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Quarterly report
First quarter 2011

(unaudited)

DnB NOR

Key figures

DnB NOR Group

Income statement *Amounts in NOK million*	1st quarter 2011	1st quarter 2010	Full year 2010	Full year 2009
Net interest income	6 018	5 561	23 436	22 633
Net other operating income	3 467	3 493	16 156	14 994
Ordinary operating expenses	4 793	4 115	17 920	18 114
Other expenses	0	0	591	796
Pre-tax operating profit before write-downs	4 692	4 940	21 081	18 717
Net gains on fixed and intangible assets	5	10	24	26
Write-downs on loans and guarantees	892	947	2 997	7 710
Pre-tax operating profit	3 805	4 002	18 108	11 032
Taxes	913	1 081	4 121	4 086
Profit from operations and non-current assets held for sale, after taxes	(41)	(4)	75	80
Profit for the period	**2 851**	**2 917**	**14 062**	**7 026**
Profit attributable to shareholders	2 851	3 117	14 814	8 585
Profit attributable to minority interests	0	(199)	(752)	(1 559)

Balance sheet *Amounts in NOK million*	31 March 2011	31 Dec. 2010	31 March 2010	31 Dec. 2009
Total assets	2 097 070	1 861 620	1 842 309	1 823 453
Lending to customers	1 173 213	1 170 341	1 125 946	1 114 886
Deposits from customers	678 402	641 914	585 835	590 745
Total equity	114 033	111 196	104 224	101 403
Average total assets	2 091 023	1 969 557	1 943 175	1 905 708
Total combined assets	2 380 259	2 140 868	2 102 538	2 075 824

Key figures	1st quarter 2011	1st quarter 2010	Full year 2010	Full year 2009
Average combined weighted spread for lending and deposits (per cent)	1.13	1.12	1.15	1.15
Cost/income ratio (per cent)	50.5	49.5	47.6	48.1
Write-downs relative to net lending to customers, annualised (per cent)	0.31	0.34	0.26	0.67
Return on equity (per cent)	10.3	12.5	13.6	10.6
Earnings per share (NOK)	1.76	1.92	8.66	6.43
Dividend per share (NOK)	-	-	4.00	1.75
Tier 1 capital ratio at end of period (per cent) [1)]	10.0	9.4	10.1	9.3
Capital adequacy ratio at end of period (per cent) [1)]	12.0	12.2	12.4	12.1
Share price at end of period (NOK)	84.85	67.90	81.90	62.75
Price/book value	1.21	1.09	1.20	1.04

1) *Including 50 per cent of profit for the period, except for the full year figures.*

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

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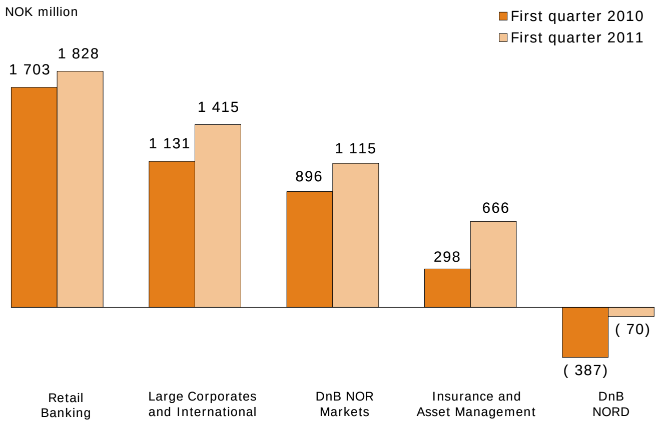
Directors' report

- Satisfactory financial performance, negative mark-to-market adjustments
- Healthy trend in all business areas
- Higher non-recurring costs, increase in IT investments and greater activity levels
- Continued healthy underlying trend in write-downs and portfolio quality
- Progress in the Baltic region and Poland

Introduction

DnB NOR recorded a profit of NOK 2 851 million in the first quarter of 2011, which was roughly on a level with the first quarter of 2010. There was a sound underlying income trend which, however, was counteracted by the effects of mark-to-market adjustments and non-recurring items. There was a clear improvement in operating profits in all business areas.

Pre-tax operating profit after write-downs



For the Group as a whole, there was a rise in income of NOK 431 million or 4.8 per cent from the first quarter of 2010. Excluding a reduction in income due to mark-to-market adjustments of liabilities and associated instruments of close to NOK 600 million, the increase in income was approximately NOK 1 billion. Average lending volumes, adjusted for exchange rate movements, rose by 6.4 per cent from the year-earlier period, which approximated the estimated credit growth from 2010 to 2011. Lending spreads widened by 0.04 percentage points from the first quarter of 2010, while deposit spreads remained stable. Excluding changes in mark-to-market adjustments of liabilities and associated instruments, other operating income also showed a healthy trend compared with the first quarter of 2010.

Operating expenses rose by NOK 679 million from the first quarter of 2010. However, the comparison was affected by a number of items of a non-recurring nature or with a corresponding direct effect on income. The most pronounced of these effects was the reversal of costs for contractual pension agreements (CPA) of NOK 367 million in the first quarter of 2010. The rise in costs must also be seen in association with the rise in income and higher activity levels. Among other things, DnB NOR has escalated its IT initiatives and market activities over the past year. Expenses directly related to operations rose by 2.8 per cent from the first quarter of 2010.

Risk developments in the Group's loan portfolio were well under control. The first quarter saw write-downs on a few large commitments and a slight increase in collective write-downs. There was a significant reduction in write-downs in DnB NORD from the first quarter of 2010, and the write-downs recorded in the first quarter of 2011 were primarily related to operations in Latvia.

Profits from DnB NORD's operations in the Baltic States and Poland are estimated at NOK 26 million for the first quarter of 2011.

Return on equity was 10.3 per cent, compared with 12.5 per cent in the January through March period in 2010. Earnings per share were NOK 1.76 and NOK 1.92, respectively, for the same periods.

During the first quarter of 2011, DnB NOR was named 'Best marketer' for 2010 by the Kampanje magazine and the Norwegian Marketing Association. In addition, the Group improved its ranking in the annual customer satisfaction report issued by Norsk Kundebarometer, and received the award as 'Best communicator within banking and finance in 2010'.

DnB NOR was the main sponsor of the World Ski Championships in Oslo, which were highly successful with respect to both sporting achievements and the number of spectators. The championships received extensive media coverage both in Norway and internationally, and feedback from customers who participated in the events arranged by the Group during the championships was very positive.

The Bloomberg news agency has analysed the performance of global environmental mutual funds with total assets in excess of EUR 100 million. DnB NOR Renewable Energy was ranked best of all the funds based on its 12.9 per cent return in 2010, twice the return of the number two fund on the list. Investments within solar energy and energy efficiency contributed to the healthy returns in 2010.

During the first quarter of the year, DnB NOR's Board of Directors decided to change the name of the Group from DnB NOR to DNB and to include all of the Group's brands under this name. The name change is scheduled to be implemented in November 2011. The new name will be simpler and is already used by a number of customers. The coordination of the brands will offer opportunities to further strengthen initiatives target at the Group's customers.

Income statement

Net interest income

Amounts in NOK million	1st quarter 2011	Change	1st quarter 2010
Net interest income	6 018	457	5 561
Lending and deposit volumes		389	
Guarantee fund levy		182	
Equity and non-interest-bearing items		120	
Lending and deposit spreads		109	
Long-term funding costs		(168)	
Exchange rate movements		(70)	
Other net interest income		(106)	

Net interest income rose by 8.2 per cent from the first quarter of 2010.

Average lending volumes increased by NOK 54.2 billion and deposit volumes by NOK 68.7 billion. The rise in volumes gave a NOK 389 million rise in net interest income for the period.

Lending spreads widened by 0.04 percentage points, while deposit spreads remained stable. In total, the widening spreads gave a NOK 109 million rise in net interest income.

Long-term funding costs reduced income by NOK 168 million compared with the January through March period in 2010. However, as the Group was subject to no guarantee fund levy in 2011, the reduction in income was eliminated.

Net other operating income

Amounts in NOK million	1st quarter 2011	Change	1st quarter 2010
Net other operating income	3 467	(26)	3 493
Net financial and risk result from Vital [1)]		260	
Net other commissions and fees		101	
Net income from non-life insurance		83	
Net gains on foreign exchange and interest rate instruments		(623)	
Other operating income		154	

1) Guaranteed returns and allocations to policyholders deducted.

Total net other operating income was relatively unchanged from the first quarter of 2010. However, there was a reduction in gains on foreign exchange and interest rate instruments of NOK 623 million, partly due to the exchange of own debt through basis swaps. Excluding this reduction, operation-related income rose by approximately NOK 600 million. The NOK 260 million increase in income in Vital was attributable to healthy returns on the corporate portfolio and somewhat lower provisions for higher life expectancy. Moreover, market developments improved between the quarters, resulting in a rise in income from several areas, including DnB NOR Markets.

Operating expenses

Amounts in NOK million	1st quarter 2011	Change	1st quarter 2010
Operating expenses	4 793	679	4 115
Reversals in the first quarter of 2010:			
Reversal of CPA provisions		367	
Reduced provisions		110	
Non-recurring costs in the first quarter of 2011:			
Costs related to the acquisition of DnB NORD		28	
Direct income-related items:			
Operational leasing		30	
København Ejendomme		16	
Expenses directly related to operations:			
Cost programme		(128)	
Wage and price inflation		133	
Rise in IT-related fees		24	
Rise in pension expenses		40	
Higher activity levels		59	

The Group's total expenses rose by NOK 679 million from the year-earlier period. However, cost levels in the first quarter of 2010 reflected sizeable reversals, and NOK 551 million of the rise in costs represented non-recurring items or had direct corresponding effects on the income side. The most pronounced of these effects was the reversal of costs for contractual pension agreements (CPA) of NOK 367 million in the first quarter of 2010. In addition, non-recurring costs relating to, among other things, the restructuring of DnB NORD were recorded. The remaining rise in costs was due to greater IT initiatives and a rise in customer-related activity. The Group's cost programme compensated for wage and price inflation during the period.

Write-downs on commitments

Write-downs on loans and guarantees totalled NOK 892 million for the quarter, down NOK 55 million from the first quarter of 2010.

Individual write-downs have been relatively stable over the past three quarters at a considerably lower level than in the first quarter of 2010. Write-downs in the first quarter of 2011 related to a limited number of commitments, and there is a general trend towards a lower write-down level. Individual write-downs in DnB NORD showed a 75 per cent reduction from the first quarter of 2010.

There were reversals on collective write-downs during all quarters in 2010, while there was a marginal increase in such write-downs in the first quarter of 2011.

Net non-performing and doubtful commitments totalled NOK 18.9 billion as at 31 March 2011, down from NOK 21.8 billion a year earlier. Net non-performing and doubtful commitments represented 1.56 and 1.88 per cent, respectively, of lending volume on the same dates.

Taxes

The DnB NOR Group's tax charge for the first quarter of 2011 was NOK 913 million, down from NOK 1 081 million in the year-earlier period. Relative to pre-tax operating profits, the tax charge was reduced from 27 per cent in the first quarter of 2010 to 24 per cent in the first quarter of 2011. The main factor behind the reduced tax charge was gains on equity investments in Vital classified within the tax exemption model.

Business areas

Activities in DnB NOR are organised in the business areas Retail Banking, Large Corporates and International, DnB NOR Markets and Insurance and Asset Management. The business areas operate as independent profit centres and have responsibility for serving all of the Group's customers and for the total range of products.

On 23 December 2010, DnB NOR acquired all shares in DnB NORD. Operations in the Baltic region and Poland were organised under Large Corporates and International, but will still be reported as a separate profit centre.

Retail Banking

Retail Banking is responsible for serving the Group's 2.3 million personal customers and some 184 000 Norwegian corporate customers through the branch network in Norway. DnB NOR aspires to be a local bank for the whole of Norway while offering the expertise of a large bank. The aim is that coordinated service to these customer segments will make the services more accessible and give customers good personal financial advice.

Pre-tax operating profits totalled NOK 1 828 million in the first quarter of 2011, an increase of NOK 125 million from the year-earlier period. There was a positive development in volumes and a satisfactory trend in non-performing commitments and write-downs.

Income statement in NOK million	1st quarter 2011	1st quarter 2010	Change
Net interest income	3 610	3 432	178
Other operating income	887	854	32
Income attributable to product suppliers	289	310	(21)
Net other operating income	1 176	1 165	11
Total income	4 786	4 597	189
Ordinary operating expenses	2 553	2 512	41
Costs attributable to product suppliers	153	176	(23)
Total operating expenses	2 706	2 687	19
Pre-tax operating profit before write-downs	2 080	1 910	170
Net gains on fixed assets	1	0	1
Net write-downs on loans	252	207	46
Pre-tax operating profit	1 828	1 703	125
Average balance sheet items in NOK billion			
Net lending to customers	763.3	727.0	36.3
Deposits from customers	389.2	368.4	20.8
Key figures in per cent			
Lending spread 1)	1.63	1.67	
Deposit spread 1)	0.40	0.42	
Return on risk-adjusted capital 2)	24.7	25.4	
Cost/income ratio	56.5	58.5	
Ratio of deposits to lending	51.0	50.7	
Number of full-time positions, end period	4 845	4 953	

1) Calculated relative to the 3-month money market rate.

2) Calculated on the basis of internal measurement of risk-adjusted capital.

Average net lending increased by 5.0 per cent from the first quarter of 2010 to the corresponding period in 2011. In spite of low interest rate levels, the rate of growth in housing loans was lower than in the first quarter of 2010, while lending to small and medium-sized businesses showed a positive volume trend. There was fierce competition for deposits, and compared with the year-earlier period, average deposits rose by 5.6 per cent. The average ratio of deposits to lending increased marginally to 51 per cent for the quarter. Along with customer deposits, covered bonds based on residential mortgages in DnB NOR Boligkreditt were key sources of funding. At end-March 2011, 92 per cent of lending volume in Retail Banking was funded by deposits and covered bonds.

Net interest income rose by NOK 178 million compared with the year-earlier period, of which NOK 116 million was due to the discontinuation of guarantee fund levies. The weighted interest rate spread, defined as total margin income on loans and deposits relative to total average loans and deposits, was 1.21 per cent in the first quarter of 2011, down from 1.24 per cent in the year-earlier period. Retail Banking has competitive products and wishes to offer attractive prices in both the retail and corporate markets.

The increase in other operating income was mainly due to a rise in income from real estate broking in Norway and the valuation of a shareholding. A rise in depreciation on operational leasing in DnB NOR Finans gave a NOK 30 million increase in costs compared with the first quarter of 2010. The number of full-time positions was 4 845 at end-March 2011, of whom 4 527 worked in the business area's units in Norway.

The quality of the loan portfolio was sound, with relatively low net write-downs in both the retail and corporate markets. On an annual basis, net write-downs represented 0.13 per cent of lending in the first quarter of 2011, compared with 0.12 per cent in the year-earlier period. Net impaired commitments amounted to NOK 5.4 billion at end-March 2011, down NOK 0.1 billion from end-March 2010.

At end-February 2011, the market share of credit to wage earners was 27.9 per cent, down 0.5 percentage points from end-March 2010. The market share of total savings from wage earners was 33.9 per cent, while the market share of customer deposits was 32.4 per cent.

In April 2011, Norsk Kundebarometer named DnB NOR Eiendom Norway's most popular real estate broker. In March 2011, DnB NOR Eiendom won the Farmand award for best website for unlisted companies, while dnbnor.no was ranked as Norway's third best website in the listed company category. In February 2011, the Euromoney magazine named DnB NOR best provider of Private Banking services in Norway.

DnB NOR revised its strategy in the Swedish market in 2010 and discontinued the sale of housing loans carried in the bank's balance sheet. With effect from 28 March 2011, housing loan operations in Sweden were wound up, and DnB NOR's housing loan portfolio was sold.

In order to strengthen DnB NOR's position in Norway, the Postbanken brand will be gradually integrated into the DnB NOR brand in the course of 2011. The aim is to improve customer satisfaction and build a strong common corporate culture. The integration will give customers access to an even more extensive distribution network and product range than before.

The Norwegian economy is approaching normal activity growth, and unemployment levels have stabilised. Corporate credit demand is expected to increase further, which will be reflected in a rise in lending to Retail Banking's small and medium-sized corporate customers. The price pressure on low-risk housing loans is expected to continue, and Retail Banking expects the low level of write-downs on loans to prevail. Competition for stable deposits will continue to be strong, reflecting the introduction of new liquidity requirements for banks.

Large Corporates and International

Large Corporates and International serves the largest Norwegian corporate customers and is responsible for the Group's entire international banking operations. Relationship management based on long experience and broad industry expertise forms an important basis for the business area's strategic initiatives.

The first quarter of 2011 was characterised by a high level of activity and a normalisation of the banking market both in Norway and internationally. Pre-tax operating profits came to NOK 1 415 million, up NOK 284 million from the year-earlier period.

Income statement in NOK million	1st quarter 2011	1st quarter 2010	Change
Net interest income	1 823	1 471	352
Other operating income	275	248	26
Income attributable to product suppliers	510	362	148
Net other operating income	588	548	40
Total income	2 608	2 082	527
Operating expenses	588	548	40
Costs attributable to product suppliers	218	151	67
Total operating expenses	806	699	107
Pre-tax operating profit before write-downs	1 802	1 383	419
Net write-downs on loans	387	252	135
Pre-tax operating profit	1 415	1 131	284
Average balance sheet items in NOK billion			
Net lending to customers	349.4	328.3	21.2
Deposits from customers	230.0	196.2	33.8
Key figures in per cent			
Lending spread [1]	1.56	1.35	
Deposit spread [1]	0.05	0.11	
Return on risk-adjusted capital [2]	17.6	13.5	
Cost/income ratio	30.9	33.6	
Ratio of deposits to lending	65.8	59.8	
Number of full-time positions, end period	1 107	1 079	

1) *Calculated relative to the 3-month money market rate.*
2) *Calculated on the basis of internal measurement of risk-adjusted capital.*

Developments in lending and deposits reflected a higher level of activity in the first quarter of 2011 than in the year-earlier period. Lending volumes increased by 6.4 per cent from the first quarter of 2010, but remained virtually unchanged from the fourth quarter of 2010. Adjusted for the effects of the strengthened Norwegian krone relative to the US dollar, there was, however, an increase of approximately NOK 5.9 billion from the fourth quarter.

Deposits rose by 17.2 per cent from the first quarter of 2010 and by 0.8 per cent from the fourth quarter of 2010. The ratio of deposits to lending increased by 6.1 percentage points from the first quarter of 2010.

Measured against the 3-month money market rate, lending spreads widened by 0.21 percentage points from the first quarter of 2010 and by 0.04 percentage points from the fourth quarter of 2010. The increasing spreads helped compensate for higher long-term funding costs. There was strong competition for deposits, and deposit spreads were reduced by 0.06 percentage points compared with the figure for the first quarter of 2010 and were virtually unchanged from the fourth quarter of 2010.

The increase in other operating income was mainly attributable to high income from trading in foreign exchange and interest rate instruments and from equity and securities services.

Operating expenses rose by 15.4 per cent from the first quarter of 2010, mainly due to increased sales of DnB NOR Markets products, a rise in the number of employees and extensive IT development activity. The level of costs was practically unchanged from the fourth quarter of 2010. At end-March 2011, staff in the business area represented 1 107 full-time positions, including 642 positions outside Norway.

The quality of the loan portfolio remained sound, and the improved macroeconomic situation, close follow-up of customers and active preventive measures ensured a positive trend from the preceding quarters. Certain corporate customers and customer segments may nevertheless face challenges if the macroeconomic situation worsens or if individual industries experience a prolonged major imbalance between supply and demand.

Write-downs on loans represented 0.45 per cent of net customer lending on an annual basis, up from 0.31 per cent in the first quarter of 2010. The write-downs referred to a limited number of commitments. Net impaired commitments totalled NOK 3.8 billion at end-March 2011. The corresponding figure at end-March 2010 was NOK 5.9 billion.

Large Corporates and International will build on its sound professional skills to find good solutions for its customers, offering close follow-up and high-quality advisory services. DnB NOR will give priority to retaining and developing long-term and profitable customer relationships. Credit demand is expected to pick up, coupled with intensifying competition for new transactions.

DnB NOR Markets

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

DnB NOR Markets recorded a healthy level of profits in the first quarter of 2011. Pre-tax operating operating profits rose to NOK 1 115 million, up 24 per cent compared with the year-earlier period.

Income statement in NOK million	1st quarter 2011	1st quarter 2010	Change
FX, interest rate and commodity derivatives	327	292	35
Investment products	123	114	8
Corporate finance	207	122	85
Securities services	61	50	12
Total customer revenues	718	578	140
Net income liquidity portfolio	279	304	(25)
Other market making/trading revenues	612	401	211
Total trading revenues	891	705	186
Interest income on allocated capital	35	31	4
Total income	1 644	1 313	331
Operating expenses	529	417	112
Pre-tax operating profit	1 115	896	218
Key figures in per cent			
Return on risk-adjusted capital [1]	59.2	47.0	
Cost/income ratio	32.2	31.7	
Number of full-time positions, end period	677	660	

1) *Calculated on the basis of internal measurement of risk-adjusted capital.*

There was a rise in income from both customer business and market making and other proprietary trading. Costs increased due to international expansion and IT-related investments.

Customer-related income from foreign exchange and interest rate and commodity derivatives rose by 12 per cent compared with the year-earlier period, with growth in all product areas. Prospects of a rise in interest rates resulted in increased demand for interest rate hedging products. In addition, the strengthening of the Norwegian krone and significant volatility in commodity prices boosted demand for both currency and commodity hedging.

Customer-related income from the sale of securities and other investment products was up 7 per cent compared with the first quarter of 2010. Income from bond and commercial paper trading showed the highest growth, in spite of fiercer competition. DnB NOR Markets retained its number one position within bond and commercial paper trading on Oslo Børs in the first quarter of 2011, as well as its position as the largest brokerage house on Oslo Børs and Oslo Axess within total equity trading. Income from alternative investment products remained low.

Customer-related revenues from corporate finance rose by 70 per cent from the first quarter of 2010. There was a high level of activity in the debt capital markets in both Norway and at the Group's international units. The Global Finance magazine named DnB NOR best Nordic investment bank in this field. Activity levels in the equity markets were lower than in the year-earlier period.

Customer-related revenues from custodial and other securities services rose by 23 per cent compared with the first quarter of 2010, reflecting both higher activity levels and rising market values.

Income from market making and other proprietary trading increased by 26 per cent from the first quarter of 2010. The entire increase referred to trading in the fixed income market, while income from foreign exchange trading was somewhat lower than the previous year.

Strong competition and the increasing use of electronic trading causes pressure on prices for many of DnB NOR Markets' products. However, the pressure on prices is expected to be counteracted by a high level of activity and rising volumes.

Insurance and Asset Management

The Insurance and Asset Management business area is responsible for life insurance, pension savings, asset management and non-life insurance in the DnB NOR Group.

Income statement in NOK million	1st quarter 2011	1st quarter 2010	Change
Total income	1 267	869	398
Operating expenses	601	571	30
Pre-tax operating profit	666	298	368
Tax	(226)	(30)	(196)
Profit after tax	892	327	564
Balances in NOK billion (end of period)			
Assets under management	540.7	501.4	39.3
Key figures in per cent			
Return on risk-adjusted capital 1)	24.1	10.3	
Cost/income ratio	47.4	65.7	
Number of full-time positions, end period	1 055	1 059	

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

Vital

Vital recorded pre-tax operating profits of NOK 596 million in the first quarter of 2011, an improvement of NOK 279 million from the year-earlier period.

Income statement in NOK million	1st quarter 2011	1st quarter 2010	Change
Interest result	1 747	1 408	338
Risk result	2	(166)	168
- Of which provisions for higher life expectancy	*(96)*	*(243)*	*147*
Administration result	(18)	(39)	22
Profit on risk and guaranteed rate of return	130	137	(7)
Other	(10)	(11)	1
Allocations to policyholders	1 255	1 013	242
Pre-tax profit	596	317	279
Tax charge	(244)	(22)	(222)
Profit from Vital	840	339	502
Balances in NOK billion (end of period)			
Total assets	256.2	239.9	16.3
Assets under management			
- individual customers	65.5	65.8	(0.3)
- corporate customers	135.6	126.0	9.6
- public sector	35.5	30.1	5.4
Key figures in per cent			
Return on risk-adjusted capital 1)	25.1	11.9	
Recorded return on assets	1.5	1.5	
Value-adjusted return on assets	1.3	1.8	
Number of full-time positions, end period	735	745	

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

Vital achieved a recorded return of 1.5 per cent and a value-adjusted return of 1.3 per cent on the common portfolio in the first quarter of 2011, excluding changes in the value on bonds held to maturity. A value-adjusted return of 1.8 per cent was generated in the corporate portfolio.

The recorded return was higher than the guaranteed rate of return in all portfolios for the first three months of 2011. Vital's common portfolio represents a sound base, with approximately half of the funds invested in property and bonds held to maturity generating ongoing returns of approximately 5 per cent. These investments contribute to stabilising returns. The property portfolio gave a direct return of 1.5 per cent in the first quarter of 2011.

Total assets as at 31 March 2011 were NOK 256 billion, an increase of 3.7 per cent since end-December 2010. Recorded policyholders' funds within defined-contribution pension schemes totalled NOK 12.8 billion, an increase of 7.1 per cent from end-December 2010.

Premium income totalled NOK 9.9 billion in the first quarter of 2011, up 11.2 per cent compared with the year-earlier period.

Vital reported a net outflow of transfers of NOK 88 million in the first quarter of 2011, compared with a net outflow of NOK 140 million in the year-earlier period.

The risk result for the first quarter of 2011 was positive at NOK 2 million, an improvement from a negative result of NOK 166 million in the year-earlier period. Allocations of NOK 96 million were made in the first quarter of 2011 to cover the required increase in reserves for higher life expectancy for individual annuity and pension insurance and group association insurance, of which NOK 34 million was charged to the owner.

The level of solvency capital remained unchanged from 31 December 2010, totalling NOK 24.6 billion at end-March 2011. The capital adequacy ratio was 10.3 per cent, well within the 8 per cent requirement.

Vital's market share of total policyholders' funds was 29.6 per cent at end-December 2010, down 0.7 percentage points from end-March 2010.

Vital's performance in the first quarter of 2011 reflected a healthy level of financial income. Based on assessments of the market situation, the values in Vital's portfolio are expected to show a strong development in 2011, primarily driven by sound returns on equity and property investments. Nevertheless, the risk situation indicates continued market volatility throughout the year. Vital and DnB NOR have strong buffer capital and the financial strength required to handle such volatility.

Vital is actively preparing for its adaptation to changes in the regulatory framework. The pension reform, which is in the process of being implemented, will create a greater need for advisory services, and each Norwegian will have to assume greater responsibility for his or her own pension savings. Finanstilsynet (the Financial Supervisory Authority of Norway) has proposed regulatory changes which will give greater flexibility with respect to the accumulation and use of buffer capital. In the longer term, this will result in higher returns on customers' pension funds.

Vital has made good progress in its adaptation to the new solvency capital regulations, Solvency II, which will require improved risk measurement, risk management and risk reporting. The company has requested to enter into an early dialogue with Finanstilsynet and is strongly committed to ensuring compliance and optimal adaptation to the future regulations.

Changes in the National Insurance Scheme has created greater interest in pension issues in the Norwegian population. Vital expects that this interest will prevail and provide a sound platform for future growth.

DnB NOR Asset Management

DnB NOR Asset Management recorded pre-tax operating profits of NOK 60 million in the first quarter of 2011, an increase of NOK 7 million from the year-earlier period, reflecting a rise in commission income and reduced costs.

Income statement in NOK million	1st quarter 2011	1st quarter 2010	Change
Net interest income	(5)	4	(9)
Commission income			
- from retail customers	98	90	8
- from institutional clients	119	114	5
Other operating income	1	4	(2)
Total income	213	212	1
Operating expenses	154	160	(6)
Pre-tax operating profit	60	53	7
Balances in NOK billion (end of period)			
Asset under management	489.0	456.8	32.2
- retail customers	43.4	44.3	(0.8)
- institutional clientss	445.6	412.6	33.0
Key figures in per cent			
Return on risk-adjusted capital 1)	32.4	28.8	
Cost/income ratio	72.0	75.3	
Number of full-time positions, end period	216	222	

1) *Calculated on the basis of internal measurement of risk-adjusted capital.*

Commission income, including performance-based fees, rose by 6 per cent from the first quarter of 2010. The increase was mainly attributable to a rise in assets under management.

Market developments during the past 12-month period caused a NOK 26 billion rise in the market value of assets under management, while a further NOK 9 billion increase stemmed from exchange rate movements. Negative net sales gave a NOK 3 billion reduction in assets under management.

DnB NOR Asset Management is one of the country's leading providers of mutual funds and discretionary asset management and had a market share of 23.1 per cent of the total mutual fund market in Norway at end-March 2011.

As at 31 March 2011, the total number of mutual fund savings schemes in the Norwegian market was approximately 275 000, with annual subscriptions of around NOK 2.9 billion. At end-March 2011, 47.1 per cent of DnB NOR's mutual funds had received four or five stars from the rating company Morningstar.

DnB NOR Asset Management expects an increase in private financial savings in both Norway and Sweden. In order to meet the competition, DnB NOR Asset Management has developed new products adapted to customer needs. The expectations of investors regarding developments in financial markets together with investor confidence in the stock market will have a strong impact on profit performance in the business area.

DnB NOR Skadeforsikring

DnB NOR Skadeforsikring is in an expansion phase, and sales increased by 51 per cent compared with the year-earlier period. Non-life insurance products are sold mainly through the bank's distribution network. A reduced claims frequency and a reassurance programme which to a greater extent neutralises seasonal variations contributed to improved profit performance in the first quarter of 2011.

DnB NORD

DnB NORD recorded a pre-tax operating loss of NOK 70 million in the first quarter of 2011, an improvement of NOK 317 million from the first quarter of 2010 due to a reduction in write-downs on loans.

Income statement in NOK million	1st quarter 2011	1st quarter 2010	Change
Net interest income	311	337	(26)
Other operating income	174	186	(12)
Total income	485	523	(38)
Total operating expenses	345	348	(3)
Pre-tax operating profit before write-downs	140	174	(35)
Net gains on fixed assets	3	(6)	9
Net write-downs on loans	213	556	(343)
Pre-tax operating profit	(70)	(387)	317
Average balance sheet items in NOK billion			
Net lending to customers	59.4	65.7	(6.3)
Deposits from customers	25.5	19.4	6.1
Key figures in per cent			
Lending spread 1)	1.65	1.70	
Deposit spread 1)	0.66	0.66	
Return on risk-adjusted capital 2)	(5.3)	(24.0)	
Ordinary cost/income ratio	71.2	66.6	
Ratio of deposits to lending	42.8	29.5	
Number of full-time positions, end period	3 155	3 142	

1) *Calculated relative to the 3-month money market rate.*
2) *Calculated on the basis of internal measurement of risk-adjusted capital.*

Average net lending to customers was reduced by 9.6 per cent from the first quarter of 2010 to the corresponding period in 2011. Measured relative to lending at the end of the period, there was a 7.6 per cent reduction, with a 6.2 percentage point decline in the Baltic States and Poland. Poland was the only unit which recorded an increase in net lending from end-March 2010, of 15.2 per cent. Average customer deposits rose by 31.3 per cent from the first quarter of 2010.

Reduced volumes and lower activity levels due to the recession gave a decline in total income from these operations. Cost levels were stable.

The level of net write-downs on loans remained high compared with the Group's other operations, though there was a significant reduction from the first quarter of 2010. Relative to average lending, write-downs came to 1.45 per cent on an annual basis in the first quarter of 2011, down from 3.43 per cent in the year-earlier period.

The operations in DnB NORD are mainly concentrated in the Baltic States and Poland, and will be continued in the Baltics and Poland division in Large Corporates and International. The process of integrating operations more closely with DnB NOR started immediately after the full acquisition of DnB NORD in December 2010. Important steps in the process are the downscaling of operations in Copenhagen and the transfer of key functions to Oslo. The new Baltics and Poland division, including administrative expenses in Norway, showed estimated pre-tax operating profits of NOK 26 million in the first quarter of 2011, an improvement of NOK 43 million from the fourth quarter of 2010.

Important future activities will be closer integration with DnB NOR, the mitigation of losses and improved cost-efficiency. The positive trend in write-downs on loans is expected to continue. In the longer term, growth in the region is expected to surpass average European levels, and DnB NOR wishes to acquire its share of the renewed growth within a prudent risk profile. A positive volume trend due to rising growth in the region, combined with a lower write-down level, is expected to ensure greater profitability.

Balance sheet and liquidity

At end-March 2011, total combined assets in the DnB NOR Group were NOK 2 380 billion, an increase of NOK 278 billion or 13.2 per cent from a year earlier. Total assets in the Group's balance sheet were NOK 2 097 billion as at 31 March 2011 and NOK 1 842 billion a year earlier. Total assets in Vital were NOK 256 billion and NOK 240 billion, respectively, on the same dates.

Measured in Norwegian kroner, net lending to customers increased by NOK 47 billion or 4.2 per cent from end-March 2010. Adjusted for exchange rate movements and the sale of the housing loan portfolio in Sweden, valued at NOK 6 billion, there was a 5.6 per cent increase in lending. Customer deposits rose by NOK 92 billion or 15.7 per cent during the corresponding period. After adjusting for exchange rate movements, there was a 17 per cent increase in deposits.

The Group's ratio of customer deposits to net lending to customers increased from 52 per cent at end-March 2010 to 57.8 per cent a year later. Excluding short-term money market deposits, the ordinary ratio of deposits to lending was 55.6 per cent. During the same period, the ratio of deposits to lending in DnB NOR Bank ASA increased from 91.7 to 99.3 per cent.

With respect to short-term funding, conservative limits have been set for refunding requirements. The Group stayed well within the established liquidity limits during the first quarter. The short-term funding markets were sound and stable for banks with good credit ratings, and a clear distinction is still made between the banks. Even though an increasing number of banks are considered to be well qualified, DnB NOR had ample access to funding at favourable prices during the first quarter.

In order to keep the Group's liquidity risk at a low level, the majority of loans are financed through customer deposits, long-term securities, subordinated loan capital and equity. The Group has a self-imposed limit whereby such long-term or stable funding must represent minimum 90 per cent of customer lending. At end-March 2011, this share was 105.9 per cent. The background for this high share is that the Group is in the process of adapting to the new regulatory framework, especially to the Basel III regulatory framework, which is expected to introduce stricter long-term funding requirements. Thus, the bank remained active in the long-term funding markets in the first quarter, and financially strong banks such as DnB NOR had good access to funding. The covered bonds market was expanding, and new markets are playing an increasingly important role to obtain more diversified funding sources. Among other things, the bank's new funding activities in the US market were well received. The cost of long-term funding remained considerably higher than was the case for DnB NOR and other banks prior to the financial crisis, but DnB NOR's good ratings and firm roots in a relatively robust Norwegian economy had a positive effect on both prices of and access to funding.

The average remaining term to maturity for the portfolio of senior bond debt and covered bonds in DnB NOR Bank was 4.0 years at end-March 2011, an increase from 3.2 years a year earlier.

Risk and capital adequacy

The risk situation in the first quarter reflected major fluctuations in the stock markets following the earthquake disaster in Japan and the unrest in the Middle East. There was a strong rise in the price of oil during the quarter.

The global economy generally showed a positive trend, though the weak sovereign debt position in some European countries put a damper on growth prospects for this region. The period of very low interest rates appears to be coming to a close, and on 7 April 2011, the European Central Bank raised its key interest rate by 0.25 percentage points. The Norwegian krone has appreciated and, at end-March 2011, was on a par with its strongest levels in 2003 and 2008. This presents challenges for industries exposed to competition. The Baltic economies have stabilised, and there is reason to expect a positive future trend.

The DnB NOR Group quantifies risk by measuring risk-adjusted capital requirements. The net risk-adjusted capital requirement increased by NOK 0.9 billion during the first quarter of 2011, to NOK 59.7 billion. The table below shows developments in the risk-adjusted capital requirement.

Amounts in NOK billion	31 March 2011	31 Dec. 2010	31 March 2010	31 Dec. 2009
Credit risk	45.9	45.5	47.4	50.9
Market risk	4.9	4.9	3.8	3.7
Market risk in life insurance	13.5	12.9	11.0	10.3
Insurance risk	1.8	1.8	1.6	1.6
Operational risk	8.4	7.7	7.8	7.2
Business risk	4.7	4.5	4.5	4.1
Gross risk-adjusted capital requirement	79.2	77.3	76.0	77.6
Diversification effect [1)]	(19.5)	(18.5)	(17.9)	(16.2)
Net risk-adjusted capital requirement	59.7	58.8	58.1	61.5
Diversification effect in per cent of gross risk-adjusted capital requirement [1)]	24.6	23.9	23.5	20.8

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

The risk-adjusted capital requirement for credit showed a slight increase due to rising volumes. A significant weakening of the US dollar rate of around 5 per cent since end-December 2010 was a factor behind the modest growth in credit exposure measured in Norwegian kroner. Credit quality showed a continued healthy trend in most sectors, including the shipping sector. Nevertheless, significant elements of uncertainty still exist, including a low level of earnings and a weak market balance due to ample supply of new tonnage, especially in the dry bulk market, but also partly in the tanker market. Housing prices continued to climb, and commercial property showed a positive value trend. The volume of non-performing and doubtful commitments showed a moderate increase during the first quarter.

Risk-adjusted capital for market risk in Vital increased as the company maintained a high equity exposure in spite of market unrest. There was a slight increase in long-term interest rates, which will make it less challenging to meet policyholders' guaranteed rate of return in the longer term. At end-March 2011, the equity exposure in the common portfolio was 19.2 per cent. Finanstilsynet has presented a proposal to the Ministry of Finance for new regulations for life insurance companies which will entail better opportunities to build up buffers. If the proposals are approved, they will have a positive effect on the risk situation.

There were no significant changes in market risk limits or in equity investments during the quarter. This ensured a stable trend in risk-adjusted capital for market risk.

Operational risk, measured in terms of registered loss events, showed a slight increase, but remained stable at a low level. Risk-adjusted capital for operational risk and business risk is updated every six months. The main reason for the increase is that stricter treatment of operational risk in Vital in line with the proposed revision of the Solvency II regulations has been taken into account.

Risk-weighted volume included in the calculation of the formal capital adequacy requirement increased by NOK 11 billion during the quarter, to NOK 1 039 billion. According to the transitional rules for Basel II, risk-weighted volume cannot be less than 80 per cent of the Basel I requirement in 2011. Including 50 per cent of interim profits, the Tier 1 capital ratio was 10.0 per cent and the capital adequacy ratio 12.0 per cent.

Calculations have also been made of the effect of full future implementation of the Basel II rules on all of the Group's portfolios, excluding DnB NORD. The calculations showed a potential Tier 1 capital ratio of 12.3 per cent at end-March based on such implementation and on no limitations ensuing from the transitional rules.

Macroeconomic developments

The global economy grew by approximately 5 per cent in 2010. The positive trend continued in the first quarter of 2011. Growth in emerging economies, such as India and China, remained strong, whereas the upturn was weaker in industrialised countries. In the US, growth was somewhat subdued in the first quarter.

In Europe, there was a two-tiered situation. Several countries in southern Europe had large debt problems and weak economies. Countries such as Germany, Sweden and Finland experienced strong export-driven growth. The upturn in Germany contributed to keeping growth buoyant in the Euro area, when seen as a whole. The labour markets in most industrialised countries appear to have stabilised, but so far there are few signs of a significant decline in unemployment. There continued to be ample excess capacity in many countries.

The outlook for the world economy is uncertain. There are large imbalances in international trade. Several countries must drastically reduce their public expenditure and increase taxes to gain control of rapidly expanding national debt. This may curb growth. A continuing high oil price will also contribute to dampening activity levels. If the unrest in the Middle East and North Africa continues, this may influence the financial markets and the future outlook. However, the effects of the earthquake disaster in Japan on the world economy appear to be relatively limited.

The recession in the Baltic States was much deeper than in the rest of the EU. This was primarily due to large imbalances in the form of high debt prior to the financial crisis. Now, all three countries show clear signs of improvement, driven by strong export growth, whereas domestic demand continues to lag somewhat behind. Strong future growth is expected both in private consumption and investments, but it will take some time before economic activity in these countries reaches pre-financial crisis levels.

At end-March 2011, the economic situation in Norway was markedly better than it was one year before. In the course of 2010, the downturn in corporate investment came to a halt and was followed by an upturn. The real income of Norwegian households clearly increased. Combined with low interest rates, this contributed to strong consumption growth. Housing investments rose throughout 2010, but the number of new housing starts remained low. High population growth, low interest rates and rising housing prices indicate that housing investments may continue to rise. Unemployment already appears to have peaked, and the number of man-hours increased. Corporate credit demand increased in pace with rising investments. The credit growth of Norwegian households appears to have stabilised at an annual rate of approximately 6.5 per cent, but may gradually rise due to increasing activity in the housing market.

New regulatory framework

DnB NOR expects to benefit from continued ample access to funding, but at prices which are higher than prior to the financial crisis. This is partly attributable to expected new framework conditions for the financial services industry, including the Basel III regulatory framework, which will introduce stricter capital adequacy, liquidity and funding requirements. Within the EU/EEA, Basel III will be introduced in the form of a new capital requirements directive, CRD IV. The new directive is expected to be published during the third quarter of 2011. Criteria will also be drawn up for the definition of systemically important banks both nationally and internationally. It is assumed that these banks will be subject to stricter requirements for loss-absorbing capacity. After a consultation round, a proposal outlining definitions and loss-absorbing capacity requirements is scheduled to be presented at the G20 meeting in November 2011. DnB NOR is working actively to become well positioned to meet the new requirements, and up until the new and stricter regulations are introduced, the Group's funding activities will reflect a gradual adaptation to the regulations.

Finance Norway and DnB NOR have both responded to the report from the Norwegian Financial Crisis Commission. DnB NOR is particularly critical to the Commission's suggestion concerning an early introduction of the entire or parts of the new regulatory framework. The same applies to the proposal to impose special taxes and fees on Norwegian financial institutions. The principle of 'a level playing field' is crucial if Norwegian banks are to strengthen their competitive ability in the best interests of the Norwegian business community and private households.

Future prospects

There are many positive signs in the economies worldwide, including in Norway. However, the unrest in the Middle East and the earthquake disaster in Japan, in addition to the debt situation in southern Europe, contribute to a certain level of uncertainty. Nevertheless, this appears to have little impact on Norway, and developments give DnB NOR a sound basis for further strengthening its financial performance in Norway, the Baltic region and in its other international operations.

The Group's efforts to strengthen its market initiatives and to improve customer satisfaction are starting to yield results. Uniting all of the Group's brands under the name DNB will give even better opportunities for strengthened and targeted customer initiatives. The Group is well positioned to enhance its position and to further benefit from the positive trend in the Norwegian economy through balanced growth.

DnB NOR will continue to give priority to streamlining operations in all parts of the Group to compensate, among other things, for growth in IT development and market activities.

In the Retail Banking business area, sound growth is anticipated, though pressure on spreads must also be expected, especially on housing loans. In the Large Corporates and International business area, increasing activity and higher earnings are anticipated. Portfolio quality is expected to remain sound in both business areas. In DnB NOR Markets, it is anticipated that greater market activity will give a rise in income. Insurance and Asset Management is well positioned for future growth and profitability. Greater focus on pensions and financial savings will provide opportunities to generate sound profits. An improvement is expected in the markets of DnB NORD, resulting in a cautious increase in profits. In the longer term, it is expected that growth in the Baltic States and in Poland will again surpass average European levels.

For the rest of 2011, a continued positive trend is expected in the Group's business areas, together with balanced growth, moderate write-downs and a rise in profits in the Baltic States and Poland. Lending growth of between 5 and 7 per cent is expected for the full year, but a continuing strong Norwegian krone may influence developments. Interest rate forecasts from Norges Bank indicate that the key interest rate will be raised by 0.75 percentage points until the end of 2011 and thereafter be gradually increased to a more normalised level. Over time, this will provide a basis for a rise in earnings. Updated financial target figures will be presented at the Group's Capital Markets Day on 15 June 2011.

Oslo, 5 May 2011
The Board of Directors of DnB NOR ASA

Anne Carine Tanum
(chairman)

Bjørn Sund
(vice-chairman)

Gunilla Berg

Bente Brevik

Per Hoffmann

Jørn O. Kvilhaug

Bent Pedersen

Tore Olaf Rimmereid

Ingjerd Skjeldrum

Rune Bjerke
(group chief executive)

Income statement

		DnB NOR Group			
		1st quarter	1st quarter	Full year	Full year
Amounts in NOK million	Note	2011	2010	2010	2009
Total interest income	4	14 902	13 041	56 909	58 363
Total interest expenses	4	8 884	7 480	33 473	35 730
Net interest income	4	**6 018**	**5 561**	**23 436**	**22 633**
Commissions and fees receivable etc.	5	2 314	2 162	9 261	8 724
Commissions and fees payable etc.	5	532	534	2 220	2 069
Net gains on financial instruments at fair value	6	662	1 298	4 961	6 286
Net gains on assets in Vital		3 481	3 760	15 074	13 462
Guaranteed returns and allocations to policyholders in Vital		2 972	3 353	13 500	12 712
Premium income etc. included in the risk result in Vital		1 226	1 142	4 721	4 705
Insurance claims etc. included in the risk result in Vital		1 234	1 308	4 977	4 613
Premium income non-life insurance		295	233	1 009	593
Insurance claims etc. non-life insurance		242	263	918	538
Profit from companies accounted for by the equity method		72	61	180	93
Other income	7	397	294	2 565	1 063
Net other operating income		**3 467**	**3 493**	**16 156**	**14 994**
Total income		**9 485**	**9 054**	**39 592**	**37 627**
Salaries and other personnel expenses	8, 9	2 444	1 950	9 259	9 917
Other expenses	8	1 930	1 799	6 995	6 784
Depreciation and write-downs of fixed and intangible assets	8	419	366	2 256	2 210
Total operating expenses	8	**4 793**	**4 115**	**18 511**	**18 911**
Net gains on fixed and intangible assets		5	10	24	26
Write-downs on loans and guarantees	10	892	947	2 997	7 710
Pre-tax operating profit		**3 805**	**4 002**	**18 108**	**11 032**
Taxes		913	1 081	4 121	4 086
Profit from operations and non-current assets held for sale, after taxes		(41)	(4)	75	80
Profit for the period		**2 851**	**2 917**	**14 062**	**7 026**
Profit attributable to shareholders		2 851	3 117	14 814	8 585
Profit attributable to minority interests		0	(199)	(752)	(1 559)
Earnings/diluted earnings per share (NOK)		1.76	1.92	8.66	6.43
Earnings per share excluding operations held for sale (NOK)		1.78	1.92	8.62	6.37

Comprehensive income statement

	DnB NOR Group			
	1st quarter	1st quarter	Full year	Full year
Amounts in NOK million	2011	2010	2010	2009
Profit for the period	2 851	2 917	14 062	7 026
Exchange differences arising from the translation of foreign operations	(183)	(31)	(90)	(1 096)
Comprehensive income for the period	**2 668**	**2 886**	**13 971**	**5 930**
Comprehensive income attributable to shareholders	2 668	3 193	14 865	8 076
Comprehensive income attributable to minority interests	0	(307)	(894)	(2 147)

Balance sheet

Amounts in NOK million	Note	31 March 2011	31 Dec. 2010	31 March 2010	31 Dec. 2009
		DnB NOR Group			
Assets					
Cash and deposits with central banks		242 242	16 198	15 287	31 859
Lending to and deposits with credit institutions		72 781	47 792	75 514	62 317
Lending to customers	11, 12	1 173 213	1 170 341	1 125 946	1 114 886
Commercial paper and bonds		195 390	204 204	227 846	225 415
Shareholdings	13	75 602	75 179	63 113	58 227
Financial assets, customers bearing the risk		23 875	23 506	21 193	21 337
Financial derivatives		71 282	78 156	72 277	70 072
Commercial paper and bonds, held to maturity	14	173 167	179 461	179 185	179 832
Investment property	15	38 997	38 834	33 626	33 381
Investments in associated companies		2 346	2 307	2 579	2 521
Intangible assets	16	7 174	7 164	7 431	7 644
Deferred tax assets		1 262	915	256	246
Fixed assets		5 842	5 793	5 519	5 482
Operations and non-current assets held for sale		1 326	1 271	1 314	1 255
Other assets		12 571	10 499	11 221	8 979
Total assets		**2 097 070**	**1 861 620**	**1 842 309**	**1 823 453**
Liabilities and equity					
Loans and deposits from credit institutions		384 704	257 931	305 097	302 669
Deposits from customers		678 402	641 914	585 835	590 745
Financial derivatives		59 165	60 871	53 167	53 019
Debt securities issued	17	566 214	501 668	498 796	493 732
Insurance liabilities, customers bearing the risk		23 875	23 506	21 193	21 337
Liabilities to life insurance policyholders		212 773	205 550	200 698	193 556
Insurance liabilities, non-life insurance		900	1 091	960	704
Payable taxes		4 577	4 865	8 973	9 093
Deferred taxes		185	116	550	525
Other liabilities		17 437	14 738	19 308	12 331
Operations held for sale		350	387	347	366
Provisions		586	946	892	887
Pension commitments		3 365	3 361	3 655	4 036
Subordinated loan capital	17	30 503	33 479	38 614	39 051
Total liabilities		**1 983 037**	**1 750 424**	**1 738 085**	**1 722 050**
Minority interests		0	0	2 448	2 755
Share capital		16 251	16 232	16 222	16 231
Share premium reserve		22 609	22 609	22 609	22 609
Other equity		75 173	72 356	62 945	59 808
Total equity		**114 033**	**111 196**	**104 224**	**101 403**
Total liabilities and equity		**2 097 070**	**1 861 620**	**1 842 309**	**1 823 453**
Off-balance sheet transactions, contingencies and post-balance sheet events	21				

Statement of changes in equity

DnB NOR Group

Amounts in NOK million	Minority interests	Share capital [1]	Share premium reserve	Other equity [1]	Total equity [1]
Balance sheet as at 31 December 2009	**2 755**	**16 231**	**22 609**	**59 808**	**101 403**
Profit for the period	(199)			3 117	2 917
Exchange differences arising from the translation of foreign operations	(108)			77	(31)
Comprehensive income for the period	(307)			3 193	2 886
Net purchase of treasury shares		(8)		(67)	(75)
Merger Vital Skade/DnB NOR Skadeforsikring				9	9
Balance sheet as at 31 March 2010	**2 448**	**16 222**	**22 609**	**62 945**	**104 224**
Balance sheet as at 31 December 2010	**0**	**16 232**	**22 609**	**72 356**	**111 196**
Profit for the period				2 851	2 851
Exchange differences arising from the translation of foreign operations				(183)	(183)
Comprehensive income for the period				2 668	2 668
Net purchase of treasury shares		19		154	173
Natural damage DnB NOR Skadeforsikring				(4)	(4)
Balance sheet as at 31 March 2011	**0**	**16 251**	**22 609**	**75 173**	**114 033**
Of which currency translation reserve:					
Balance sheet as at 31 December 2009	(63)			(359)	(422)
Comprehensive income for the period	(108)			77	(31)
Balance sheet as at 31 March 2010	(171)			(283)	(454)
Balance sheet as at 31 December 2010	0			(513)	(513)
Comprehensive income for the period	0			(183)	(183)
Balance sheet as at 31 March 2011	0			(696)	(696)

1) *Of which treasury shares, held by DnB NOR Markets for trading purposes:*

	Minority interests	Share capital	Share premium reserve	Other equity	Total equity
Balance sheet as at 31 December 2010		*(56)*		*(405)*	*(461)*
Net purchase of treasury shares		*19*		*154*	*173*
Reversal of fair value adjustments through profit and loss				*(27)*	*(27)*
Balance sheet as at 31 March 2011		*(37)*		*(279)*	*(316)*

Cash flow statement

Amounts in NOK million	1st quarter 2011	1st quarter 2010	Full year 2010	Full year 2009
	DnB NOR Group			
Operating activities				
Net receipts/payments on loans to customers	(13 360)	(8 542)	(56 175)	7 015
Net receipts/payments on deposits from customers	40 242	(7 835)	51 286	15 999
Interest received from customers	11 568	9 997	43 692	47 321
Interest paid to customers	(3 090)	(2 405)	(10 986)	(12 294)
Net receipts/payments on the sale/acquisition of financial assets for investment or trading	27 057	(7 569)	3 082	(114 096)
Net receipts on commissions and fees	1 814	1 514	7 122	6 597
Payments to operations	(4 150)	(3 629)	(16 931)	(17 808)
Taxes paid	(1 474)	(109)	(8 874)	(1 070)
Receipts on premiums	5 432	5 982	15 171	16 326
Net receipts/payments on premium reserve transfers	2 418	1 024	727	(345)
Payments of insurance settlements	(3 645)	(3 248)	(12 936)	(12 069)
Other receipts	401	364	1 532	1 068
Net cash flow relating to operating activities	**63 213**	**(14 456)**	**16 710**	**(63 356)**
Investment activities				
Net payments on the acquisition of fixed assets	(602)	(91)	(2 032)	(1 118)
Receipts on the sale of long-term investments in shares	43	0	0	0
Payments on the acquisition of long-term investments in shares	0	0	(1 253)	0
Dividends received on long-term investments in shares	27	11	438	136
Net cash flow relating to investment activities	**(532)**	**(80)**	**(2 847)**	**(982)**
Funding activities				
Net receipts/payments on loans to/from credit institutions	110 958	(10 856)	(26 829)	124 259
Net receipts/payments on other short-term liabilities	(5 159)	5 277	(3 310)	(4 604)
Receipts on issued bonds and commercial paper	222 671	156 257	277 533	219 172
Payments on redeemed bonds and commercial paper	(147 302)	(147 212)	(257 013)	(286 177)
Redemptions of subordinated loan capital	(2 263)	0	(4 704)	0
Repurchase of own shares/share issue	173	0	(64)	13 732
Dividend payments	0	0	(2 850)	0
Interest receipts on funding activities	3 334	850	13 250	2 879
Interest payments on funding activities	(5 762)	(5 078)	(22 456)	(21 882)
Net cash flow from funding activities	**176 650**	**(762)**	**(26 442)**	**47 380**
Effects of exchange rate changes on cash and cash equivalents	**(8 456)**	**(63)**	**(153)**	**(3 771)**
Net cash flow	**230 874**	**(15 361)**	**(12 732)**	**(20 730)**
Cash as at 1 January	23 726	36 458	36 458	57 188
Net receipts/payments of cash	230 874	(15 361)	(12 732)	(20 730)
Cash at end of period *)	254 600	21 096	23 726	36 458
**) Of which: Cash and deposits with central banks*	*242 243*	*15 287*	*16 198*	*31 859*
Deposits with credit institutions with no agreed period of notice [1)]	*12 358*	*5 809*	*7 528*	*4 599*

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

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

Note 1 Accounting principles

The first quarter accounts 2011 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 2010. 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 2010. None of the new or amended accounting standards which entered into force during the first quarter of 2011 had any material impact on the accounts of the DnB NOR Group.

Note 2 Important accounting estimates and discretionary assessments

When preparing the consolidated accounts, management makes estimates and discretionary assessments and prepares assumptions that influence the effect of the accounting principles applied and thus the recorded values of assets, liabilities, income and expenses. A more detailed description of important estimates and assumptions is presented in note 1 Important accounting estimates and discretionary assessments in the annual report for 2010.

Note 3 Segments

Business areas

The operational structure of DnB NOR includes four business areas and four staff and support units. The business areas are independent profit centres and have responsibility for serving all of the Group's customers and for the total range of products. DnB NOR's business areas comprise Retail Banking, Large Corporates and International, DnB NOR Markets and Insurance and Asset Management. Throughout 2010, DnB NOR owned 51 per cent of DnB NORD's operations. With effect from 23 December 2010, however, DnB NOR acquired over all shares in the company. Operations were organised under Large Corporates and International, but will still be regarded as a separate profit centre.

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

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

The risk-adjusted capital requirement is a measure of the Group's economic capital, based on its risk systems. It is used to measure the capital required to fund transactions and volumes. The Group's actual equity is affected by external parameters and is not directly comparable with the risk-adjusted capital requirement. Returns in the table of key figures below are calculated based on the risk-adjusted capital requirement.

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 all relevant business areas. This refers primarily to income from customer trading in DnB NOR Markets. 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". Double entries also include income from Insurance and Asset Management. Double entries are eliminated in the group accounts.

Income statement

DnB NOR Group

	Retail Banking		Large Corporates and International		DnB NOR Markets		Insurance and Asset Management		DnB NORD		Other operations/ eliminations [1]		DnB NOR Group	
	1st quarter		1st quarter		1st quarter		1st quarter		1st quarter		1st quarter		1st quarter	
Amounts in NOK million	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Net interest income - ordinary operations	3 473	3 325	1 674	1 336	209	260	(86)	(52)	299	328	449	365	6 018	5 561
Interest on allocated capital [2]	138	108	150	136	35	31	95	71	12	9	(429)	(354)	0	0
Net interest income	3 610	3 432	1 823	1 471	244	291	10	19	311	337	20	10	6 018	5 561
Other operating income	887	854	275	248	1 400	1 022	1 257	850	174	186	(525)	333	3 467	3 493
Income attributable to product suppliers	289	310	510	362	0	0	0	0	0	0	(799)	(672)	0	0
Net other operating income	1 176	1 165	785	610	1 400	1 022	1 257	850	174	186	(1 325)	(339)	3 467	3 493
Total income	4 786	4 597	2 608	2 082	1 644	1 313	1 267	869	485	523	(1 304)	(329)	9 485	9 054
Other operating expenses	2 553	2 512	588	548	529	417	601	571	345	348	177	(281)	4 793	4 115
Cost attributable to product suppliers	153	176	218	151	0	0	0	0	0	0	(372)	(327)	0	0
Operating expenses	2 706	2 687	806	699	529	417	601	571	345	348	(194)	(608)	4 793	4 115
Pre-tax operating profit before write-downs	2 080	1 910	1 802	1 383	1 115	896	666	298	140	174	(1 110)	279	4 692	4 940
Net gains on fixed and intangible assets	1	0	0	0	0	0	0	0	3	(6)	1	16	5	10
Write-downs on loans and guarantees [3]	252	207	385	249	0	0	0	0	213	556	41	(65)	892	947
Write-downs attributable to product suppliers	0	0	2	3	0	0	0	0	0	0	(2)	(3)	0	0
Pre-tax operating profit	1 828	1 703	1 415	1 131	1 115	896	666	298	(70)	(387)	(1 149)	362	3 805	4 002

Note 3 Segments (continued)

1) *Other operations/eliminations:*

Amounts in NOK million	*Elimination of income/ cost attributable to product suppliers 1st quarter 2011*	*2010*	*Other eliminations 1st quarter 2011*	*2010*	*Group Centre *) 1st quarter 2011*	*2010*	*Total 1st quarter 2011*	*2010*
Net interest income - ordinary operations	*0*	*0*	*(27)*	*(22)*	*476*	*387*	*449*	*365*
Interest on allocated capital [2)]	*0*	*0*	*0*	*0*	*(429)*	*(354)*	*(429)*	*(354)*
Net interest income	*0*	*0*	*(27)*	*(22)*	*47*	*32*	*20*	*10*
Other operating income	*0*	*0*	*(241)*	*(622)*	*(284)*	*954*	*(525)*	*333*
Income attributable to product suppliers	*(799)*	*(672)*	*0*	*0*	*0*	*0*	*(799)*	*(672)*
Net other operating income	*(799)*	*(672)*	*(241)*	*(622)*	*(284)*	*954*	*(1 325)*	*(339)*
Total income	*(799)*	*(672)*	*(268)*	*(643)*	*(237)*	*987*	*(1 304)*	*(329)*
Other operating expenses	*0*	*0*	*(268)*	*(643)*	*445*	*362*	*177*	*(281)*
Cost attributable to product suppliers	*(372)*	*(327)*	*0*	*0*	*0*	*0*	*(372)*	*(327)*
Operating expenses	*(372)*	*(327)*	*(268)*	*(643)*	*445*	*362*	*(194)*	*(608)*
Pre-tax operating profit before write-downs	*(428)*	*(345)*	*0*	*0*	*(682)*	*624*	*(1 110)*	*279*
Net gains on fixed and intangible assets	*0*	*0*	*0*	*0*	*1*	*16*	*1*	*16*
Write-downs on loans and guarantees [3)]	*0*	*0*	*0*	*0*	*41*	*(65)*	*41*	*(65)*
Write-downs attributable to product suppliers	*(2)*	*(3)*	*0*	*0*	*0*	*0*	*(2)*	*(3)*
Pre-tax operating profit	*(426)*	*(343)*	*0*	*0*	*(723)*	*705*	*(1 149)*	*362*

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, Treasury, the partially owned company Eksportfinans, investments in IT infrastructure and shareholder-related costs. In addition, the Group Centre includes that part of the Group's equity that is not allocated to the business areas.

**) Group Centre - pre-tax operating profit in NOK million*	*1st quarter 2011*	*2010*
+ Interest on unallocated equity etc.	*224*	*107*
+ Income from equities invetments	*3*	*93*
+ Mark-to-market adjustments Treasury and fair value on lending	*(785)*	*126*
+ Eksportfinans AS	*93*	*34*
+ Net interest income DnB NOR ASA	*(33)*	*(35)*
- Unallocated write-downs on loans and guarantees	*41*	*(65)*
- Contractual pension (CPA) scheme	*0*	*(367)*
- Ownership-related expenses (costs relating to shareholders, investor relations, strategic planning etc.)	*62*	*54*
- Unallocated pension expenses	*26*	*2*
- Funding costs on goodwill	*12*	*11*
Other	*(83)*	*15*
Pre-tax operating profit	*(723)*	*705*

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

3) *See note 10 Write-downs on loans and guarantees.*

Main average balance sheet items

DnB NOR Group

Amounts in NOK billion	Retail Banking 1st quarter 2011	2010	Large Corporates and International 1st quarter 2011	2010	DnB NOR Markets 1st quarter 2011	2010	Insurance and Asset Management 1st quarter 2011	2010	DnB NORD 1st quarter 2011	2010	Other operations/ eliminations 1st quarter 2011	2010	DnB NOR Group 1st quarter 2011	2010
Net lending to customers [1)]	763.3	727.0	349.4	328.3	3.4	0.9	2.5	3.1	59.4	65.7	(3.1)	(5.0)	1 175.0	1 120.1
Deposits from customers [1)]	389.2	368.4	230.0	196.2	26.8	19.4			25.5	19.4	(1.9)	(2.8)	669.6	600.6
Assets under management [2)]							534.3	493.7					534.3	493.7
Allocated capital [3)]	21.6	19.5	23.5	24.5	5.5	5.6	15.0	12.9	4.3	5.2				

Key figures

DnB NOR Group

Per cent	Retail Banking 1st quarter 2011	2010	Large Corporates and International 1st quarter 2011	2010	DnB NOR Markets 1st quarter 2011	2010	Insurance and Asset Management 1st quarter 2011	2010	DnB NORD 1st quarter 2011	2010	Other operations 1st quarter 2011	2010	DnB NOR Group 1st quarter 2011	2010
Cost/income ratio [4)]	56.5	58.5	30.9	33.6	32.2	31.7	47.4	65.7	71.2	66.6			50.5	49.5
Ratio of deposits to lending [1) 5)]	51.0	50.7	65.8	59.8					42.8	29.5			57.0	53.6
Return on allocated capital, annualised [3)]	24.7	25.4	17.6	13.5	59.2	47.0	24.1	10.3	(5.3)	(24.0)			17.3	19.8
Number of full-time positions as at 31 March	4 845	4 953	1 107	1 079	677	660	1 055	1 059	3 155	3 142	2 189	2 273	13 027	13 165

1) *Lending to customers includes accrued interest, write-downs and value adjustments. Lending to credit institutions are not included. Correspondingly, deposits from customers include accrued interest and value adjustments. Deposits from credit institutions are not included.*

2) *The figures include total assets in Vital.*

3) *The allocated capital and return on allocated capital for the business areas are 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.*

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

Note 3 Segments (continued)

Comments to the income statement

Retail Banking

Pre-tax operating profits totalled NOK 1 828 million in the first quarter of 2011, an increase of NOK 125 million from the year-earlier period. There was a positive development in volumes and a satisfactory trend in non-performing commitments and write-downs. Average net lending increased by 5.0 per cent from the first quarter of 2010 to the corresponding period in 2011. In spite of low interest rate levels, the rate of growth in housing loans was lower than in the first quarter of 2010, while lending to small and medium-sized businesses showed a positive volume trend. There was fierce competition for deposits, and compared with the year-earlier period, average deposits rose by 5.6 per cent. The average ratio of deposits to lending increased marginally to 51 per cent for the quarter. Along with customer deposits, covered bonds based on residential mortgages in DnB NOR Boligkreditt were key sources of funding. At end-March 2011, 92 per cent of lending volume in Retail Banking was funded by deposits and covered bonds. Net interest income rose by NOK 178 million compared with the year-earlier period, of which NOK 116 million was due to the discontinuation of guarantee fund levies. The weighted interest rate spread, defined as total margin income on loans and deposits relative to total average loans and deposits, was 1.21 per cent in the first quarter of 2011, down from 1.24 per cent in the year-earlier period. Retail Banking has competitive products and wishes to offer attractive prices in both the retail and corporate markets. The increase in other operating income was mainly due to a rise in income from real estate broking in Norway and the valuation of a shareholding. A rise in depreciation on operational leasing in DnB NOR Finans gave a NOK 30 million increase in costs compared with the first quarter of 2010. The number of full-time positions was 4 845 at end-March 2011, of whom 4 527 worked in the business area's units in Norway. The quality of the loan portfolio was sound, with relatively low net write-downs in both the retail and corporate markets. On an annual basis, net write-downs represented 0.13 per cent of lending in the first quarter of 2011, compared with 0.12 per cent in the year-earlier period. Net impaired commitments amounted to NOK 5.4 billion at end-March 2011, down NOK 0.1 billion from end-March 2010.

Large Corporates and International

The first quarter of 2011 was characterised by a high level of activity and a normalisation of the banking market both in Norway and internationally. Pre-tax operating profits came to NOK 1 415 million, up NOK 284 million from the year-earlier period. Developments in lending and deposits reflected a higher level of activity in the first quarter of 2011 than in the year-earlier period. Lending volumes increased by 6.4 per cent from the first quarter of 2010, but remained virtually unchanged from the fourth quarter of 2010. Adjusted for the effects of the strengthened Norwegian krone relative to the US dollar, there was, however, an increase of approximately NOK 5.9 billion from the fourth quarter. Deposits rose by 17.2 per cent from the first quarter of 2010 and by 0.8 per cent from the fourth quarter of 2010. The ratio of deposits to lending increased by 6.1 percentage points from the first quarter of 2010. Measured against the 3-month money market rate, lending spreads widened by 0.21 percentage points from the first quarter of 2010 and by 0.04 percentage points from the fourth quarter of 2010. The increasing spreads helped compensate for higher long-term funding costs. There was strong competition for deposits, and deposit spreads were reduced by 0.06 percentage points compared with the figure for the first quarter of 2010 and were virtually unchanged from the fourth quarter of 2010. The increase in other operating income was mainly attributable to high income from trading in foreign exchange and interest rate instruments and from equity and securities services. Operating expenses rose by 15.4 per cent from the first quarter of 2010, mainly due to increased sales of DnB NOR Markets products, a rise in the number of employees and extensive IT development activity. The level of costs was practically unchanged from the fourth quarter of 2010. At end-March 2011, staff in the business area represented 1 107 full-time positions, including 642 positions outside Norway. The quality of the loan portfolio remained sound, and the improved macroeconomic situation, close follow-up of customers and active preventive measures ensured a positive trend from the preceding quarters. Certain corporate customers and customer segments may nevertheless face challenges if the macroeconomic situation worsens or if individual industries experience a prolonged major imbalance between supply and demand. Write-downs on loans represented 0.45 per cent of net customer lending on an annual basis, up from 0.31 per cent in the first quarter of 2010. The write-downs referred to a limited number of commitments. Net impaired commitments totalled NOK 3.8 billion at end-March 2011. The corresponding figure at end-March 2010 was NOK 5.9 billion.

DnB NOR Markets

DnB NOR Markets recorded a healthy level of profits in the first quarter of 2011. Pre-tax operating operating profits rose to NOK 1 115 million, up 24 per cent compared with the year-earlier period. There was a rise in income from both customer business and market making and other proprietary trading. Costs increased due to international expansion and IT-related investments. Customer-related income from foreign exchange and interest rate and commodity derivatives rose by 12 per cent compared with the year-earlier period, with growth in all product areas. Prospects of a rise in interest rates resulted in increased demand for interest rate hedging products. In addition, the strengthening of the Norwegian krone and significant volatility in commodity prices boosted demand for both currency and commodity hedging. Customer-related income from the sale of securities and other investment products was up 7 per cent compared with the first quarter of 2010. Income from bond and commercial paper trading showed the highest growth, in spite of fiercer competition. DnB NOR Markets retained its number one position within bond and commercial paper trading on Oslo Børs in the first quarter of 2011, as well as its position as the largest brokerage house on Oslo Børs and Oslo Axess within total equity trading. Income from alternative investment products remained low. Customer-related revenues from corporate finance rose by 70 per cent from the first quarter of 2010. There was a high level of activity in the debt capital markets in both Norway and at the Group's international units. The Global Finance magazine named DnB NOR best Nordic investment bank in this field. Activity levels in the equity markets were lower than in the year-earlier period. Customer-related revenues from custodial and other securities services rose by 23 per cent compared with the first quarter of 2010, reflecting both higher activity levels and rising market values. Income from market making and other proprietary trading increased by 26 per cent from the first quarter of 2010. The entire increase referred to trading in the fixed income market, while income from foreign exchange trading was somewhat lower than the previous year. Strong competition and the increasing use of electronic trading causes pressure on prices for many of DnB NOR Markets' products. However, the pressure on prices is expected to be counteracted by a high level of activity and rising volumes.

Note 3 Segments (continued)

Revenues within various segments

Amounts in NOK million	DnB NOR Markets 1st quarter 2011	1st quarter 2010
FX, interest rate and commodity derivatives	327	292
Investment products	123	114
Corporate finance	207	122
Securities services	61	50
Total customer revenues	718	578
Net income liquidity portfolio	279	304
Other market making/trading revenues	612	401
Total trading revenues	891	705
Interest income on allocated capital	35	31
Total income	1 644	1 313

Insurance and Asset Management

Vital:

Vital recorded pre-tax operating profits of NOK 596 million in the first quarter of 2011, an improvement of NOK 279 million from the year-earlier period. Vital achieved a recorded return of 1.5 per cent and a value-adjusted return of 1.3 per cent on the common portfolio in the first quarter of 2011, excluding changes in the value on bonds held to maturity. A value-adjusted return of 1.8 per cent was generated in the corporate portfolio. Premium income totalled NOK 9.9 billion in the first quarter of 2011, up 11.2 per cent compared with the year-earlier period. The risk result for the first quarter of 2011 was positive at NOK 2 million, an improvement from a negative result of NOK 166 million in the year-earlier period. Allocations of NOK 96 million were made in the first quarter of 2011 to cover the required increase in reserves for higher life expectancy for individual annuity and pension insurance and group association insurance, of which NOK 34 million was charged to the owner. See Vital's income statement, balance sheets and key figures on the next pages.

DnB NOR Asset Management:

DnB NOR Asset Management recorded pre-tax operating profits of NOK 60 million in the first quarter of 2011, an increase of NOK 7 million from the year-earlier period, reflecting a rise in commission income and reduced costs. Commission income, including performance-based fees, rose by 6 per cent from the first quarter of 2010. The increase was mainly attributable to a rise in assets under management.

DnB NORD

DnB NORD recorded a pre-tax operating loss of NOK 70 million in the first quarter of 2011, an improvement of NOK 317 million from the first quarter of 2010 due to a reduction in write-downs on loans. Average net lending to customers was reduced by 9.6 per cent from the first quarter of 2010 to the corresponding period in 2011. Measured relative to lending at the end of the period, there was a 7.6 per cent reduction, with a 6.2 percentage point decline in the Baltic States and Poland. Poland was the only unit which recorded an increase in net lending from end-March 2010, of 15.2 per cent. Average customer deposits rose by 31.3 per cent from the first quarter of 2010. Reduced volumes and lower activity levels due to the recession gave a decline in total income from these operations. Cost levels were stable. The level of net write-downs on loans remained high compared with the Group's other operations, though there was a significant reduction from the first quarter of 2010. Relative to average lending, write-downs came to 1.45 per cent on an annual basis in the first quarter of 2011, down from 3.43 per cent in the year-earlier period.

Other units – Group Centre

The Group Centre recorded a pre-tax operating loss of NOK 723 million in the first quarter of 2011, compared with a profit of NOK 705 million in the year-earlier period. Profits attributable to the Group from the associated company Eksportfinans totalled NOK 93 million in the first quarter of 2011, including the share of the portfolio guarantee issued for the liquidity portfolio, compared with NOK 34 million in the first quarter of 2010. Income from equity investments totalled NOK 3 million in the first quarter of 2011, a decrease of NOK 90 million from the previous year. There was a negative profit contribution of NOK 818 million from own debt, loans carried at fair value and related derivatives in the first quarter of 2011, compared with a profit contribution of NOK 91 million in the corresponding period in 2010. 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. There was a increase of NOK 41 million in collective write-downs in the first quarter of 2011, compared with a reduction of NOK 65 million in the first quarter of 2010.

Note 3 Segments (continued)

Vital

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

Income statement 1)				**Vital**
Amounts in NOK million	1st quarter 2011	1st quarter 2010	Full year 2010	Full year 2009
Commissions and fees receivable etc.	579	556	2 303	2 209
Commissions and fees payable etc.	79	93	358	336
Net gains on assets in Vital	3 473	3 748	15 068	13 464
Guaranteed returns and allocations to policyholders in Vital	2 972	3 353	13 500	12 712
Premium income etc. included in the risk result in Vital	1 226	1 142	4 721	4 705
Insurance claims etc. included in the risk result in Vital	1 234	1 308	4 977	4 613
Other income	8	0	0	0
Net other operating income	**1 001**	**693**	**3 258**	**2 717**
Total income	**1 001**	**693**	**3 258**	**2 717**
Salaries and other personnel expenses	192	175	637	740
Other expenses	185	173	779	718
Depreciation and impairment of fixed and intangible assets	27	27	118	103
Total operating expenses	**405**	**376**	**1 534**	**1 561**
Net gains on fixed and intangible assets	0	(1)	1	0
Pre-tax operating profit	**596**	**317**	**1 724**	**1 156**
Taxes	(244)	(22)	(672)	(175)
Profit for the period 2)	**840**	**339**	**2 396**	**1 331**

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

2) *Breakdown of income statement*

				Vital
Amounts in NOK million	*1st quarter 2011*	*1st quarter 2010*	*Full year 2010*	*Full year 2009*
Interest result	*1 747*	*1 408*	*6 033*	*3 043*
Application of/(transferred to) additional allocations	*0*	*0*	*(407)*	*(173)*
Risk result	*2*	*(166)*	*(242)*	*92*
Administration result	*(18)*	*(39)*	*(104)*	*(108)*
Upfront pricing of risk and guaranteed rate of return	*130*	*137*	*552*	*477*
Transferred from security reserve	*(10)*	*(11)*	*(14)*	*(36)*
Funds transferred to policyholders	*1 255*	*1 013*	*4 093*	*2 138*
Pre-tax operating profit in Vital	*596*	*317*	*1 724*	*1 156*
Taxes	*(244)*	*(22)*	*(672)*	*(175)*
Profit for the period in Vital	*840*	*339*	*2 396*	*1 331*

Note 3 Segments (continued)

Balance sheets [1]				**Vital**
	31 March	31 Dec.	31 March	31 Dec.
Amounts in NOK million	2011	2010	2010	2009
Assets				
Lending to and deposits with credit institutions	3 624	4 730	4 997	4 871
Lending to customers	1 345	2 833	3 157	3 076
Commercial paper and bonds	53 235	46 574	54 013	52 673
Shareholdings [2]	61 301	60 443	49 970	44 955
Financial assets, customers bearing the risk	23 875	23 506	21 193	21 337
Financial derivatives	1 943	2 445	1 879	2 149
Commercial paper and bonds, held to maturity	69 708	68 038	67 622	68 128
Investment property [3]	36 034	35 961	33 000	32 766
Investments in associated companies	16	16	17	19
Intangible assets	253	256	289	288
Deferred tax assets	873	629	74	52
Fixed assets	19	21	32	43
Other assets	3 942	1 654	3 672	2 109
Total assets	**256 169**	**247 107**	**239 915**	**232 465**
Liabilities and equity				
Financial derivatives	752	1 299	1 667	1 909
Insurance liabilities, customers bearing the risk	23 875	23 506	21 193	21 337
Liabilities to life insurance policyholders	212 773	205 550	200 698	193 556
Payable taxes	27	27	654	654
Other liabilities	2 783	1 591	2 599	2 277
Pension commitments	224	224	227	227
Subordinated loan capital	2 481	2 497	2 522	2 489
Total liabilities	**242 915**	**234 693**	**229 559**	**222 448**
Share capital	1 321	1 321	1 321	1 321
Share premium reserve	1 175	1 175	1 175	1 175
Other equity	10 758	9 918	7 861	7 522
Total equity	**13 254**	**12 413**	**10 356**	**10 018**
Total liabilities and equity	**256 169**	**247 107**	**239 915**	**232 465**

1) *The figures encompass Vital Forsikring ASA including subsidiaries as included in the DnB NOR Group accounts before eliminations for intra-group transactions and balances.*
2) *Investments in Private Equity, PE, totalled NOK 3.1 billion at end-March 2011. See note 13 Investments in shares.*
3) *See note 15 Investment property.*

Key figures				**Vital**
	1st quarter	1st quarter	Full year	Full year
Per cent	2011	2010	2010	2009
Recorded return, excluding unrealised gains on financial instruments [1]	1.5	1.5	6.2	4.7
Value-adjusted return, excluding unrealised gains on commercial paper and bonds, held to maturity [1]	1.3	1.8	6.8	5.4
Value-adjusted return, including unrealised gains on commercial paper and bonds, held to maturity, and unrealised gains on current assets [1]	0.8	2.1	6.9	5.7
Capital adequacy ratio at end of period [2]	10.3	10.7	11.0	11.6
Core capital ratio at end of period [2]	9.1	9.1	9.7	9.7
Solvency margin capital in per cent of requirement at end of period [2] [3]	169	164	179	171

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

Note 4 Net interest income

Amounts in NOK million	1st quarter 2011	1st quarter 2010	Full year 2010	Full year 2009
				DnB NOR Group
Interest on loans to and deposits with credit institutions	297	226	1 061	1 679
Interest on loans to customers	11 509	9 928	43 411	47 232
Interest on impaired commitments	59	36	247	118
Interest on commercial paper and bonds	2 397	2 293	9 568	8 134
Front-end fees etc.	60	63	287	374
Other interest income	580	496	2 334	826
Total interest income	**14 902**	**13 041**	**56 909**	**58 363**
Interest on loans and deposits from credit institutions	1 204	1 190	5 008	4 826
Interest on deposits from customers	3 092	2 402	10 986	12 279
Interest on debt securities issued	3 483	2 610	12 239	13 769
Interest on subordinated loan capital	154	166	667	1 066
Other interest expenses [1)]	952	1 111	4 573	3 791
Total interest expenses	**8 884**	**7 480**	**33 473**	**35 730**
Net interest income	**6 018**	**5 561**	**23 436**	**22 633**

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

Note 5 Net commissions and fees receivable

Amounts in NOK million	1st quarter 2011	1st quarter 2010	Full year 2010	Full year 2009
				DnB NOR Group
Money transfer fees receivable	708	690	2 957	3 031
Fees on asset management services	296	284	1 096	1 021
Fees on custodial services	84	74	295	275
Fees on securities broking	89	81	303	279
Corporate finance	117	97	608	312
Interbank fees	22	23	97	106
Credit broking commissions	126	75	474	367
Sales commissions on insurance products	637	620	2 579	2 447
Sundry commissions and fees receivable on banking services	234	217	851	886
Total commissions and fees receivable etc.	**2 314**	**2 162**	**9 261**	**8 724**
Money transfer fees payable	242	243	1 112	1 015
Commissions payable on fund management services	36	32	121	59
Fees on custodial services payable	32	29	112	106
Interbank fees	31	34	140	153
Credit broking commissions	19	21	48	52
Commissions payable on the sale of insurance products	33	36	137	111
Sundry commissions and fees payable on banking services	139	140	550	573
Total commissions and fees payable etc.	**532**	**534**	**2 220**	**2 069**
Net commissions and fees receivable	**1 782**	**1 628**	**7 040**	**6 655**

Note 6 Net gains on financial instruments at fair value

	DnB NOR Group			
	1st quarter	1st quarter	Full year	Full year
Amounts in NOK million	2011	2010	2010	2009
Dividends	73	43	387	169
Net gains on commercial paper and bonds	(87)	357	539	644
Net gains on shareholdings	80	121	582	344
Net gains on other financial instruments	596	778	3 453	5 129
Net gains on financial instruments at fair value	**662**	**1 298**	**4 961**	**6 286**

Note 7 Other income

	DnB NOR Group			
	1st quarter	1st quarter	Full year	Full year
Amounts in NOK million	2011	2010	2010	2009
Fees on real estate broking	199	180	860	774
Net unrealised gains on investment property	9	0	0	(109)
Miscellaneous operating income [1]	189	114	1 704	399
Total other income	**397**	**294**	**2 565**	**1 063**

1) *The increase in miscellaneous operating income from 2009 to 2010 was primarily attributable to the merger between the payment services company Nordito and the Danish PBS Holding during the second quarter of 2010, which generated gains of NOK 1 170 million.*

Note 8 Operating expenses

	DnB NOR Group			
	1st quarter	1st quarter	Full year	Full year
Amounts in NOK million	2011	2010	2010	2009
Salaries	1 757	1 685	7 071	7 206
Employer's national insurance contributions	263	254	1 025	1 082
Pension expenses [1]	253	(154)	448	960
Restructuring expenses	2	12	36	82
Other personnel expenses	169	154	680	587
Total salaries and other personnel expenses	**2 444**	**1 950**	**9 259**	**9 917**
Fees [2]	407	344	1 437	1 155
IT expenses [2]	433	479	1 635	1 741
Postage and telecommunications	95	99	377	412
Office supplies	23	25	99	99
Marketing and public relations	238	192	812	572
Travel expenses	59	50	244	234
Reimbursement to Norway Post for transactions executed	42	22	151	203
Training expenses	22	21	75	73
Operating expenses on properties and premises	352	329	1 280	1 306
Operating expenses on machinery, vehicles and office equipment	36	38	151	145
Other operating expenses	225	201	735	846
Other expenses	**1 930**	**1 799**	**6 995**	**6 784**
Impairment losses for goodwill [3]	0	0	194	730
Depreciation and write-downs of fixed and intangible assets [4]	419	366	2 063	1 479
Total depreciation and write-downs of fixed and intangible assets	**419**	**366**	**2 256**	**2 210**
Total operating expenses	**4 793**	**4 115**	**18 511**	**18 911**

1) *Pension expenses were reduced by NOK 367 million for the first quarter of 2010 due to the reversal of provisions for contractual early retirement pensions.*
2) *Fees also 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) *See note 16 Intangible assets.*

Note 9 Number of employees/full-time positions

	DnB NOR Group			
	1st quarter 2011	1st quarter 2010	Full year 2010	Full year 2009
Number of employees at end of period	13 386	13 525	13 365	13 691
- of which number of employees abroad	4 414	4 468	4 391	4 524
Number of employees calculated on a full-time basis at end of period	13 027	13 165	13 021	13 317
- of which number of employees calculated on a full-time basis abroad	4 357	4 392	4 338	4 436
Average number of employees	13 390	13 541	13 485	14 159
Average number of employees calculated on a full-time basis	13 025	13 182	13 131	13 768

Note 10 Write-downs on loans and guarantees

	DnB NOR Group			
Amounts in NOK million	1st quarter 2011	1st quarter 2010	Full year 2010	Full year 2009
Write-offs [1)]	43	25	459	554
New individual write-downs	1 308	1 637	5 141	6 521
Total new individual write-downs	1 351	1 662	5 600	7 075
Reassessed individual write-downs	357	231	1 109	693
Recoveries on commitments previously written off	123	94	418	317
Net individual write-downs	870	1 337	4 074	6 065
Change in collective write-downs on loans	21	(390)	(1 077)	1 645
Write-downs on loans and guarantees [*)]	**892**	**947**	**2 997**	**7 710**
Write-offs covered by individual write-downs made in previous years	515	292	2 217	1 627
*) *Of which individual write-downs on guarantees*	*8*	*8*	*(3)*	*14*

1) *Including a NOK 98 million adjustment for commitments previously written down in the third quarter 2010.*

Write-downs on loans and guarantees totalled NOK 892 million for the quarter, down NOK 55 million from the first quarter of 2010. Individual write-downs have been relatively stable over the past three quarters at a considerably lower level than in the first quarter of 2010. Write-downs in the first quarter of 2011 related to a limited number of individual commitments, and there is a general trend towards a lower write-down level. Individual write-downs in DnB NORD showed a 75 per cent reduction from the first quarter of 2010.

Note 11 Lending to customers

	DnB NOR Group			
Amounts in NOK million	31 March 2011	31 Dec. 2010	31 March 2010	31 Dec. 2009
Lending to customers, nominal amount	1 071 547	1 057 383	989 894	972 424
Individual write-downs	9 650	9 207	8 682	7 673
Lending to customers, after individual write-downs	1 061 897	1 048 177	981 212	964 751
+ Accrued interest and amortisation	2 188	1 952	1 760	1 698
- Individual write-downs of accrued interest and amortisation	703	658	612	607
- Collective write-downs	1 866	1 872	2 577	2 969
Lending to customers, at amortised cost	1 061 517	1 047 598	979 783	962 873
Lending to customers, nominal amount	111 174	121 834	144 644	150 939
+ Accrued interest	512	549	911	695
+ Adjustment to fair value	11	359	608	379
Lending to customers, at fair value [1)]	111 697	122 742	146 163	152 013
Lending to customers	**1 173 213**	**1 170 341**	**1 125 946**	**1 114 886**

1) *The fair value of loans in Norwegian kroner has been reduced by NOK 37 million from 31 December 2010 due to widening margin requirement.*

Note 12 Net impaired loans and guarantees for principal customer groups [1)]

				DnB NOR Group
	31 March	31 Dec.	31 March	31 Dec.
Amounts in NOK million	2011	2010	2010	2009
Private individuals [2) 3)]	4 368	4 481	4 546	3 838
Transportation by sea and pipelines, vessel construction	608	810	2 793	1 097
Real estate	4 063	2 503	2 477	2 259
Manufacturing	2 976	3 165	3 405	3 420
Services	1 405	1 521	1 374	740
Trade	669	698	659	668
Oil and gas	0	0	359	0
Transportation and communication	473	490	1 219	533
Building and construction	1 416	1 710	996	1 176
Power and water supply	10	25	132	9
Seafood	11	10	0	10
Hotels and restaurants	335	351	251	226
Agriculture and forestry	286	279	270	304
Central and local government	1	0	0	0
Other sectors	39	53	16	121
Total customers	16 659	16 097	18 498	14 403
Credit institutions	0	0	0	0
Total net impaired loans and guarantees	16 659	16 097	18 498	14 403
Non-performing loans and guarantees not subject to write-downs [2)]	2 263	2 313	3 315	4 724
Total net non-performing and doubtful loans and guarantees	18 922	18 409	21 813	19 127

1) *Includes loans and guarantees subject to individual write-downs for principal customer groups, and total non-performing loans and guarantees not subject to write-downs. The breakdown into principal customer groups is based on standardised sector and industry categories set up by Statistics Norway.*
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 NORD.*
3) *Including a NOK 98 million adjustment for commitments previously written down in the fourth quarter of 2010.*

Note 13 Investments in shares

Investments in shares are carried at fair value. Measurement at fair value is described in Accounting principles in the annual report for 2010.

When determining the fair value of Private Equity investments, PE, the "International Private Equity and Venture Capital Valuation Guidelines" and similar guidelines are used. The method used is one of several instruments to determine the best estimate of fair values for investments in not very liquid equity instruments and is based on reports on returns from portfolio companies, with a time lag of approximately three months. The time lag in the access to information could be a challenge in relation to the valuation of the PE portfolio. On each reporting date, a special method is therefore used to make the required adaptations. A detailed description of the model can be found in note 1 Important accounting estimates and discretionary assessments in the annual report for 2010.

Private Equity investments				**DnB NOR Group**
	31 March	31 Dec.	31 March	31 Dec.
Amounts in NOK million	2011	2010	2010	2009
Private Equity and Management Buyout Funds in DnB NOR Bank Group	499	459	419	396
Private Equity investments in Vital	3 063	2 816	2 472	2 230
Total Private Equity investments	3 562	3 275	2 891	2 626

Note 14 Commercial paper and bonds, held to maturity

As part of ongoing liquidity management, DnB NOR Bank has invested in a portfolio of securities. The portfolio can be used to regulate the liquidity requirement and as a basis for furnishing collateral for operations in various countries. Among other things, the securities serve as collateral for short and long-term borrowing in a number of central banks and as a basis for liquidity buffers to meet regulatory requirements. With effect from 1 July 2008, the liquidity portfolio in DnB NOR Markets was reclassified from the category "fair value through profit or loss" to "held-to-maturity investments". Portfolios in this category are recorded at amortised cost and written down if there is objective evidence of a decrease in value.

Measurement

The reclassification in accordance with IAS 39 Financial Instruments: Recognition and Measurements requires that the value of the liquidity portfolio based on the principles applied before the reclassification must be reported. In a normal market situation, the liquidity portfolio would have been recorded at external observable prices before the reclassification. Due to the financial turmoil, there were no such observable prices in the market in 2008. The markets normalised through 2009. However, due to increasing financial market turmoil resulting from the debt situation in a number of European countries, especially in the first half of 2010, there were still no observable prices for large parts of the portfolio at end-March 2011. In order to meet the disclosure requirement at end-March 2011, the liquidity portfolio has been measured at fair value according to models used for financial instruments not traded in an active market. The model applied is based on a regression analysis whereby historical market data (explanatory variables) which have been observable even during the financial turmoil are used to explain historical changes in value in the liquidity portfolio. During the period from the fourth quarter of 2006 up to and including the second quarter of 2008, the model shows a high level of correlation between changes in given market data and changes in value in the liquidity portfolio, which at the time was priced in an active market or through broker quotes which were believed to be fairly reliable. If the model had been applied to the liquidity portfolio in the first quarter of 2011, there would have been a NOK 14 million increase in profits.

Effects of the reclassifications of the liquidity portfolio

The reclassification of the liquidity portfolio increased the value of the portfolio by NOK 620 million at end-March 2011 compared with the situation if the previous valuation principle had been retained. On the reclassification date, the book value of the portfolio was NOK 88.0 billion, compared with NOK 49.5 billion at end-March 2011. The average term to maturity of the portfolio is 3.7 years, and the change in value resulting from an interest rate adjustment of one basis point was NOK 14 million at end-March 2011.

Effects of the reclassification of the liquidity portfolio

DnB NOR Group

Amounts in NOK million	1st quarter 2011	1st quarter 2010	Full year 2010	Full year 2009
Effects on profits				
Recorded amortisation effect	81	136	429	544
Net gain if valued at fair value	94	232	536	2 819
Effects of reclassification on profits	(14)	(95)	(107)	(2 275)
Effects on the balance sheet				
Recorded, unrealised losses	1 153	1 526	1 234	1 662
Unrealised losses, if valued at fair value	1 774	2 172	1 868	2 404
Effects of reclassification on the balance sheet	620	646	634	741

Development in the liquidity portfolio after the reclassification

DnB NOR Group

Amounts in NOK million	31 March 2011	31 Dec. 2010	31 March 2010	31 Dec. 2009
Liquidity portfolio, recorded value	49 544	54 087	62 885	68 600
Liquidity portfolio, if valued at fair value	48 924	53 453	62 239	67 859
Effects of reclassification on the balance sheet	620	634	646	741

Note 14 Commercial paper and bonds, held to maturity (continued)

DnB NOR Markets' liquidity portfolio

After the reclassification date, DnB NOR Markets has chosen to increase its investments in held-to-maturity securities. As at 31 March 2011 DnB NOR Markets' portfolio represented NOK 105 billion. 94.3 per cent of the securities in the portfolio had an AAA rating, while 4.1 per cent were rated AA. There were no synthetic securities in the portfolio and no investments in US sub-prime bonds or Collateralised Debt Obligations, CDOs. Nor were any investments made in Treasury bills in Portugal, Italy, Ireland, Greece or Spain. According to new liquidity requirements for banks, in order for the securities to be classified as liquid funds, they must qualify for immediate sale. Thus, new investments will be included in the trading portfolio and carried at fair value. The structure of DnB NOR Markets' liquidity portfolio is shown below.

	DnB NOR Group	
	Per cent 31 March 2011	NOK million 31 March 2011
Asset class		
Consumer credit	2	2 022
Residential mortgages	64	68 328
Corporate loans [1)]	2	2 341
Government-related	32	33 738
Total liquidity portfolio DnB NOR Markets, nominal values	100	106 430
Accrued interest, including amortisation effects		(1 395)
Total liquidity portfolio DnB NOR Markets	100	105 035
Of which reclassified portfolio		49 544

1) *The exposure to the insurance sector represented only 0.01 per cent of the total portfolio at end-March 2011. With effect from the second quarter of 2010, the exposure to this sector is included in the asset class corporate loans.*

The average term to maturity of DnB NOR Markets' liquidity portfolio is 3.3 years, and the change in value resulting from an interest rate adjustment of one basis point was NOK 23 million at end-March 2011.

Commercial paper and bonds, held to maturity

	DnB NOR Group			
Amounts in NOK million	31 March 2011	31 Dec. 2010	31 March 2010	31 Dec. 2009
DnB NOR Markets	105 035	112 567	112 955	112 969
Vital	69 708	68 038	67 622	68 128
Other units [1)]	(1 577)	(1 144)	(1 391)	(1 265)
Commercial paper and bonds, held to maturity	**173 167**	**179 461**	**179 185**	**179 832**

1) *Including eliminations of Vital's investments in bonds issued by DnB NOR Boligkreditt.*

Vital Forsikring

Vital Forsikring's portfolio of held-to-maturity bonds represents bonds issued by highly creditworthy borrowers. At end-March 2011, bonds with government guarantees represented approximately 21 per cent of the portfolio. The remaining bonds are generally issued by municipalities/county municipalities and finance companies with sound creditworthiness. All investments in bonds issued by finance companies represent senior debt, which has the highest ranking in the capital structure and first priority if the issuer goes bankrupt. Only in exceptional cases does Vital invest in bonds issued by traditional manufacturing companies.

Note 15 Investment property

Investment properties in the Group are principally owned by Vital Forsikring. At end-March 2011, a review was made of the investment properties, based on Vital's valuation model. As a supplement to the values in the internal model, appraisals were obtained from independent, external appraisers for properties representing 26 per cent of the values in the property portfolio in Norway. Calculations in the model and balance sheet values are 0.1 per cent below the average of the external appraisals. The Group's valuations are based on the best available information regarding the properties' characteristics and values. Increased levels of activity in both the rental and transaction market ensure greater access to market information, which makes both internal and external valuations less uncertain. In line with established practice, the valuation of properties in Sweden and the portfolio in Vital Eiendomsfond is based on an external valuation. Other partially owned properties are subject to a semi-annual external valuation.

There were no changes in the market or the portfolio during the first quarter of 2011 which had any material impact on key parameters used in the internal valuation. The required rates of return for office premises were unchanged at 6.25 per cent during the contract period and 9.25 per cent thereafter. In principle, the same rates of return are used for hotels and shopping centres, but following an individual assessment, the required rate of return for some properties was revised downwards by up to 0.75 percentage points and upwards by up to 1.5 percentage points for others.

The value of investment property was adjusted upwards by NOK 88 million from end-December 2010 to end-March 2011.

Valuations are particularly sensitive to changes in required rates of return and assumptions regarding future income flows. Other things equal, a 0.25 percentage point change in the required rate of return will change the value of the property portfolio by 3.5 per cent or NOK 824 million. Other things equal, a 5 per cent change in future market rents will change the value of the property portfolio by 3.9 per cent or NOK 918 million.

Changes in the value of investment properties

Amounts in NOK million	**DnB NOR Group** Investment property
Recorded value as at 31 December 2009	**33 381**
Additions, purchases of new properties	44
Additions, capitalised investments	146
Additions, acquired companies	0
Net gains resulting from adjustment to fair value	15
Net gains resulting from adjustment to fair value of projects	(10)
Disposals	135
Exchange rate movements etc.	186
Recorded value as at 31 March 2010 [1)]	**33 626**
Recorded value as at 31 December 2010	**38 834**
Additions, purchases of new properties	85
Additions, capitalised investments	146
Additions, acquired companies	1
Net gains resulting from adjustment to fair value	88
Net gains resulting from adjustment to fair value of projects	0
Disposals	320
Exchange rate movements etc.	164
Recorded value as at 31 March 2011 [1)]	**38 997**

1) *The value of investment properties in Vital was NOK 36 034 million as at 31 March 2011 and NOK 33 000 million as at 31 March 2010.*

Note 16 Intangible assets

Amounts in NOK million	31 March 2011	31 Dec. 2010	31 March 2010	31 Dec. 2009
				DnB NOR Group
Goodwill [1)]	5 380	5 378	5 457	5 405
Postbanken brand name	0	0	51	51
IT systems development [1)]	1 443	1 416	1 459	1 490
Other intangible assets	351	370	464	699
Total intangible assets	**7 174**	**7 164**	**7 431**	**7 644**

1) *In the first quarter of 2011 there was not identified any need for impairment losses of goodwill or IT systems. The valuations are based on reported figures for the first quarter compared with approved plans for the various cash-generating units.*

Note 17 Debt securities issued and subordinated loan capital

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

Debt securities issued — **DnB NOR Group**

Amounts in NOK million	31 March 2011	31 Dec. 2010	31 March 2010	31 Dec. 2009
Commercial paper issued, nominal amount	185 639	153 934	175 966	168 028
Bond debt, nominal amount [1]	376 753	336 912	308 385	313 141
Adjustments	3 822	10 823	14 445	12 563
Total debt securities issued	**566 214**	**501 668**	**498 796**	**493 732**

Changes in debt securities issued — **DnB NOR Group**

Amounts in NOK million	Balance sheet 31 March 2011	Issued 2011	Matured/ redeemed 2011	Exchange rate movements 2011	Other adjustments 2011	Balance sheet 31 Dec. 2010
Commercial paper issued, nominal amount	185 639	148 026	114 164	(2 157)		153 934
Bond debt, nominal amount [1]	376 753	74 645	33 138	(1 665)		336 912
Adjustments	3 822				(7 001)	10 823
Total debt securities issued	**566 214**	**222 671**	**147 302**	**(3 822)**	**(7 001)**	**501 668**

Changes in subordinated loan capital and perpetual subordinated loan capital securities — **DnB NOR Group**

Amounts in NOK million	Balance sheet 31 March 2011	Issued 2011	Matured/ redeemed 2011	Exchange rate movements 2011	Other adjustments 2011	Balance sheet 31 Dec. 2010
Term subordinated loan capital, nominal amount	16 863			(305)		17 167
Perpetual subordinated loan capital, nominal amount	4 456		2 263	(286)		7 005
Perpetual subordinated loan capital securities, nominal amount [2]	8 055			(186)		8 241
Adjustments	1 129				64	1 065
Total subordinated loan capital and perpetual subordinated loan capital securities	**30 503**	**0**	**2 263**	**(777)**	**64**	**33 479**

1) *Minus own bonds. Outstanding covered bonds in DnB NOR Boligkreditt totalled NOK 322.0 billion as at 31 March 2011. The cover pool represented NOK 403.3 billion.*

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

Note 18 Capital adequacy

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

Primary capital	**DnB NOR Bank ASA**		**DnB NOR Bank Group**		**DnB NOR Group**	
Amounts in NOK million	31 March 2011	31 Dec. 2010	31 March 2011	31 Dec. 2010	31 March 2011	31 Dec. 2010
Share capital	17 514	17 514	17 514	17 514	16 251	16 232
Other equity	61 403	61 582	72 159	72 344	94 931	94 964
Total equity	78 917	79 096	89 673	89 859	111 182	111 196
Deductions						
Pension funds above pension commitments	0	0	(34)	(16)	(180)	(119)
Goodwill	(2 422)	(2 419)	(3 464)	(3 472)	(5 380)	(5 378)
Deferred tax assets	(523)	(481)	(423)	(324)	(1 325)	(977)
Other intangible assets	(1 109)	(1 159)	(1 962)	(1 963)	(2 218)	(2 219)
Dividends payable etc.	0	0	(6 000)	(6 000)	(6 515)	(6 515)
Unrealised gains on fixed assets	0	0	(30)	(30)	(30)	(30)
50 per cent of investments in other financial institutions	(1 000)	(1 024)	(1 000)	(1 024)	0	0
50 per cent of expected losses exceeding actual losses, IRB portfolios	(984)	(515)	(1 136)	(666)	(1 136)	(666)
Adjustments for urealised losses/(gains) on liabilities recorded at fair value	93	94	(281)	(346)	(281)	(346)
Equity Tier 1 capital	72 972	73 592	75 343	76 018	94 116	94 946
Perpetual subordinated loan capital securities [1) 2)]	8 055	8 241	8 233	8 423	8 233	8 423
Tier 1 capital	81 027	81 833	83 576	84 441	102 349	103 368
Perpetual subordinated loan capital	4 456	7 004	4 456	7 004	4 456	7 004
Term subordinated loan capital [2)]	16 789	17 085	17 428	17 775	17 428	17 775
Deductions						
50 per cent of investments in other financial institutions	(1 000)	(1 024)	(1 000)	(1 024)	0	0
50 per cent of expected losses exceeding actual losses, IRB portfolios	(984)	(515)	(1 136)	(666)	(1 136)	(666)
Additions						
45 per cent of unrealised gains on fixed assets	0	0	18	18	18	18
Tier 2 capital	19 261	22 549	19 766	23 108	20 766	24 132
Total eligible primary capital [3)]	100 288	104 382	103 342	107 548	123 114	127 500
Risk-weighted volume	730 131	738 194	923 972	918 659	1 039 491	1 028 404
Minimum capital requirement	58 410	59 056	73 918	73 493	83 159	82 272
Equity Tier 1 capital ratio (%)	10.0	10.0	8.2	8.3	9.1	9.2
Tier 1 capital ratio (%)	11.1	11.1	9.0	9.2	9.8	10.1
Capital ratio (%)	13.7	14.1	11.2	11.7	11.8	12.4
Equity Tier 1 capital ratio including 50 per cent of profit for the period (%)	10.1	-	8.3	-	9.2	-
Tier 1 capital ratio including 50 per cent of profit for the period (%)	11.2	-	9.2	-	10.0	-
Capital ratio including 50 per cent of profit for the period (%)	13.9	-	11.3	-	12.0	-

1) *Perpetual subordinated loan capital securities can represent up to 15 per cent of core capital. The excess will qualify as perpetual supplementary capital.*
2) *As at 31 March 2011, calculations of capital adequacy included a total of NOK 742 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.*

Note 18 Capital adequacy (continued)

Specification of risk-weighted volume and capital requirements — **DnB NOR Group**

Amounts in NOK million	Nominal exposure 31 March 2011	EAD [1] 31 March 2011	Risk-weighted volume 31 March 2011	Capital requirements 31 March 2011	Capital requirements 31 Dec. 2010
IRB approach					
Corporate	677 322	583 578	313 774	25 102	25 103
Specialised Lending (SL)	3 393	3 331	1 545	124	117
Retail - mortgage loans	503 223	503 223	60 765	4 861	4 533
Retail - other exposures [2]	84 075	69 179	22 221	1 778	1 778
Securitisation	105 035	105 035	8 116	649	735
Total credit risk, IRB approach	1 373 049	1 264 345	406 420	32 514	32 266
Standardised approach					
Central government	101 432	112 820	27	2	146
Institutions	121 853	111 748	23 984	1 919	1 783
Corporate	342 037	257 764	244 348	19 548	19 607
Specialised Lending (SL)	0	0	0	0	476
Retail - mortgage loans	40 421	39 354	16 641	1 331	1 294
Retail - credit card exposures (QRRE) [2]	0	0	0	0	0
Retail - other exposures	56 511	39 108	28 681	2 295	2 474
Equity positions	4 519	4 519	4 617	369	372
Securitisation	6 568	6 568	1 266	101	117
Other assets	8 026	8 026	8 026	642	688
Total credit risk, standardised approach	681 369	579 909	327 590	26 207	26 957
Total credit risk	2 054 418	1 844 254	734 010	58 721	59 224
Market risk, standardised approach			31 563	2 525	2 466
Of which: Position risk, equity-and debt instruments			29 740	2 379	2 466
Currency risk			1 823	146	0
Operational risk			61 944	4 956	4 956
Net insurance, after eliminations			119 003	9 520	9 008
Deductions			(492)	(39)	(39)
Total risk-weighted volume and capital requirements before transitional rule			946 028	75 683	75 614
Additional capital requirements according to transitional rules [3]			93 463	7 477	6 658
Total risk-weighted volume and capital requirements			1 039 491	83 159	82 272

1) *EAD, exposure at default.*
2) *The credit card portfolio is reported as Retail – other exposures under the IRB approach from the third quarter of 2010.*
3) *Due to transitional rules, the minimum capital adequacy requirements for 2010 and 2011 cannot be reduced below 80 per cent relative to the Basel I requirements.*

Note 18 Capital adequacy (continued)

Basel II implementation

Further progress

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

	Reporting methods for credit risk in capital adequacy calculations	
Portfolios	31 March 2011	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 NORD, 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 Retail - other exposures.*

Note 19 Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligations. The Board of Directors has established internal limits which restrict the short-term maturity of the bank's liabilities during various time periods. In addition, limits have been approved for structural liquidity risk, which implies that lending to customers should largely be financed through customer deposits, subordinated capital and long-term funding. The Group's ratio of deposits to lending was 57.8 per cent at end-March 2011, up from 52.0 per cent a year earlier. Excluding short-term money market deposits, the ordinary ratio of deposits to lending was 55.6 per cent. During the same period, the ratio of deposits to lending in DnB NOR Bank ASA increased from 91.7 to 99.3 per cent.

The short-term funding markets were stable for banks with good credit ratings during the first quarter of 2011. The Group maintained a high level of activity in the long-term funding markets in the first quarter. Financially strong banks had good access to funding, and the market generally showed rising interest in covered bonds. Combined with moderate lending growth, this helped ensure a sound liquidity position.

As at 31 March 2011, the average remaining term to maturity for the portfolio of bond debt was 4.0 years, compared with 3.2 years a year earlier. DnB NOR aims to achieve a sound and stable maturity structure for funding over the next five years.

Note 20 Information on related parties

Major transactions and agreements with related parties:

Eksportfinans

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

- A share issue of NOK 1.2 billion aimed at the company's owners was implemented, and all owners participated based on their proportional shares.
- A portfolio hedge agreement was entered into, and the owners were invited to participate. DnB NOR Bank ASA's share of the agreement corresponded to 40.43 per cent. The agreement secures Eksportfinans against further decreases in portfolio values of up to NOK 5 billion effective from 29 February 2008. Any recovery of values relative to nominal values will accrue to the participants in the portfolio hedge agreement as payment for their hedging commitment.
- During the first quarter of 2008, Eksportfinans' largest owner banks, DnB NOR Bank ASA, Nordea Bank AB and Danske Bank A/S, approved a committed credit line giving the company access to a liquidity reserve of up to USD 4 billion. The agreement was renewed in June 2009 and in June 2010. The most recent renewal resulted in a reduction in the limit to USD 2 billion. DnB NOR Bank ASA's share of this agreement represents approximately USD 1.1 billion. Eksportfinans has not availed itself of this credit line.

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

Stimulus packages

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

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

The bank has purchased bonds from Boligkreditt, which have been used as collateral for swap agreements with Norges Bank. The bank is required to repurchase the covered bonds at the original selling price. The bank receives yield from the covered bonds as if they never had been sold. The accounting treatment of sales of financial instruments where the seller retains substantially all the risks and returns associated with the instrument, is described in IAS 39.20 Financial Instruments – Recognition and Measurement. The bank is of the opinion that the requirement for transfer of risk and returns associated with the bonds in accordance with this standard have not been fulfilled, and that the bonds thus cannot be derecognised from the balance sheet of the bank. On a consolidated basis, the bonds are treated as own bonds and netted against issued bonds in Boligkreditt.

In practice, the swap agreements imply that the bank purchases Treasury bills from Norges Bank. These are initially recorded as investments in Treasury bills. The obligation to repurchase the bonds at a price corresponding to the value of the Treasury bills is recorded as funding from Norges Bank. At end-March 2011, this funding represented NOK 101.8 billion. At end-March 2011, the bank's investments in Treasury bills used in the swap agreements represented NOK 66.2 billion.

Note 21 Off-balance sheet transactions, contingencies and post-balance sheet events

Off-balance sheet transactions and additional information — **DnB NOR Group**

Amounts in NOK million		31 March 2011	31 Dec. 2010	31 March 2010	31 Dec. 2009
Performance guarantees [1]		35 325	36 323	36 454	37 479
Payment guarantees		21 316	22 111	20 271	19 250
Loan guarantees [2]		10 441	9 690	13 312	11 774
Guarantee to the Norwegian Banks' Guarantee Fund		0	498	939	939
Guarantees for taxes etc.		4 865	4 547	4 719	4 655
Other guarantee commitments		3 064	3 052	5 520	3 892
Total guarantee commitments		75 011	76 221	81 215	77 989
Support agreements		7 992	7 695	8 015	8 045
Total guarantee commitments etc. [*]		83 003	83 916	89 230	86 034
Unutilised credit lines and loan offers [3]		405 706	412 653	415 451	408 836
Documentary credit commitments [1]		3 369	3 196	3 429	3 360
Other commitments		1 796	1 947	3 022	2 858
Total commitments		410 872	417 796	421 902	415 054
Total guarantee and off-balance commitments		493 875	501 712	511 132	501 088
Securities		101 234	169 633	191 389	151 067
- are pledged as security for:	Loans [4]	101 109	169 539	191 261	150 934
	Other activities	125	125	128	133
**) Of which counter-guaranteed by financial institutions*		*10*	*15*	*200*	*209*

1) *With effect from the fourth quarter of 2010, documentary credit commitments which are not related to deliveries of goods have been reclassified from documentary credit commitments to performance guarantees. Figures for previous periods have been adjusted accordingly.*
2) *DnB NOR Bank carries loans in its balance sheet that subject to legal agreement have been transferred to Eksportfinans and for which the bank has issued guarantees. According to the agreement, DnB NOR Bank still carries interest rate risk and credit risk for the transferred portfolio. Customer loans in the portfolio totalling NOK 8 751 million were recorded in the balance sheet as at 31 March 2011. These loans are not included under guarantees in the table.*
3) *In 2010, unutilised credit lines have been changed in line with the Basel II definition. Figures for previous periods have been adjusted accordingly.*
4) *As at 31 March 2011, NOK 83 128 million in securities was pledged as collateral for credit facilities with Norges Bank (the Norwegian central bank). According to regulations, these loans must be fully collateralised by a mortgage on interest-bearing securities and/or the bank's deposits with Norges Bank.*

Contingencies

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

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

Ivar Petter Røeggen has instituted legal proceedings against DnB NOR Bank ASA, claiming that two investment agreements for structured products be declared null and void. The bank was ordered by the Oslo District Court to pay the plaintiff costs of NOK 230 000 plus interest on late payments. The judgment was passed with dissent and the bank has appealed the decision. The disputed amount only applies to the civil action in question, which must be evaluated as a separate case.

In addition to the civil action brought by Ivar Petter Røeggen, a group action against DnB NOR Bank ASA with 19 plaintiffs has been described in previous quarterly reports, relating to the sale of the same structured products as the action brought by Røeggen. The group action has been dismissed in a final judgment. The plaintiffs have subsequently submitted individual civil actions against DnB NOR Bank ASA. Other units in the Group are also involved in legal disputes relating to structured products. The DnB NOR Group contests the claims.

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

KLP Kreditt AS has instituted legal proceedings against DnB NOR Bank ASA, claiming repayment of too high guarantee commissions paid and has contended that the bank is not entitled to regulate guarantee commission rates for a loan portfolio of just under NOK 2 billion in excess of an alleged agreed fixed rate. The bank contests the claims.

Post-balance sheet events

On 11 April 2011, Relacom AB' creditors took over the shares in the company. The holding of DnB NOR Bank ASA represents 30.8 per cent of the share capital. The company will be recorded as an associated company in the balance sheet.

No information has come to light about other important circumstances which had occurred on the balance sheet date on 31 March 2011 and up till the Board of Directors' final consideration of the accounts on 5 May 2011.

DnB NOR ASA

Income statement

Amounts in NOK million	1st quarter 2011	1st quarter 2010	Full year 2010	Full year 2009
Total interest income	110	100	471	122
Total interest expenses	91	92	396	523
Net interest income	**19**	**8**	**74**	**(401)**
Commissions and fees payable etc.	1	1	6	5
Other income [1]	0	0	9 533	5 114
Net other operating income	**(1)**	**(1)**	**9 527**	**5 109**
Total income	**18**	**7**	**9 602**	**4 708**
Salaries and other personnel expenses	1	1	6	6
Other expenses	61	53	213	202
Depreciation and write-downs of fixed and intangible assets	0	0	0	0
Total operating expenses	**62**	**54**	**219**	**208**
Pre-tax operating profit	**(44)**	**(47)**	**9 383**	**4 500**
Taxes	(12)	(13)	2 292	1 286
Profit for the period	**(31)**	**(34)**	**7 092**	**3 214**
Earnings/diluted earnings per share (NOK)	(0.02)	(0.02)	4.35	2.41
Earnings per share excluding operations held for sale (NOK)	(0.02)	(0.02)	4.35	2.41

DnB NOR ASA

1) Dividends from group companies/group contributions.

Balance sheet

Amounts in NOK million	31 March 2011	31 Dec. 2010	31 March 2010	31 Dec. 2009
Assets				
Deposits with DnB NOR Bank ASA	25 656	25 981	22 831	22 747
Lending to other group companies	225	225	225	228
Investments in group companies	51 216	51 216	51 126	51 126
Receivables due from Vital	4 833	4 833	0	0
Other assets	12	0	13	0
Total assets	**81 942**	**82 255**	**74 195**	**74 101**
Liabilities and equity				
Loans from and outstandings to DnB NOR Bank ASA	10 320	10 240	11 295	11 161
Outstandings to other group companies	5 231	5 171	95	95
Other liabilities and provisions	6 939	7 360	3 931	3 937
Paid-in capital	38 844	38 844	38 844	38 844
Retained earnings	20 609	20 640	20 030	20 064
Total liabilities and equity	**81 942**	**82 255**	**74 195**	**74 101**

DnB NOR ASA

Statement of changes in equity

Amounts in NOK million	Share capital	Share premium reserve	Other equity	Total equity
Balance sheet as at 31 December 2009	**16 288**	**22 556**	**20 064**	**58 908**
Profit for the period			(34)	(34)
Balance sheet as at 31 March 2010	**16 288**	**22 556**	**20 030**	**58 874**
Balance sheet as at 31 December 2010	**16 288**	**22 556**	**20 640**	**59 484**
Profit for the period			(31)	(31)
Balance sheet as at 31 March 2011	**16 288**	**22 556**	**20 609**	**59 453**

DnB NOR ASA

Accounting principles

DnB NOR ASA has prepared accounts according to the Norwegian Ministry of Finance's regulations on annual accounts, Section 1-5, on the use of IFRS (International Financial Reporting Standards). These regulations give permission to record provisions for dividends and group contributions in subsidiaries as income and record the Board of Directors' proposed dividends and group contributions as liabilities on the balance sheet date. According to IFRS, dividends should be classified as equity until approved by the general meeting. A description of the accounting principles applied by DnB NOR ASA in preparing the accounts is found in the annual report for 2010.

Key figures

	1st quarter 2011	1st quarter 2010	Full year 2010	Full year 2009
				DnB NOR Group
Interest rate analysis				
1. Combined weighted total average spread for lending and deposits (%)	1.13	1.12	1.15	1.15
2. Spread for ordinary lending to customers (%)	1.61	1.58	1.61	1.61
3. Spread for deposits from customers (%)	0.29	0.29	0.32	0.29
Rate of return / profitability				
4. Net other operating income, per cent of total income	36.6	38.6	40.8	39.8
5. Cost/income ratio (%)	50.5	49.5	47.6	48.1
6. Return on equity, annualised (%)	10.3	12.5	13.6	10.6
7. RARORAC, annualised (%)	20.4	18.4	19.0	17.2
8. RORAC, annualised (%)	17.3	19.8	25.2	12.6
9. Average equity including allocated dividend (NOK million)	112 785	100 066	103 292	81 236
10. Return on average risk-weighted volume, annualised (%)	1.12	0.74	1.17	0.83
Financial strength				
11. Tier 1 capital ratio at end of period (%)	9.8	9.3	10.1	9.3
12. Tier 1 capital ratio incl. 50 per cent of profit for the period (%)	10.0	9.4	-	-
13. Capital ratio at end of period (%)	11.8	12.1	12.4	12.1
14. Capital ratio incl. 50 per cent of profit for the period (%)	12.0	12.2	-	-
15. Tier 1 capital at end of period (NOK million)	102 349	98 166	103 368	98 208
16. Risk-weighted volume at end of period (NOK million)	1 039 491	1 056 102	1 028 404	1 052 566
Loan portfolio and write-downs				
17. Individual write-downs relative to average net lending to customers, annualised	0.30	0.48	0.36	0.53
18. Write-downs relative to average net lending to customers, annualised	0.31	0.34	0.26	0.67
19. Net non-performing and net doubtful commitments, per cent of net lending	1.56	1.88	1.55	1.71
20. Net non-performing and net doubtful commitments at end of period (NOK million)	18 922	21 813	18 409	19 127
Liquidity				
21. Ratio of customer deposits to net lending to customers at end of period (%)	57.8	52.0	54.8	53.0
Total assets owned or managed by DnB NOR				
22. Customer assets under management at end of period (NOK billion)	521	483	509	468
23. Total combined assets at end of period (NOK billion)	2 380	2 103	2 141	2 076
24. Average total assets (NOK billion)	2 091	1 943	1 970	1 906
25. Customer savings at end of period (NOK billion)	1 199	1 069	1 151	1 059
Staff				
26. Number of full-time positions at end of period	13 027	13 165	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
28. Average number of shares (1 000)	1 628 799	1 628 799	1 628 799	1 335 838
29. Earnings per share (NOK)	1.76	1.92	8.66	6.43
30. Earnings per share excluding operations held for sale (NOK)	1.78	1.92	8.62	6.37
31. Dividend per share (NOK)	-	-	4.00	1.75
32. Total shareholders' return (%)	3.6	8.2	33.9	144.7
33. Dividend yield (%)	-	-	4.88	2.79
34. Equity per share including allocated dividend at end of period (NOK)	70.01	62.49	68.27	60.56
35. Share price at end of period (NOK)	84.85	67.90	81.90	62.75
36. Price/earnings ratio	11.91	8.83	9.50	9.85
37. Price/book value	1.21	1.09	1.20	1.04
38. Market capitalisation (NOK billion)	138.2	110.6	133.4	102.2

For definitions of selected key figures, see next page.

Definitions

1, 2, 3 Based on nominal values excluding impaired loans, measured against the 3-month money market rate.

5 Total operating expenses relative to total income. Expenses exclude impairment losses for goodwill and 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 "Capital management and risk categories" in the DnB NOR Group's annual report for 2010.

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 28 April 2011 authorised the Board of Directors of DnB NOR ASA to acquire own shares for a total face value of up to NOK 732 959 487, corresponding to 4.5 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 28 April 2011. Acquired shares shall be redeemed in accordance with regulations on the reduction of capital. An agreement has been signed with Norwegian Government/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.

36 Closing price at end of period relative to annualised earnings per share.

37 Closing price at end of period relative to recorded equity at end of period.

38 Number of shares multiplied by the closing share price at end of period.

Profit and balance sheet trends

Income statement — **DnB NOR Group**

Amounts in NOK million	1st quarter 2011	4th quarter 2010	3rd quarter 2010	2nd quarter 2010	1st quarter 2010
Total interest income	14 902	15 168	14 803	13 896	13 041
Total interest expenses	8 884	9 015	8 825	8 152	7 480
Net interest income	**6 018**	**6 153**	**5 978**	**5 744**	**5 561**
Commissions and fees receivable etc.	2 314	2 420	2 367	2 311	2 162
Commissions and fees payable etc.	532	511	587	588	534
Net gains on financial instruments at fair value	662	1 684	225	1 754	1 298
Net gains on assets in Vital	3 481	6 404	4 156	754	3 760
Guaranteed returns and allocations to policyholders in Vital	2 972	5 879	3 324	944	3 353
Premium income etc. included in the risk result in Vital	1 226	1 242	1 164	1 173	1 142
Insurance claims etc. included in the risk result in Vital	1 234	1 248	1 195	1 226	1 308
Premium income non-life insurance	295	273	260	242	233
Insurance claims etc. non-life insurance	242	249	206	200	263
Profit from companies accounted for by the equity method	72	72	99	(52)	61
Other income	397	343	356	1 571	294
Net other operating income	**3 467**	**4 553**	**3 315**	**4 795**	**3 493**
Total income	**9 485**	**10 706**	**9 294**	**10 538**	**9 054**
Salaries and other personnel expenses	2 444	2 438	2 419	2 452	1 950
Other expenses	1 930	1 685	1 641	1 869	1 799
Depreciation and write-downs of fixed and intangible assets	419	487	421	983	366
Total operating expenses	**4 793**	**4 610**	**4 482**	**5 304**	**4 115**
Net gains on fixed and intangible assets	5	26	(11)	(1)	10
Write-downs on loans and guarantees	892	529	643	878	947
Pre-tax operating profit	**3 805**	**5 593**	**4 157**	**4 355**	**4 002**
Taxes	913	367	1 149	1 524	1 081
Profit from operations and non-current assets held for sale, after taxes	(41)	57	30	(8)	(4)
Profit for the period	**2 851**	**5 284**	**3 038**	**2 823**	**2 917**
Earnings/diluted earnings per share (NOK)	1.76	3.25	1.90	2.01	1.92

Profit and balance sheet trends (continued)

Balance sheet — **DnB NOR Group**

Amounts in NOK million	31 March 2011	31 Dec. 2010	30 Sept. 2010	30 June 2010	31 March 2010
Assets					
Cash and deposits with central banks	242 242	16 198	16 049	9 807	15 287
Lending to and deposits with credit institutions	72 781	47 792	50 369	213 009	75 514
Lending to customers	1 173 213	1 170 341	1 152 001	1 154 491	1 125 946
Commercial paper and bonds	195 390	204 204	213 326	189 715	227 846
Shareholdings	75 602	75 179	66 534	65 074	63 113
Financial assets, customers bearing the risk	23 875	23 506	21 903	21 149	21 193
Financial derivatives	71 282	78 156	99 179	94 829	72 277
Commercial paper and bonds, held to maturity	173 167	179 461	180 015	181 465	179 185
Investment property	38 997	38 834	34 498	34 012	33 626
Investments in associated companies	2 346	2 307	1 912	1 816	2 579
Intangible assets	7 174	7 164	7 000	6 884	7 431
Deferred tax assets	1 262	915	227	223	256
Fixed assets	5 842	5 793	5 673	5 608	5 519
Operations and non-current assets held for sale	1 326	1 271	1 304	1 310	1 314
Other assets	12 571	10 499	13 467	13 214	11 221
Total assets	**2 097 070**	**1 861 620**	**1 863 457**	**1 992 607**	**1 842 309**
Liabilities and equity					
Loans and deposits from credit institutions	384 704	257 931	258 063	338 678	305 097
Deposits from customers	678 402	641 914	606 502	621 882	585 835
Financial derivatives	59 165	60 871	69 256	62 553	53 167
Debt securities issued	566 214	501 668	533 313	575 611	498 796
Insurance liabilities, customers bearing the risk	23 875	23 506	21 903	21 149	21 193
Liabilities to life insurance policyholders	212 773	205 550	202 226	198 255	200 698
Insurance liabilities, non-life insurance	900	1 091	1 051	1 042	960
Payable taxes	4 577	4 865	3 687	2 594	8 973
Deferred taxes	185	116	510	629	550
Other liabilities	17 437	14 738	18 900	21 814	19 308
Operations held for sale	350	387	373	376	347
Provisions	586	946	890	927	892
Pension commitments	3 365	3 361	3 668	3 658	3 655
Subordinated loan capital	30 503	33 479	35 857	38 941	38 614
Total liabilities	**1 983 037**	**1 750 424**	**1 756 200**	**1 888 108**	**1 738 085**
Minority interests	0	0	1 965	2 011	2 448
Share capital	16 251	16 232	16 233	16 216	16 222
Share premium reserve	22 609	22 609	22 609	22 609	22 609
Other equity	75 173	72 356	66 450	63 663	62 945
Total equity	**114 033**	**111 196**	**107 257**	**104 498**	**104 224**
Total liabilities and equity	**2 097 070**	**1 861 620**	**1 863 457**	**1 992 607**	**1 842 309**

Information about the DnB NOR Group

Head office DnB NOR ASA

Mailing address	NO-0021 Oslo
Visiting address	Stranden 21, Oslo
Telephone	+47 915 03000
Internet	dnbnor.no
Organisation number	Register of Business Enterprises NO 981 276 957 MVA

Board of Directors in DnB NOR ASA

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

Group management

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

Investor Relations

Bjørn Erik Næss, chief financial officer	tel. +47 22 48 29 22	bjorn.erik.naess@dnbnor.no
Per Sagbakken, head of IR/Long-term Funding	tel. +47 22 48 20 72	per.sagbakken@dnbnor.no
Thor Tellefsen	tel. +47 22 94 93 88	thor.tellefsen@dnbnor.no
Trond Sannes Marthinsen	tel. +47 22 94 93 76	trond.marthinsen@dnbnor.no

Financial calendar 2011

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

Other sources of information

Annual reports

Annual reports for the DnB NOR Group are available on dnbnor.no. Separate annual reports are prepared for the DnB NOR Bank Group and Vital.

Quarterly publications

Quarterly reports and supplementary information for investors and analysts are available on dnbnor.no. Separate quarterly reports are prepared for the DnB NOR Bank Group and Vital.

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

The quarterly report has been produced by Group Financial Reporting in DnB NOR.
Translation: Gina Fladmoe and Nathalie Samuelsen, DnB NOR.

DnB NOR
Stranden 21
Aker Brygge
N-0021 Oslo