States have seen a normalization of money and capital markets in the first half of 2010. Due to beginning economic recovery, DnB NORD expects the level of write-downs on loans to decrease in coming years.
- The macro economic situation in Poland during the financial crisis has been more favourable, and DnB NORD will continue to develop products and services for this market.
- DnB NORD continues to concentrate on consolidating operations, following up high-risk commitments and improving cost efficiency.

Financial performance

Amounts in NOK million	4Q10	3Q10	2Q10	1Q10	4Q09	Full year	
						2010	2009
Net interest income - ordinary operations	344	334	377	328	354	1 383	1 462
Interest on allocated capital ¹⁾	12	10	8	9	14	38	96
Net interest income	355	345	385	337	369	1 422	1 559
Net other operating income	120	222	99	186	182	627	684
Total income	475	567	483	523	551	2 048	2 242
Operating expenses ²⁾	342	328	682	348	768	1 700	2 589
Pre-tax operating profit before write-downs	133	240	(198)	174	(217)	348	(347)
Net gains on fixed and intangible assets	13	(14)	(8)	(6)	(15)	(15)	(13)
Write-downs on loans and guarantees	304	253	699	556	845	1 813	3 929
Pre-tax operating profit	(159)	(28)	(906)	(387)	(1 078)	(1 481)	(4 289)

Net lending to customers (NOK billion) ³⁾	61.7	61.7	62.6	65.5	75.9	62.9	83.6
Deposits from customers (NOK billion) ³⁾	24.0	22.8	22.4	19.9	20.0	22.3	21.4
Allocated capital (NOK billion) ⁴⁾	4.5	4.6	4.7	5.2	7.8	4.8	7.8
Cost/income ratio (%) ⁵⁾	72.2	57.9	69.5	66.6	72.6	66.2	70.6
Ratio of deposits to lending (%)	38.9	36.9	35.7	30.5	26.4	35.5	25.6
Return on allocated capital, annualised (%) ⁴⁾	(11.2)	(2.0)	(37.9)	(24.0)	(28.9)	(19.1)	(33.7)

1) Interest on allocated capital is calculated according to internal DnB NOR capital allocation rules. "Net interest income - ordinary operations" does not include interest on equity.

2) In the second quarter of 2010 operating expenses included impairment of intangible assets of NOK 346 million related to the development of a new IT infrastructure for joint solutions across national borders. In the second quarter of 2009 operating expenses included impairment losses for goodwill of NOK 570 million related to the operations in the Baltic States and in the fourth quarter of 2009 NOK 368 million related to the operations in the Baltic States and Poland.

3) Average balances. Based on nominal values.

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

5) Total operating expenses excluding impairment losses for goodwill and intangible assets relative to total income.

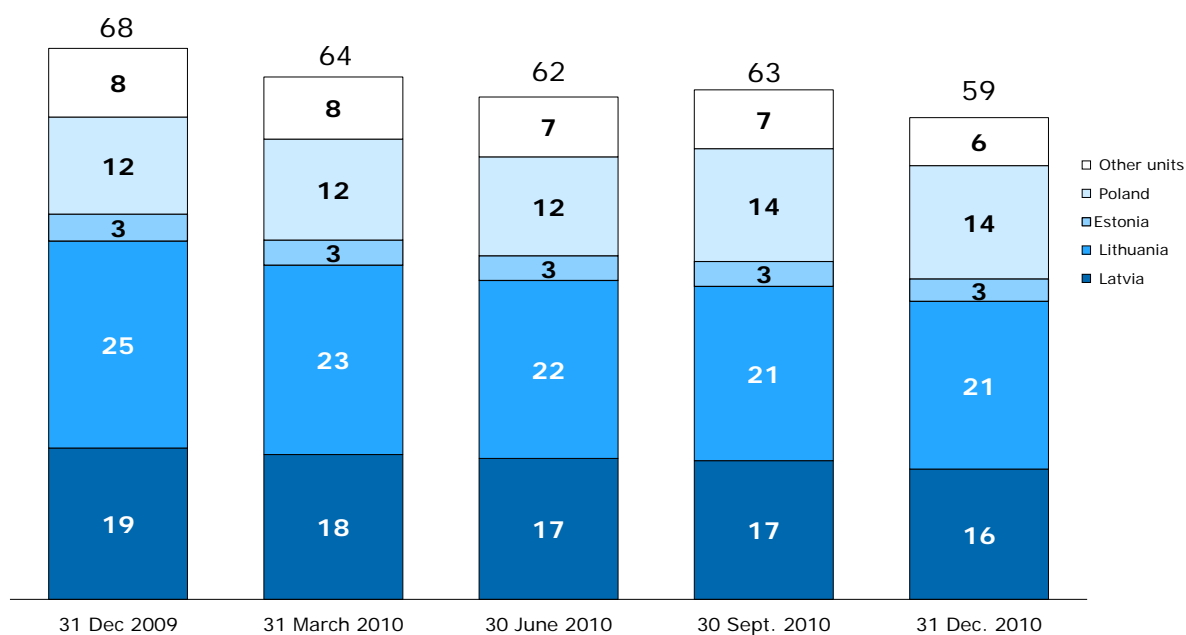
Net interest income ¹⁾

Amounts in NOK million	Average volumes			Spreads in per cent			Net interest income		
	4Q10	3Q10	4Q09	4Q10	3Q10	4Q09	4Q10	3Q10	4Q09
Lending	55 394	55 839	70 881	1.97	1.94	1.06	274	273	189
Deposits	23 369	22 212	19 295	0.64	0.62	1.57	38	35	76
Allocated capital	4 493	4 588	7 785	1.01	0.87	0.72	12	10	14
Other							32	27	89
Total net interest income							355	345	369

1) Based on nominal values excluding lending to and deposits from credit institutions and impaired loans.

Development in lending volumes

NOK billion



- Measured in NOK, lending volumes declined by 12.6 per cent from end-December 2009 to end-December 2010.
- Measured in euro, lending volumes declined by 6.2 per cent from end-December 2009 and by 2.6 per cent from end-September 2010.
- The market activities and branches in Denmark and Finland were closed down in 2009. The portfolio is in a run-off situation, explaining the decrease in net lending in other units by 29.9 per cent from end-December 2009 to end-December 2010.

Lending volumes and write-downs

<i>Amounts in NOK million</i>	Net lending 31 Dec. 2010	<i>Of which net non-performing and net doubtful commitments</i>		Net individual write-downs 4Q10	Collective write-downs 4Q10	Total write-downs 4Q10
		<i>NOK million</i>	<i>As a percentage of net lending</i>			
Latvia	16 002	2 741	17.1	222	(60)	162
Lithuania	20 598	3 573	17.3	49	(31)	18
Estonia	2 762	296	10.7	(2)	0	(2)
Poland	13 886	604	4.3	50	0	50
Total Baltic States and Poland	53 248	7 214	13.5	319	(91)	228
Other	5 929	1 277	21.5	88	(12)	76
Total DnB NORD	59 177	8 491	14.4	407	(103)	304

Write-down ratio – net non-performing and net doubtful commitments ¹⁾

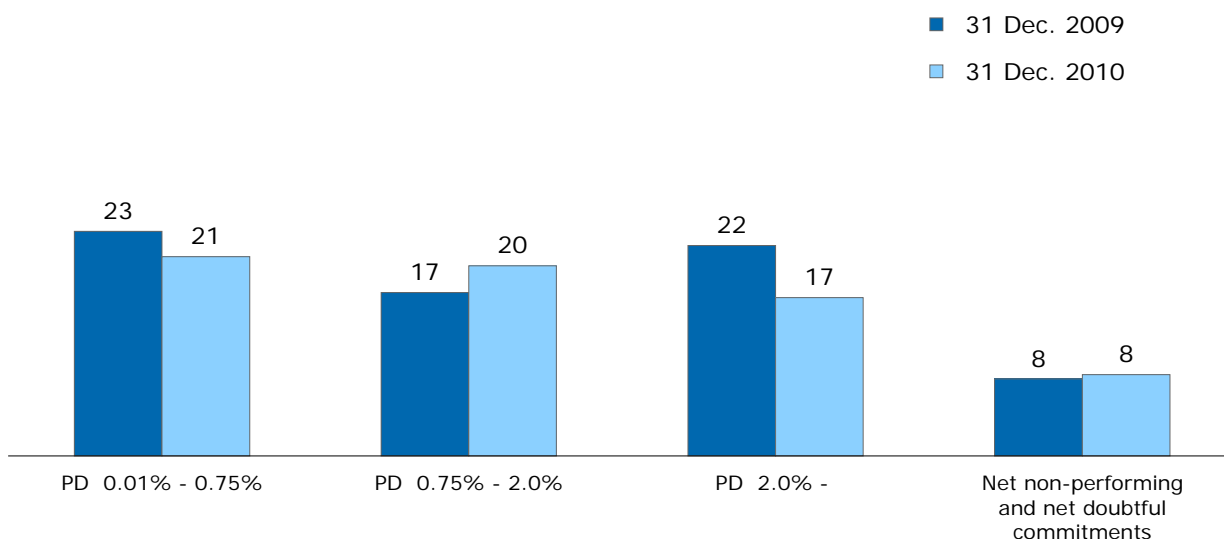
<i>Amounts in NOK million</i>	31 Dec. 2010	30 Sept. 2010	30 June 2010 ²⁾	31 March 2010	31 Dec. 2009
Non-performing commitments	8 559	8 937	8 386	8 992	9 879
Doubtful commitments	5 041	5 330	5 079	3 912	1 900
Gross non-performing and gross doubtful commitments	13 600	14 267	13 466	12 904	11 779
Individual write-downs	5 109	5 042	4 862	4 437	3 741
Net non-performing and net doubtful commitments	8 491	9 226	8 604	8 466	8 039
Collective write-downs	341	451	516	480	827
Write-down ratio (per cent)	40.1	38.5	39.9	38.1	38.8
Non-performing and net doubtful commitments relative to total commitments (per cent)	14.4	14.7	13.9	13.2	11.8
Collateral for loans	11 518	11 967	12 477	12 509	12 739
Coverage ratio (per cent)	124.8	122.4	132.6	135.1	146.9

1) Write-down ratio includes individual and collective write-downs as a percentage of gross non-performing and gross doubtful commitments subject to individual write-downs.

2) Collateral for loans restated due to updated estimates.

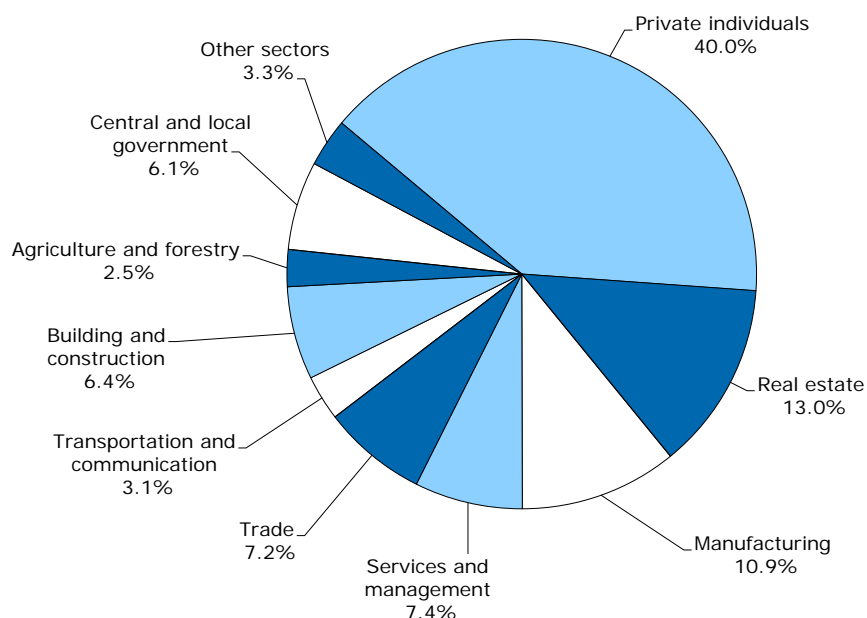
Risk classification of portfolio ¹⁾

NOK billion



1) Based on DnB NOR's risk classification system. The volume represents the expected outstanding amount in the event of default, except for net non-performing and net doubtful commitments which are net recorded exposure in the accounts.
 PD = probability of default

Net lending to principal sectors as at 31 December 2010 ^{1) 2)}



1) Lending after individual write-downs, nominal amounts.

2) The breakdown into principal sectors is based on standardised sector and industry categories set up by Statistics Norway.

Section 4

The Norwegian economy

Basic information

Area	385 199 square kilometres
Population	4.9 million
Fertility rate	1.9
Life expectancy	M: 78.3 F: 83.0
Work participation rate, per cent 15–74 years	72.8 (M: 75.6 F: 69.8)
Gross domestic product 2009	USD 379.1 billion
GDP per capita 2009	USD 78 000
Rating	AAA, Aaa
Currency exchange rate used	6.28 USD/NOK (Average 2009)
Current balance 2009	USD 49.6 billion or 13.1 per cent of GDP

Source: Statistics Norway

Key macro-economic indicators, Norway

Per cent	2009	F 2010	F 2011	F 2012	F 2013	F 2014
GDP growth						
- Norway, total	(1.4)	(0.2)	1.2	2.4	2.3	2.2
- Mainland Norway	(1.3)	1.9	2.5	3.0	3.1	2.7
Private consumption	0.2	3.4	3.0	2.9	2.7	2.0
Gross fixed investment	(7.4)	(9.6)	3.2	4.3	4.8	5.1
Inflation (CPI)	2.1	2.4	1.6	1.2	2.1	2.5
Savings ratio ¹⁾	7.4	7.0	6.7	6.7	6.2	6.0
Unemployment rate	3.1	3.5	3.6	3.6	3.6	3.6
Current account ²⁾	13.5	16.3	17.4	19.7	21.4	22.7

1) Per cent of disposable income. Households.

2) Per cent of GDP.

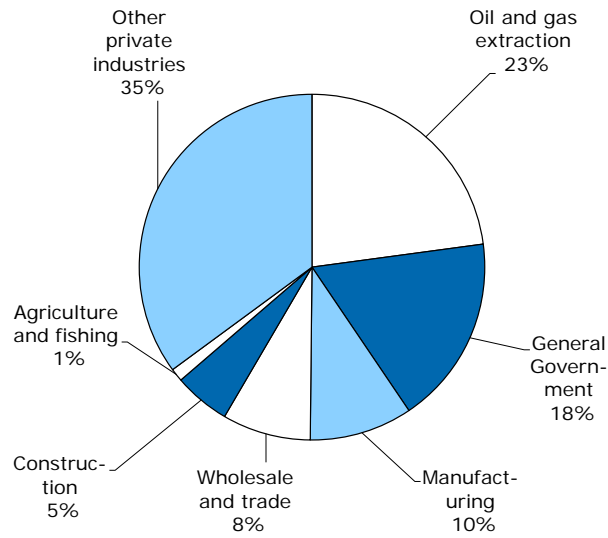
Source: Statistics Norway and DnB NOR Markets: Economic Outlook 1/2011

Contribution to volume growth in GDP, mainland Norway

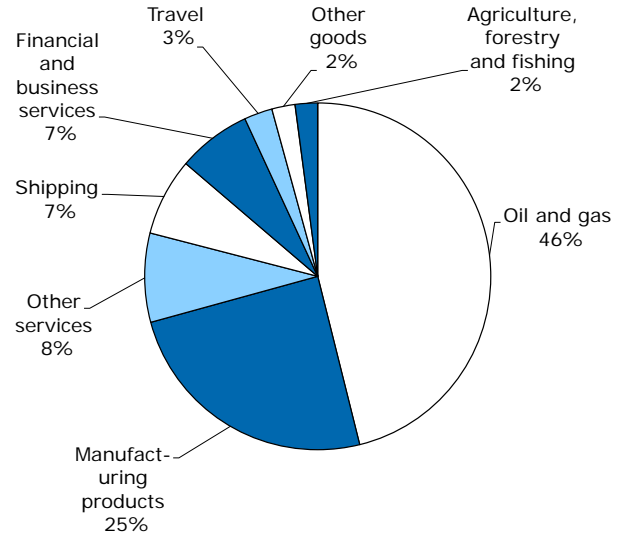
Per cent	2009	F 2010	F 2011	F 2012	F 2013	F 2014
Household demand	(0.9)	1.7	1.9	2.0	1.9	1.6
Gross fixed capital formation, mainland companies	(1.8)	(0.4)	0.3	0.4	0.4	0.4
Gross fixed capital formation, petroleum activity	0.5	(1.5)	(0.1)	0.2	0.3	0.1
Public sector demand	1.6	0.5	0.8	0.7	0.9	0.8
Exports, mainland Norway	(1.3)	0.3	1.0	1.0	1.1	1.1
Imports, mainland Norway	3.9	(3.1)	(1.6)	(1.4)	(1.6)	(1.3)
Changes in stocks and statistical discrepancies	(3.4)	4.4	0.1			
GDP, mainland Norway	(1.3)	1.9	2.5	3.0	3.1	2.7

Source: Statistics Norway and DnB NOR Markets

Composition of GDP in 2009

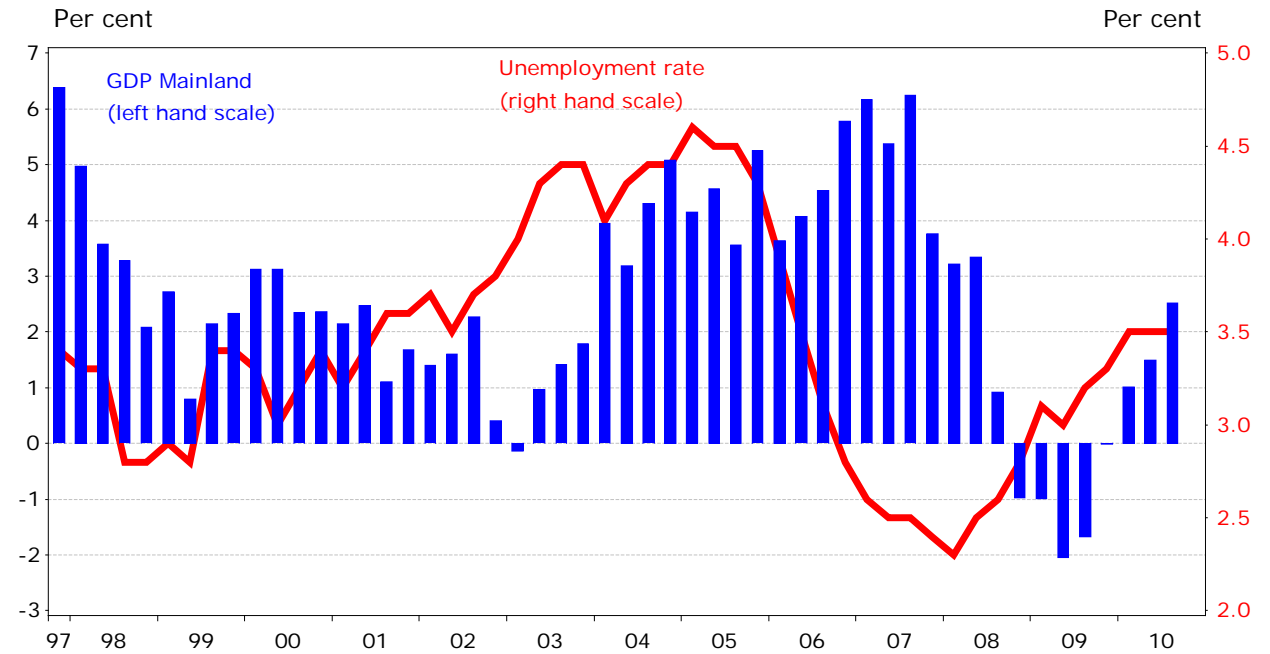


Composition of export in 2009

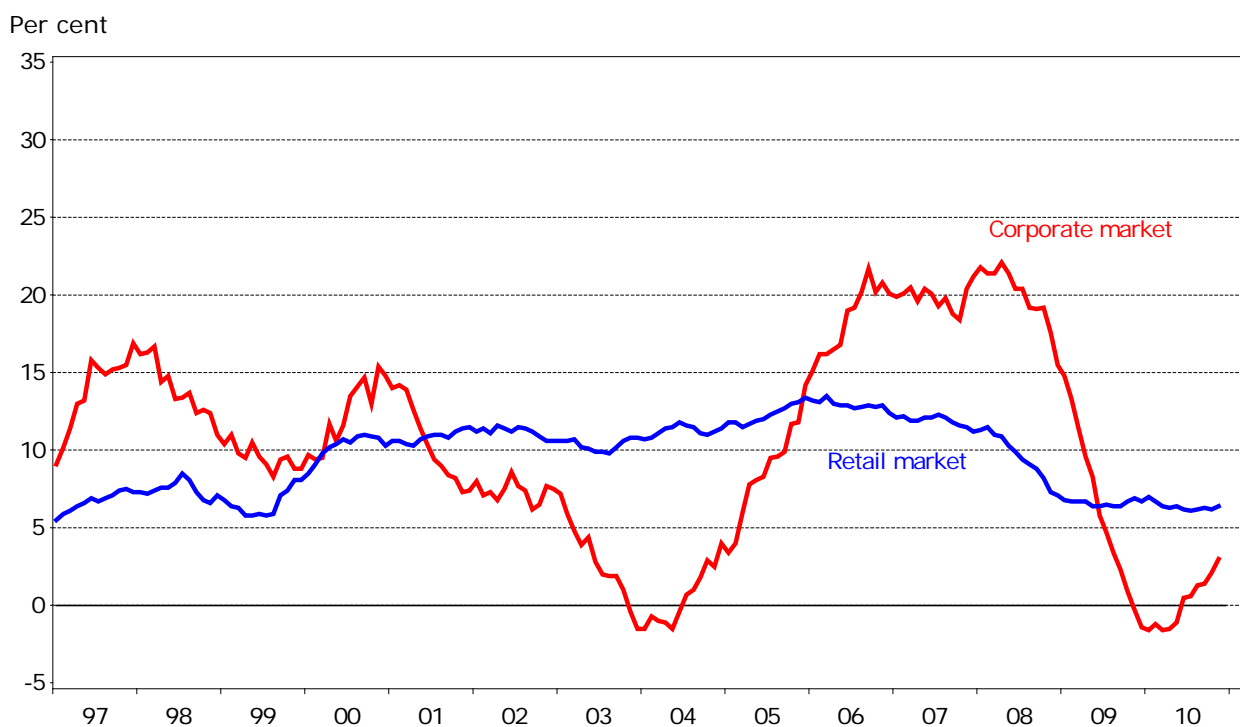


Source: Statistics Norway

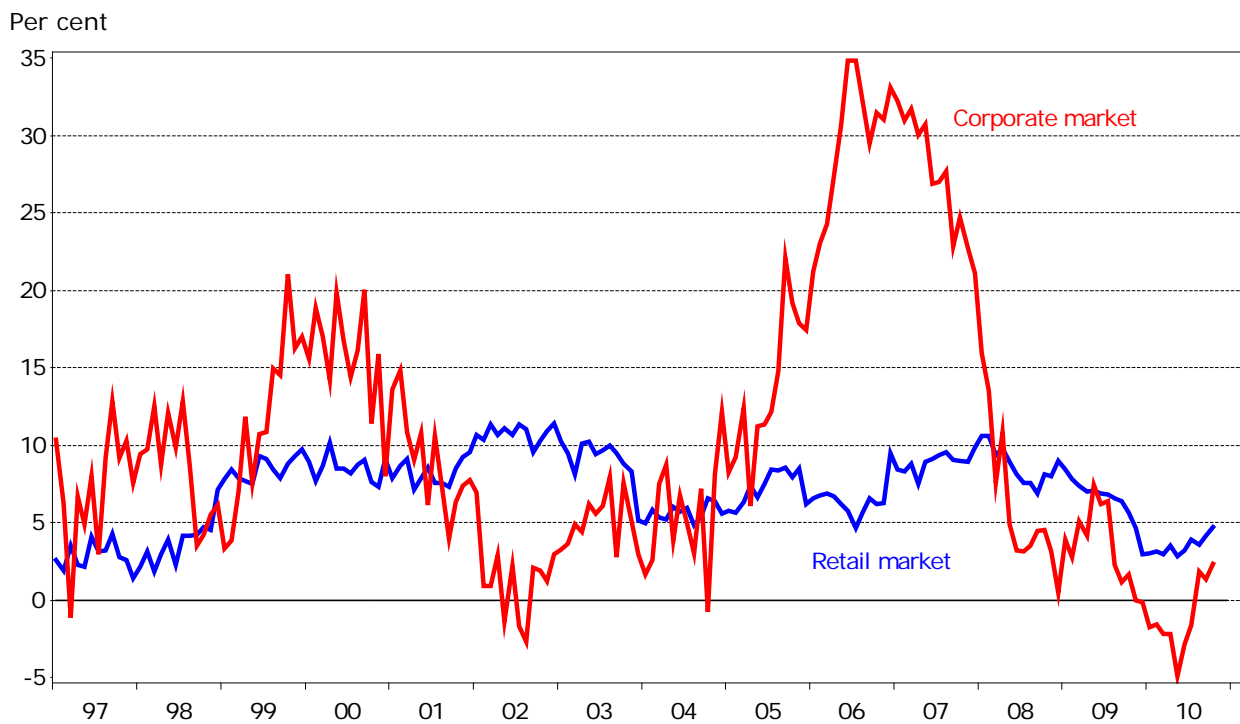
GDP-growth mainland Norway and unemployment rate



Source: Statistics Norway

Credit market, 12 month percentage growth

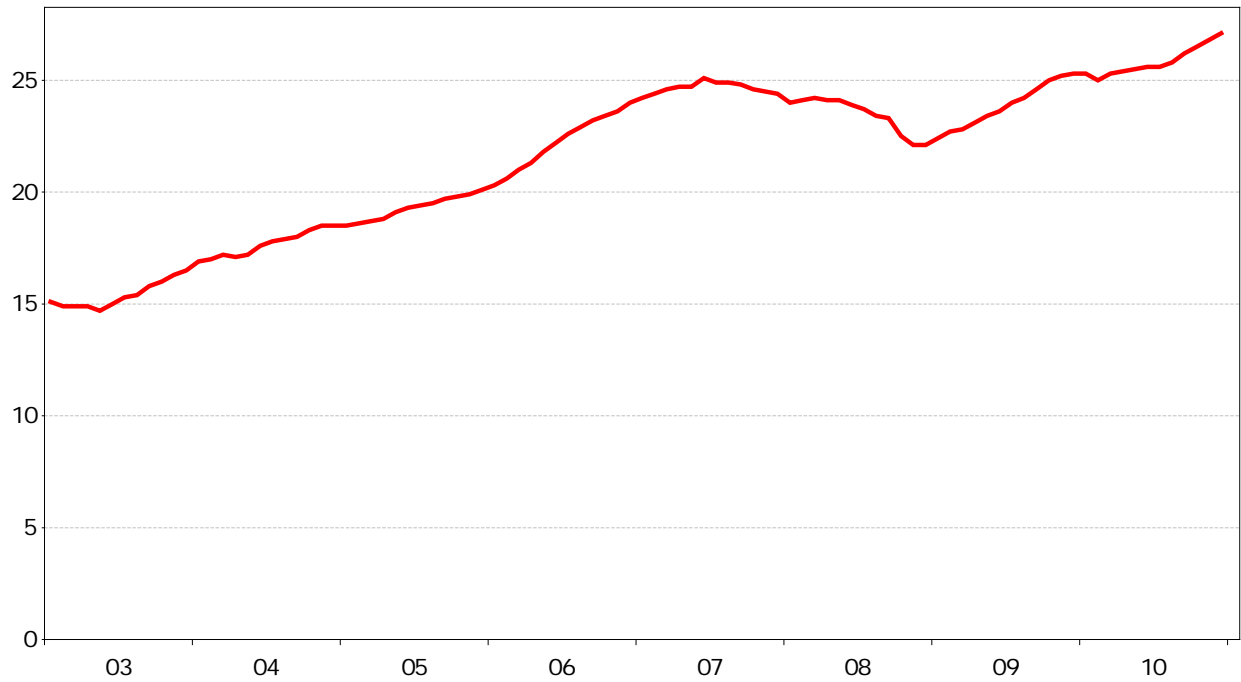
Source: Statistics Norway

Deposit market, 12 month percentage growth

Source: Statistics Norway

House prices, per square meter Seasonally adjusted

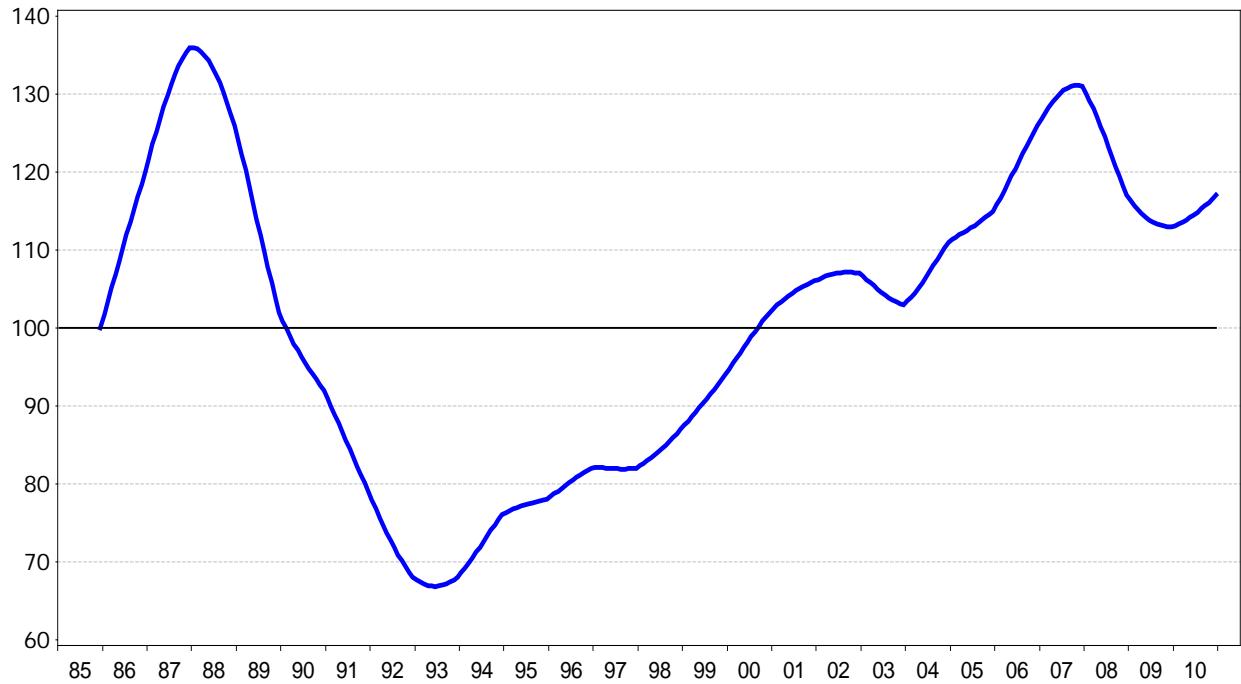
NOK 1 000



Source: Association of norwegian real estate agents, Finn.no and Econ Poyry

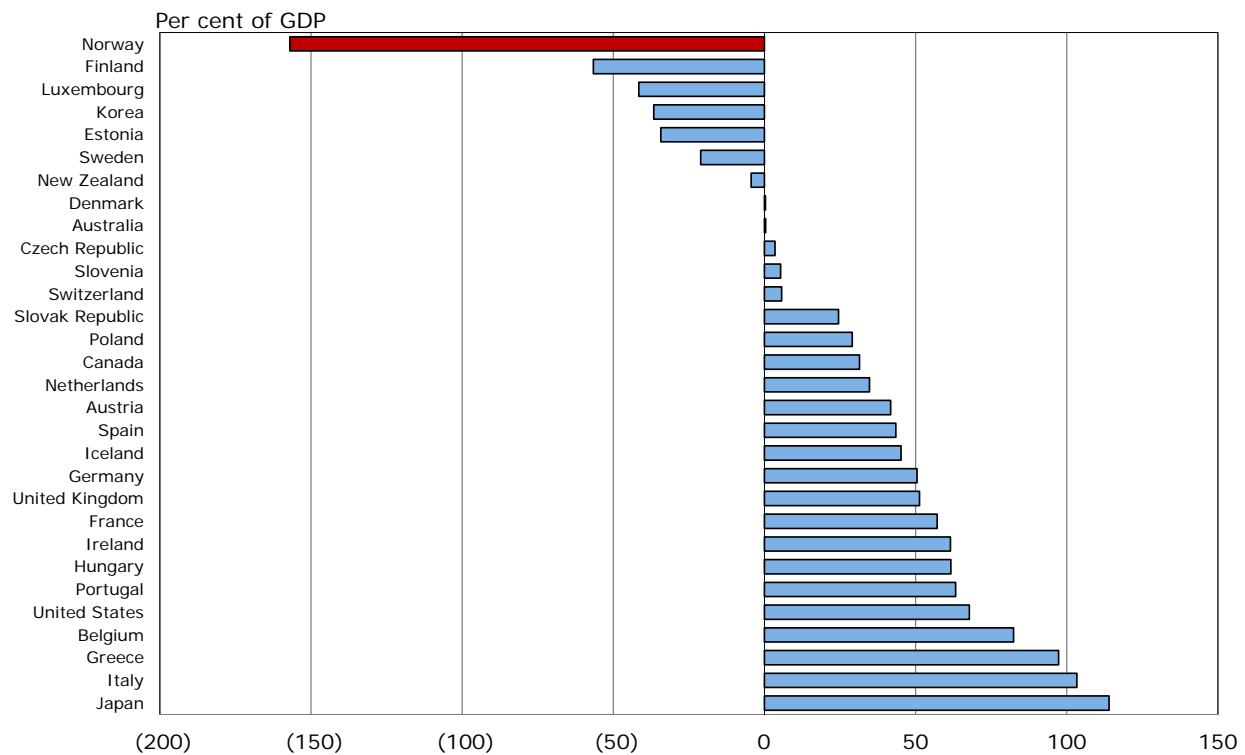
House prices, deflated by income

Indices: 1985=100



Source: Norges Bank

Government net financial liabilities 2010



Source: OECD Economic Outlook No. 88, December 2010

Key macro-economic indicators, Poland and the Baltic states

Percentage change from previous year	2009	F 2010	F 2011	F 2012
Poland				
GDP	1.7	3.7	4.1	4.3
Private consumption	2.1	3.1	3.6	4.1
Gross fixed investments	(1.1)	(1.8)	7.7	7.6
Inflation (CPI)	3.5	2.6	3.2	2.9
Estonia				
GDP	(13.9)	2.5	3.7	3.7
Private consumption	(18.8)	(2.0)	3.2	4.2
Gross fixed investments	(33.0)	(8.3)	6.6	7.2
Inflation (CPI)	(0.1)	3.0	3.6	2.8
Latvia				
GDP	(18.0)	(0.6)	2.8	3.6
Private consumption	(24.1)	(1.6)	2.4	3.5
Gross fixed investments	(37.3)	(19.4)	6.6	7.1
Inflation (CPI)	3.5	(1.1)	2.5	2.3
Lithuania				
GDP	(14.7)	0.7	2.8	3.4
Private consumption	(17.7)	(4.0)	2.7	3.4
Gross fixed investments	(40.0)	(6.7)	5.9	6.7
Inflation (CPI)	4.2	1.2	2.4	2.4

Source: Consensus Economics

