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INVESTOR
RELATIONS



Supplementary
information for
investors and analysts
First quarter 2011

(unaudited)

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Financial Calendar 2011

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

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

Section 1

DnB NOR - an overview

Financial highlights

Income statement

<i>Amounts in NOK million</i>	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

<i>Amounts in NOK million</i>	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 (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 year, except for the full year figures.

DnB NOR – Norway's leading financial services group

DnB NOR Group

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

As at 31 March 2011

NOK	2 380 billion
NOK	2 097 billion
NOK	1 173 billion
NOK	678 billion
NOK	138 billion

Insurance and Asset Management

• Total assets under management	NOK	541 billion
<u>of which:</u>		
- total assets under management (external clients)	NOK	261 billion
- mutual funds	NOK	68 billion
- discretionary management	NOK	193 billion
- total assets under operations (external clients)	NOK	22 billion
- total assets in Vital	NOK	256 billion
- financial assets, customers bearing the risk	NOK	24 billion
- total assets in DnB NOR Skadeforsikring	NOK	1 billion

Customer base

- Serving 2.3 million private individuals throughout Norway, of whom 1.5 million use one of the Group's Internet banks and 1.3 million use the Internet in active communication (e-dialogue customers)
- More than 200 000 corporate customers in Norway
- Some 1 000 000 individuals insured in Norway
- Approximately 588 000 mutual fund customers in Norway and 266 institutional asset management clients in Norway and Sweden

Market shares

See Section 3 for market shares.

Distribution network

- 162 domestic DnB NOR branches
- 15 Nordlandsbanken branches
- 9 international branches
- 4 international representative offices
- 40 Postbanken sales outlets
- 160 DnB NOR branches
- 8 DnB NOR Monchebank branches
- DnB NOR Luxembourg (subsidiary)
- Internet banking
- Mobile bank and SMS services
- Telephone banking
- Online equities trading in 16 markets
- Online mutual fund trading
- 179 post office counters ¹⁾
- About 1 250 in-store postal outlets ¹⁾
- About 1 700 rural postmen ¹⁾
- About 1000 in-store banking outlets ²⁾
- 94 DnB NOR Eiendom sales offices
- 35 Postbanken Eiendom sales offices
- 222 Svensk Fastighetsförmedling sales offices
- 15 Vital sales offices
- 58 Vital agent companies

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

2) Provided by NorgesGruppen.

Credit ratings from international rating agencies

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

DnB NOR's strategy

DnB NOR's vision and values are about putting the customers in focus. By having satisfied customers whose needs for financial services are well met, DnB NOR aims to become the leading bank throughout Norway and a leading international player within selected customer segments, products and geographic areas.

Vision and values

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

DnB NOR's vision:

Creating value through the art of serving the customer

DnB NOR will create value for customers, owners, employees and society in general.

DnB NOR's values:

Helpful, professional and show initiative

The values reflect what should characterise

DnB NOR in meetings with its customers.

Employees who are helpful, professional and show initiative are vital if DnB NOR is to succeed in implementing its strategy.

Strategy

DnB NOR will capitalise on its strengths and unique position. The Group's strategic ambitions are to strengthen and consolidate its position in Norway, achieve profitable international growth and be among the most productive banks in Europe.

Strengthen and consolidate DnB NOR's position in Norway

DnB NOR will build and strengthen long-term relations with high-quality customers by:

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

Profitable international growth

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

DnB NOR's target segments are:

- shipping
- energy
- seafood

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

Among the most cost-effective market players in Europe

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

DnB NOR will give high priority to cost-efficiency by:

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

Long-term targets

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

DnB NOR's long-term financial targets remain unchanged, and the Group is well under way to achieving these targets.

Financial targets:

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

Capital strategy and dividend policy:

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

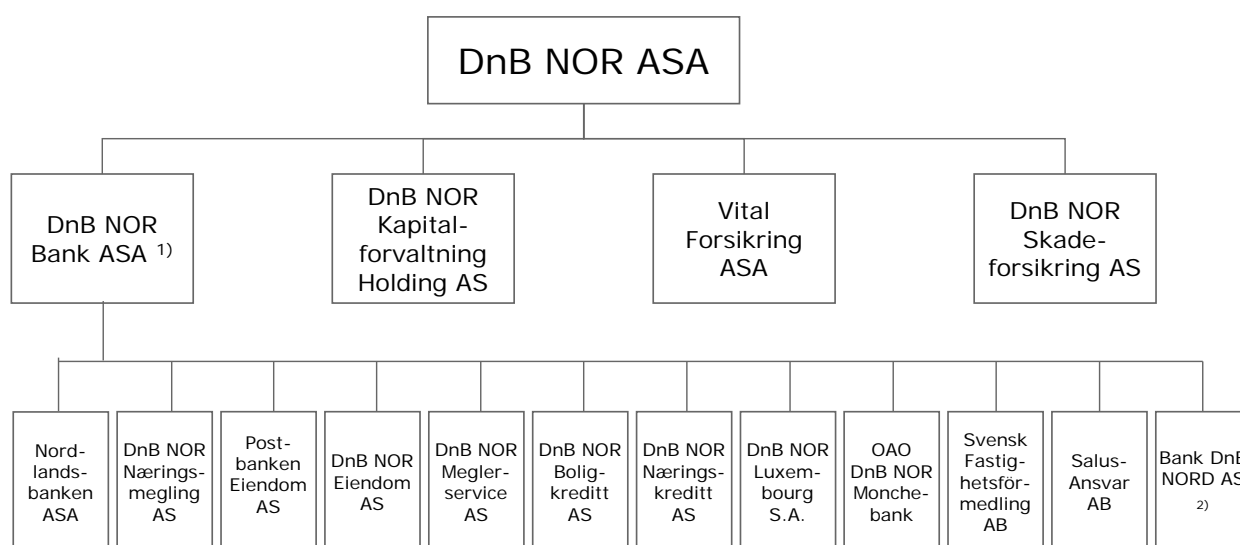
Dividends will be determined on the basis of expected profit levels in a normal situation, external parameters and the need to maintain capital adequacy at a satisfactory level.

Legal structure

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

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

DnB NOR Group - legal structure at end-March 2011



1) Major subsidiaries only.

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

Group business structure

The activities in DnB NOR are organised in the business areas Retail Banking, Large Corporates and International, DnB NOR Markets and Insurance and Asset Management. The business areas operate as independent profit centres and have responsibility for serving the Group's customers and for the total range of products. With effect from end-December 2010, DnB NOR became wholly owned by DnB NOR. DnB NOR is organised as a separate division in Large Corporates and International called the Baltics and Poland Division, but will also in the future be reported as a separate profit centre.

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

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

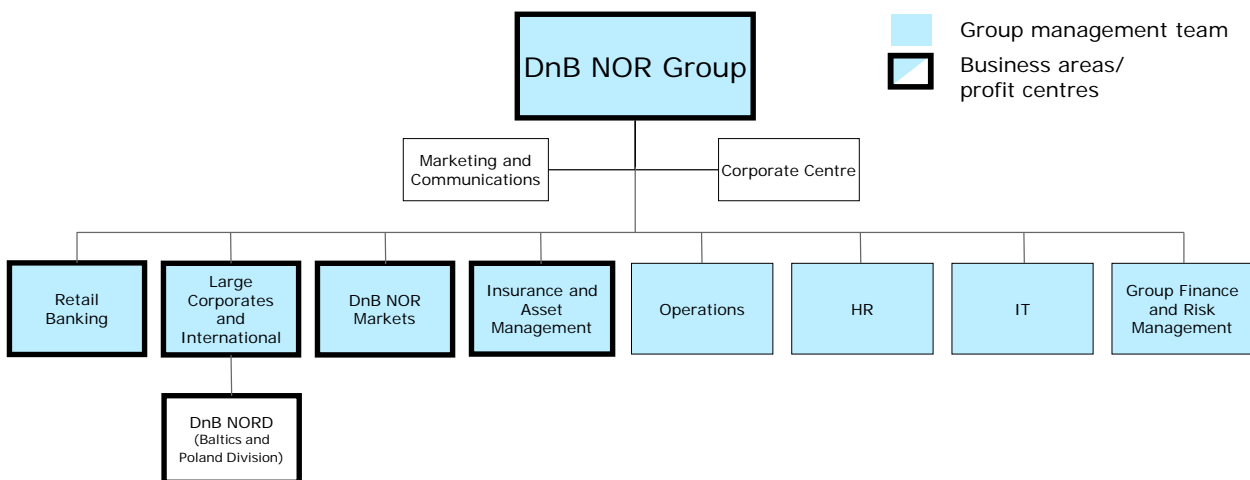
DnB NOR Markets is the Group's investment firm.

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

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

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

DnB NOR Group - organisation chart at end-March 2011 ¹⁾



1) Reporting structure.

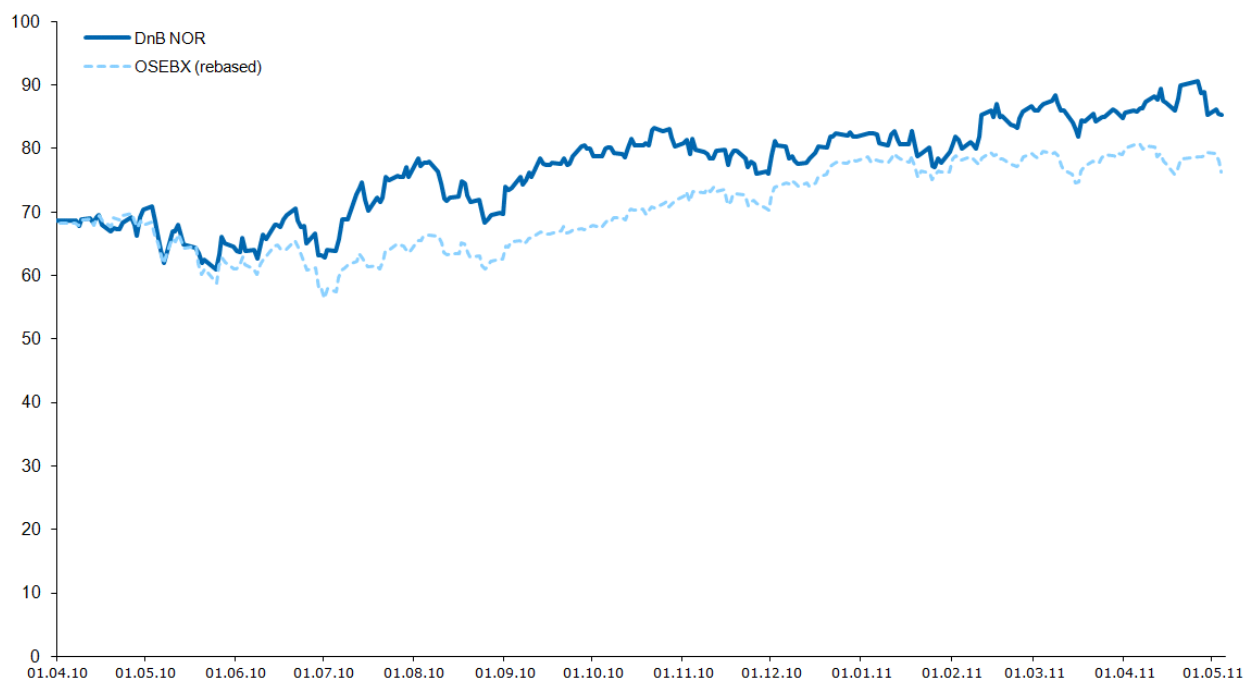
Equity-related data

Key figures

	Jan.-March 2011	2010	2009	2008	2007
Number of shares at end of period (1 000) ¹⁾	1 628 799	1 628 799	1 628 799	1 332 654	1 332 654
Average number of shares (1 000)	1 628 799	1 628 799	1 335 838	1 332 654	1 333 402
Earnings per share (NOK)	1.76	8.66	6.43	6.91	11.08
Return on equity, annualised (%)	10.3	13.6	10.6	12.4	22.0
RARORAC, annualised (%) ²⁾	20.4	19.0	17.2	13.6	21.6
RORAC, annualised (%) ³⁾	17.3	25.2	12.6	15.3	31.9
Share price at end of period (NOK)	84.85	81.90	62.75	27.00	83.00
Diluted share price at end of period, adjusted for rights issue (NOK)	84.85	81.90	62.75	25.64	78.82
Price/earnings ratio ⁴⁾	11.91	9.50	9.85	3.91	7.49
Price/book value ⁵⁾	1.21	1.20	1.04	0.47	1.51
Dividend per share (NOK)	n/a	4.00	1.75	0.00	4.50
Dividend yield (%)	n/a	4.88	2.79	0.00	5.42
Equity per share including allocated dividend at end of period (NOK)	70.01	68.27	60.56	57.83	55.01

- 1) 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.
- 2) RARORAC (Risk-Adjusted Return On Risk-Adjusted Capital) is defined as risk-adjusted profits relative to the risk-adjusted capital requirement. Risk-adjusted profits indicate the level of profits in a normalised situation.
- 3) RORAC (Return On Risk-Adjusted Capital) is defined as profits for the period relative to the risk-adjusted capital requirement. Profits for the period exclude profits attributable to minority interests and are adjusted for the period's change in fair value recognised directly in equity and for the difference between recorded interest on average equity and interest on risk-adjusted capital.
- 4) Closing price at end of period relative to annualised earnings per share.
- 5) Closing price at end of period relative to recorded equity at end of period.

Share price development – 1 April 2010 to 4 May 2011

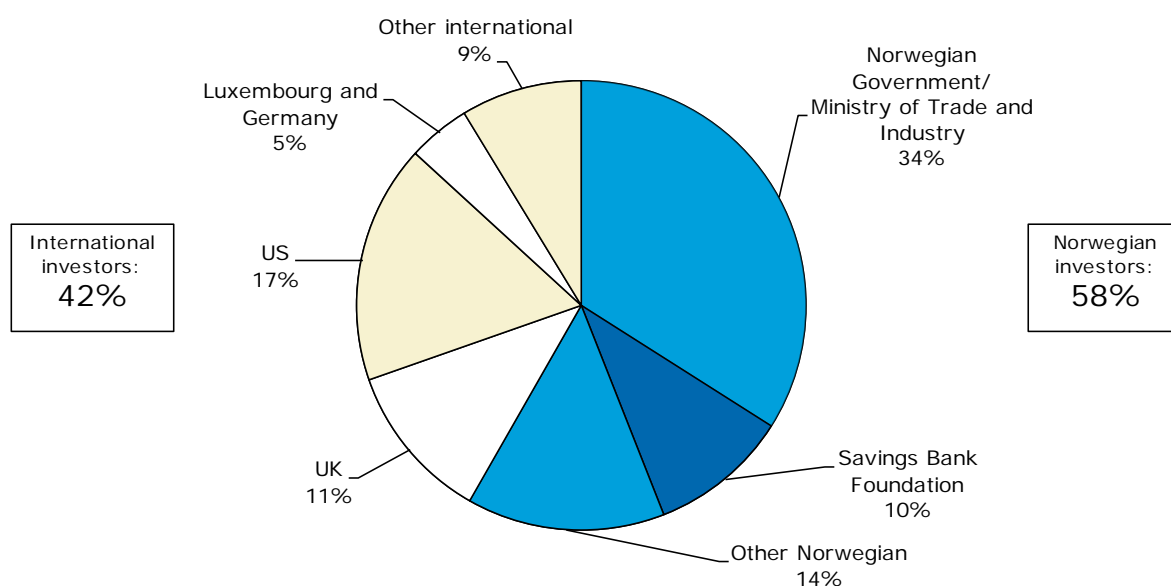


Shareholder structure as at 31 March 2011

Major shareholders

	Shares in 1 000	Ownership in %
Norwegian Government/Ministry of Trade and Industry	553 792	34.00
Sparebankstiftelsen DnB NOR (Savings Bank Foundation)	163 369	10.03
Folketrygdfondet (National Insurance Scheme Fund)	77 200	4.74
Capital Research/Capital International	44 028	2.70
Fidelity Investments	32 863	2.02
Blackrock Investments	28 542	1.75
People's Bank of China	22 409	1.38
Jupiter Asset Management	21 314	1.31
DnB NOR Funds	16 772	1.03
Threadneedle Investment Funds	16 250	1.00
Standard Life	13 082	0.80
Schroder Investment Management	11 730	0.72
Nordea Funds	11 031	0.68
Vanguard Funds	8 988	0.55
Deutsche Bank/DWS Investments	8 746	0.54
Bessemer Trust	8 553	0.53
Kuwait Investment Authority	8 177	0.50
Legal and General	8 051	0.49
State Street Global Advisors	7 520	0.46
Storebrand Funds	7 254	0.45
Total largest shareholders	1 069 670	65.67
Other	559 129	34.33
Total	1 628 799	100.00

Ownership according to investor category



Accounting principles etc.

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.

Important accounting estimates and discretionary assessments

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

Section 2

Financial results DnB NOR Group

Financial results

Income statement – condensed ¹⁾

Amounts in NOK million	1Q11	4Q10	3Q10	2Q10	1Q10	Full year	
						2010	2009
Net interest income	6 018	6 153	5 978	5 744	5 561	23 436	22 633
Net other operating income	3 467	4 553	3 315	4 795	3 493	16 156	14 994
Total operating expenses before impairment losses for goodwill and intangible assets	4 793	4 610	4 482	4 713	4 115	17 920	18 114
Impairment losses for goodwill and intangible assets	0	0	0	591	0	591	796
Pre-tax operating profit before write-downs	4 692	6 096	4 812	5 234	4 940	21 081	18 717
Net gains on fixed and intangible assets	5	26	(11)	(1)	10	24	26
Write-downs on loans and guarantees	892	529	643	878	947	2 997	7 710
Pre-tax operating profit	3 805	5 593	4 157	4 355	4 002	18 108	11 032
Taxes	913	367	1 149	1 524	1 081	4 121	4 086
Profit from operations and non-current assets held for sale, after taxes	(41)	57	30	(8)	(4)	75	80
Profit for the period	2 851	5 284	3 038	2 823	2 917	14 062	7 026
Profit attributable to shareholders	2 851	5 349	3 084	3 264	3 117	14 814	8 585
Profit attributable to minority interests	0	(65)	(46)	(442)	(199)	(752)	(1 559)

1) For a more detailed income statement, see page 40.

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

Amounts in NOK million	1Q11	4Q10	3Q10	2Q10	1Q10	Full year	
						2010	2009
Gains Nordito	-	-	-	1 170	-	1 170	-
Net other operating income, other	(506)	830	(717)	614	63	790	(230)
Termination of existing contractual pension scheme ¹⁾	-	-	-	-	367	367	-
Impairment losses for goodwill and intangible assets	0	0	0	591	0	591	796
Pre-tax operating profit before write-downs	(506)	830	(717)	1 193	430	1 736	(1 026)

1) The contractual pension scheme for early retirement was terminated during 2010, and excess provisions were reversed in the first quarter of 2010. A new contractual pension scheme has been introduced in 2011.

Balance sheet – condensed ¹⁾

Amounts in NOK billion	31 March 2011	31 Dec. 2010	30 Sept. 2010	30 June 2010	31 March 2010
	Deposits with central banks	242	16	16	10
Lending to and deposits with credit institutions	73	48	50	213	76
Net lending to customers	1 173	1 170	1 152	1 154	1 126
Other assets	609	627	645	615	626
Total assets	2 097	1 862	1 863	1 993	1 842
Loans and deposits from credit institutions	385	258	258	339	305
Deposits from customers	678	642	607	622	586
Short-term debt securities issued	186	154	175	220	176
Long-term debt securities issued	381	348	358	356	323
Other liabilities and provisions	354	349	358	352	348
Equity	114	111	107	104	104
Total liabilities and equity	2 097	1 862	1 863	1 993	1 842
Ratio of deposits to net lending (%)	57.8	54.8	52.6	53.9	52.0
Adjusted ratio of deposits to net lending (%) ²⁾	55.6	54.7	52.5	53.6	52.0
Total combined assets	2 380	2 141	2 134	2 253	2 103

1) For a more detailed balance sheet, see page 40.

2) Excluding short-term money market deposits in DnB NOR New York.

Financial highlights

	1Q11	4Q10	3Q10	2Q10	1Q10	Full year	
						2010	2009
Cost/income ratio (%) ¹⁾	50.5	43.1	48.2	50.3	49.5	47.6	48.1
Return on equity, annualised (%) ²⁾	10.3	19.6	11.8	12.8	12.5	13.6	10.6
Earnings per share (NOK) ²⁾	1.76	3.25	1.90	2.01	1.92	8.66	6.43
Total combined assets at end of period (NOK billion)	2 380	2 141	2 134	2 253	2 103	2 141	2 076
Tier 1 capital ratio at end of period (%) ³⁾	10.0	10.1	9.7	9.3	9.4	10.1	9.3

- 1) Excluding impairment losses for goodwill, other intangible assets and reversals of provisions for contractual early retirement pensions. Total income exclude gains resulting from the merger between the payment services company Nordito and the Danish PBS Holding.
- 2) The figures for the fourth quarter of 2010 are based on profit for the period without adjustment for minority interests due to the purchase of the remaining shares in DnB NORD.
- 3) Including 50 per cent of profit for the period, except for year-end figures.

Norwegian and international units

Norwegian units

<i>Per cent</i>	1Q11	4Q10	1Q10
Share of group income	81.5	83.5	82.4
Cost/income ratio ¹⁾	49.5	41.0	48.0
Share of net Group lending to customers	82.1	81.1	81.0
Non-performing and doubtful commitments relative to total commitments	1.0	0.9	1.0
Write-down ratio	34.6	37.7	36.5
Individual write-downs in per cent, annualised	0.14	0.17	0.10

International units excl. DnB NORD

<i>Per cent</i>	1Q11	4Q10	1Q10
Share of group income	13.4	12.1	11.8
Cost/income ratio ¹⁾	49.1	46.7	51.5
Share of net Group lending to customers	12.9	13.8	13.3
Non-performing and doubtful commitments relative to total commitments	0.8	1.0	2.6
Write-down ratio	73.7	53.0	36.0
Individual write-downs in per cent, annualised	0.82	0.34	0.64

DnB NORD

<i>Per cent</i>	1Q11	4Q10	1Q10
Share of group income	5.1	4.4	5.8
Cost/income ratio ¹⁾	71.2	72.1	66.5
Share of net Group lending to customers	5.1	5.1	5.7
Non-performing and doubtful commitments relative to total commitments	13.9	14.4	13.2
Write-down ratio	40.4	40.1	38.1
Individual write-downs in per cent, annualised	1.51	2.60	5.36

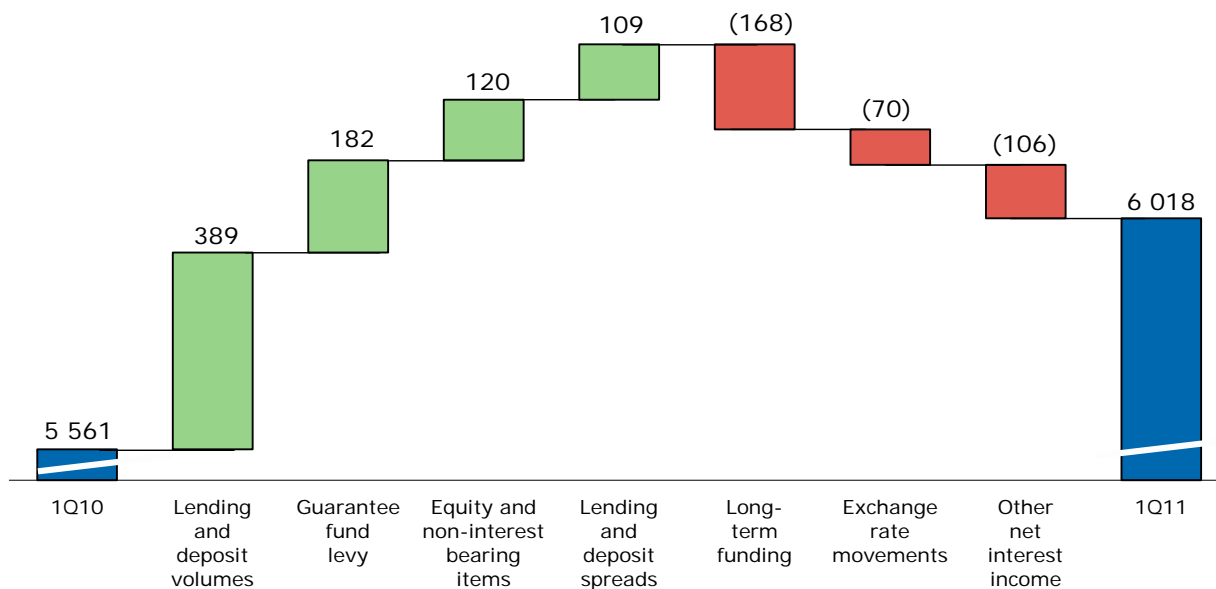
- 1) Excluding impairment losses for goodwill and intangible assets.

Net interest income

Changes in net interest income

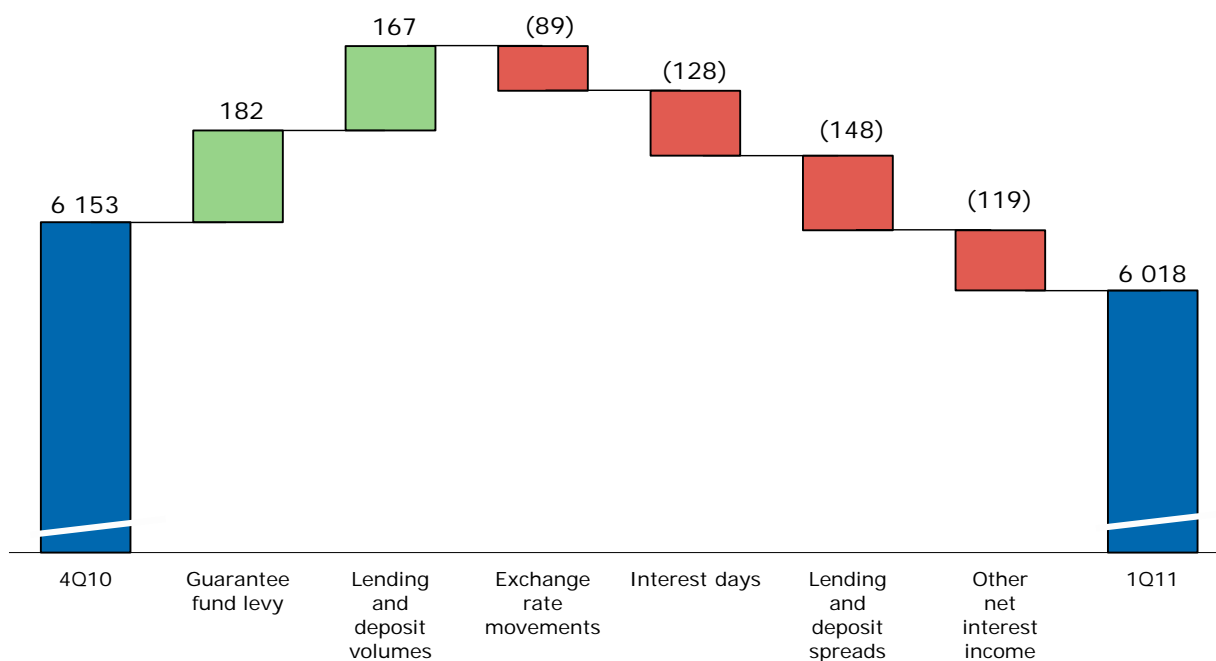
NOK million

From 1st quarter 2010 to 1st quarter 2011



NOK million

From 4th quarter 2010 to 1st quarter 2011



Net interest income

Amounts in NOK million	Average volumes			Spreads in per cent			Net interest income ²⁾		
	1Q11	4Q10	1Q10	1Q11	4Q10	1Q10	1Q11	4Q10	1Q10
Lending to customers ¹⁾	1 160 560	1 146 864	1 106 374	1.61	1.67	1.58	4 615	4 838	4 303
Deposits from customers ¹⁾	667 778	646 538	599 111	0.29	0.27	0.29	471	443	426
Equity and non-interest bearing items	90 908	89 275	83 077	2.58	2.53	2.24	578	570	459
Other							354	301	373
Total net interest income							6 018	6 153	5 561

1) Average nominal amounts, excluding impaired loans.

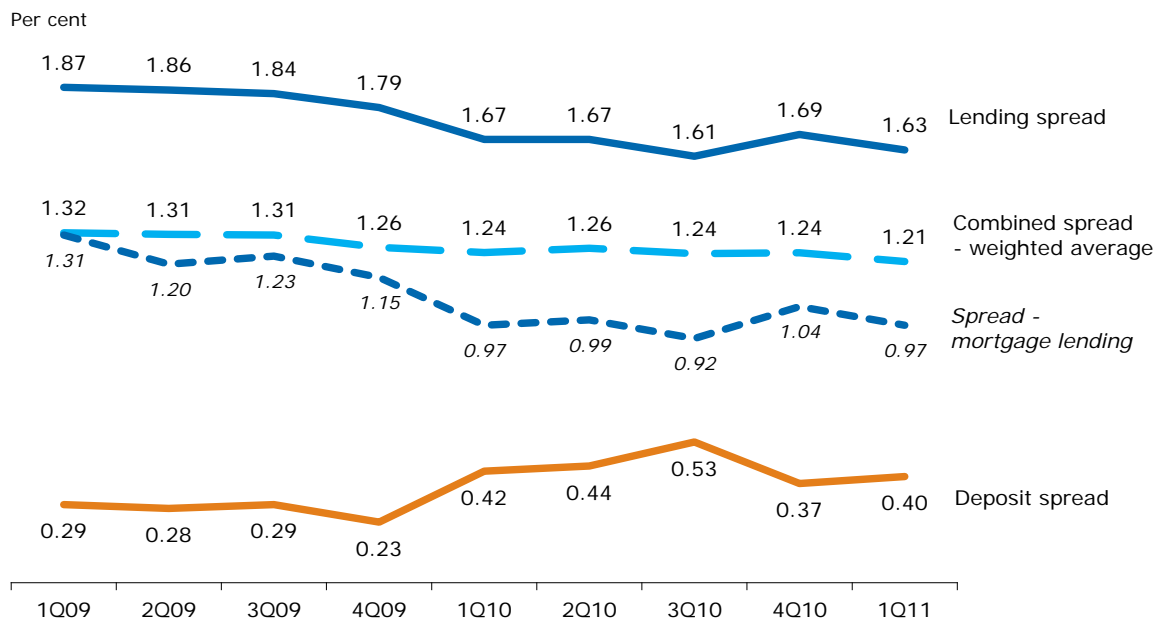
2) Including exchange rate movements.

Segmental interest rate spreads ¹⁾

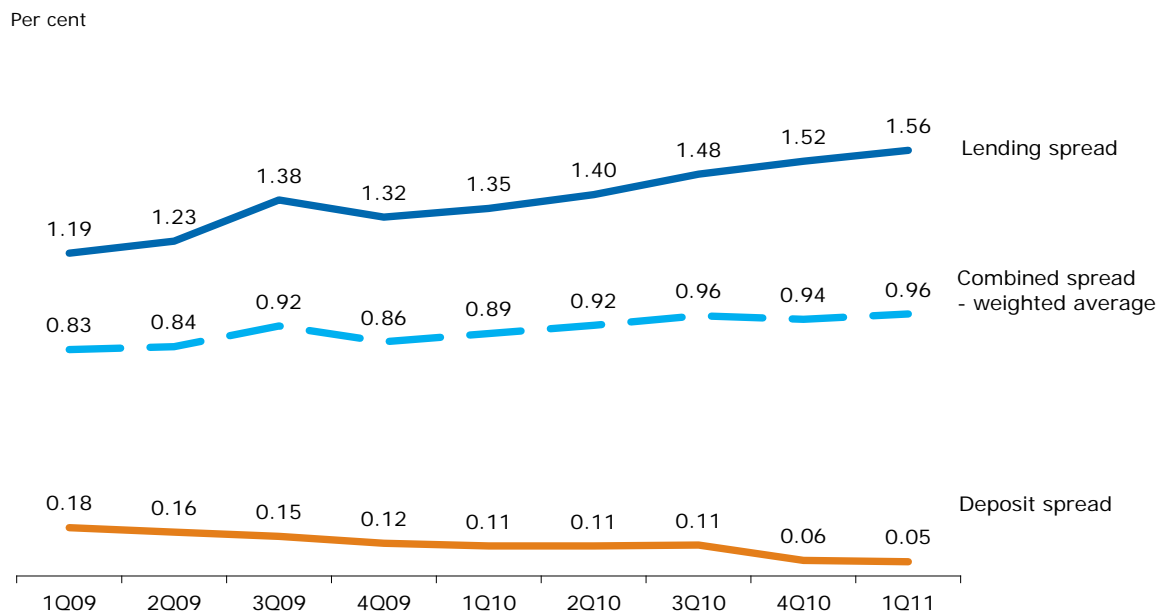
Per cent	1Q11	4Q10	3Q10	2Q10	1Q10	Full year	
						2010	2009
<i>Lending:</i>							
Retail Banking ^{*)}	1.63	1.69	1.61	1.67	1.67	1.66	1.84
Large Corporates and International	1.56	1.52	1.48	1.40	1.35	1.44	1.28
DnB NORD	1.65	1.97	1.94	1.86	1.70	1.80	1.02
Total	1.61	1.67	1.57	1.60	1.58	1.61	1.61
<i>Deposits:</i>							
Retail Banking	0.40	0.37	0.53	0.44	0.42	0.44	0.27
Large Corporates and International	0.05	0.06	0.11	0.11	0.11	0.10	0.15
DnB NORD	0.66	0.64	0.62	0.48	0.66	0.60	2.04
Total	0.29	0.27	0.41	0.32	0.29	0.32	0.29
<i>Combined spread - lending and deposits:</i>							
Retail Banking	1.21	1.24	1.24	1.26	1.24	1.25	1.30
Large Corporates and International	0.96	0.94	0.96	0.92	0.89	0.93	0.86
DnB NORD	1.33	1.57	1.56	1.48	1.45	1.47	1.23
Weighted total average	1.13	1.17	1.16	1.15	1.12	1.15	1.15
<i>*) of which mortgage lending portfolio</i>	0.97	1.04	0.92	0.99	0.97	0.98	1.22

1) Margins are calculated based on money market rates and do not include additional funding costs related to liquidity measures.

Development in average interest rate spreads – Retail Banking

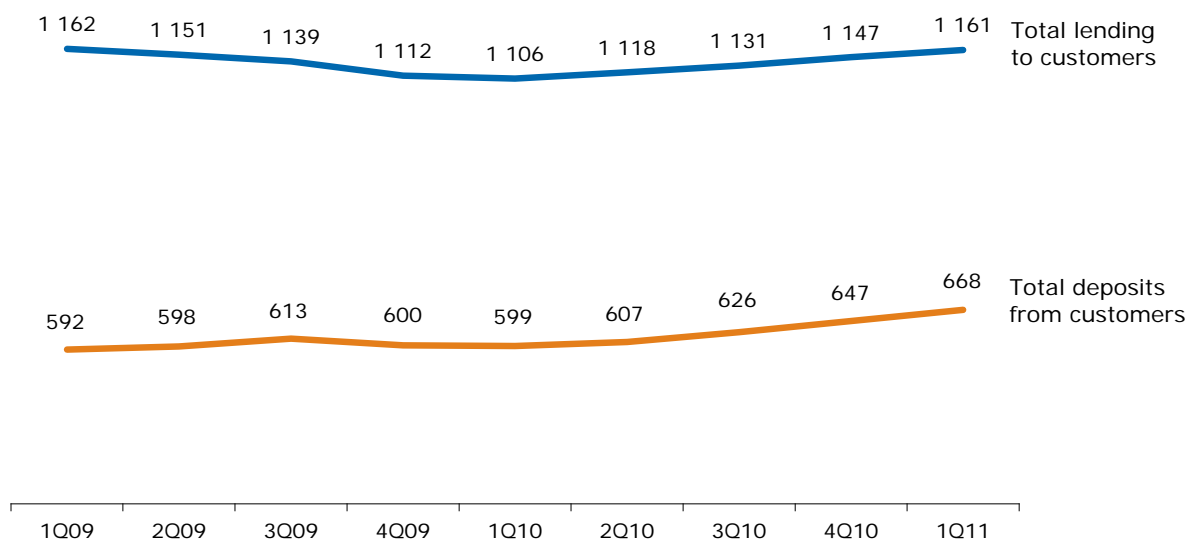


Development in average interest rate spreads – Large Corporates and International



Development in average volumes – lending and deposits ¹⁾

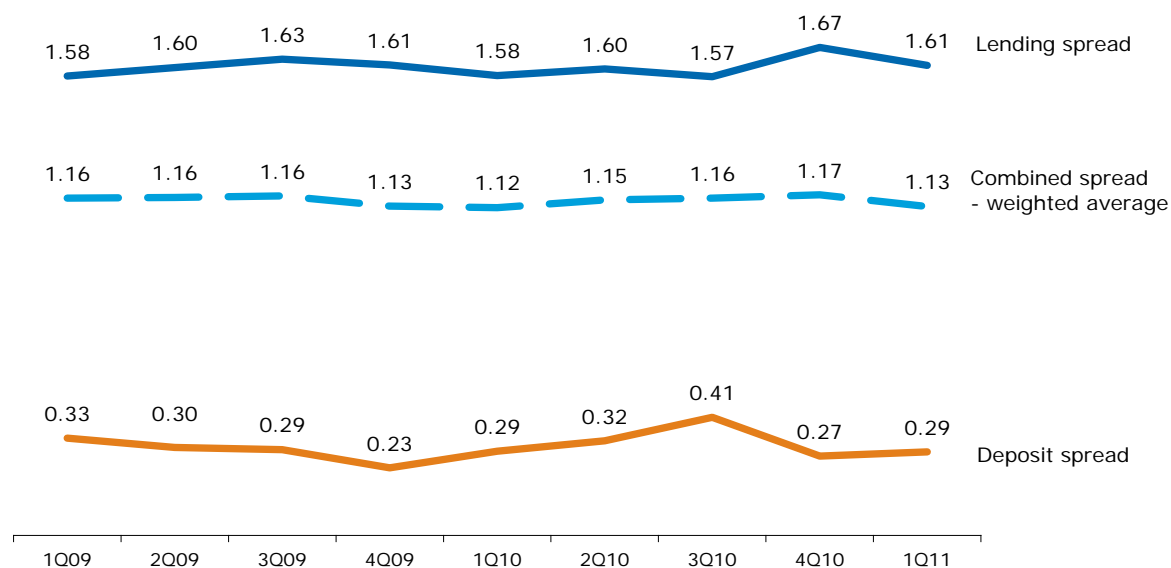
NOK billion



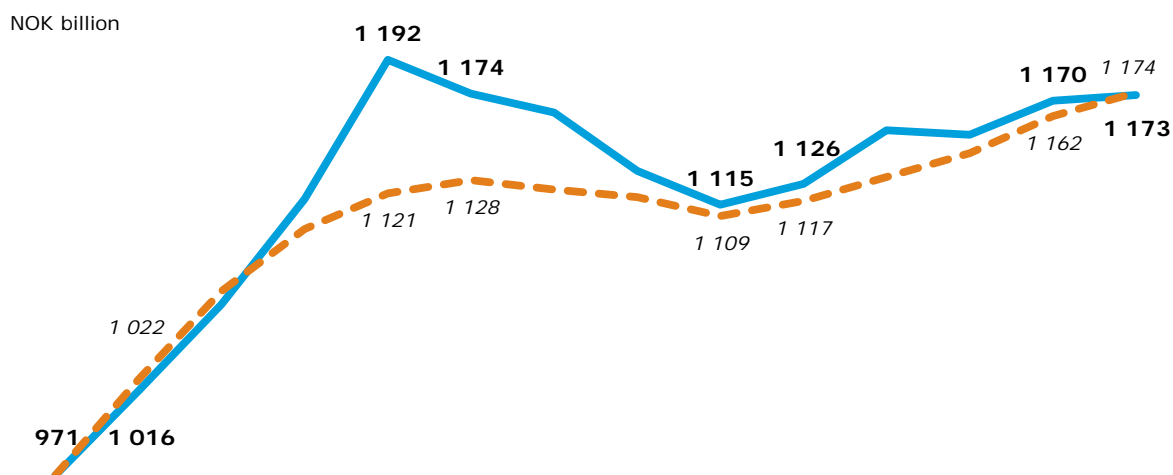
1) Average nominal amounts, excluding impaired loans.

Quarterly development in interest rate spreads

Per cent



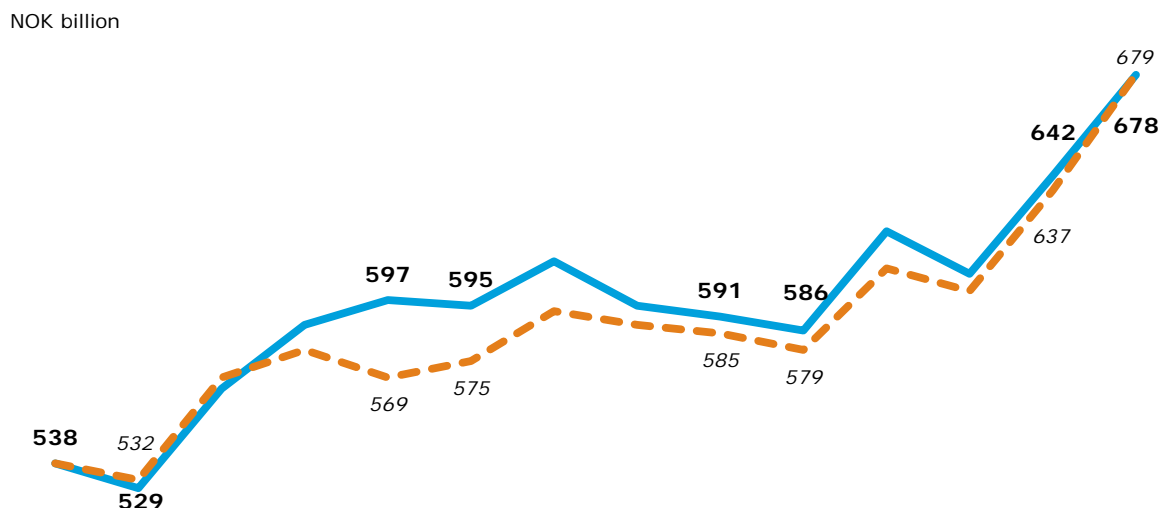
Development in volumes – net lending to customers



31 Dec.	31 March	30 June	30 Sept.	31 Dec.	31 March	30 June	30 Sept.	31 Dec.	31 March	30 June	30 Sept.	31 Dec.	31 March
2007													
		2008											
					2009								
									2010				
													2011

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

Development in volumes – deposits from customers

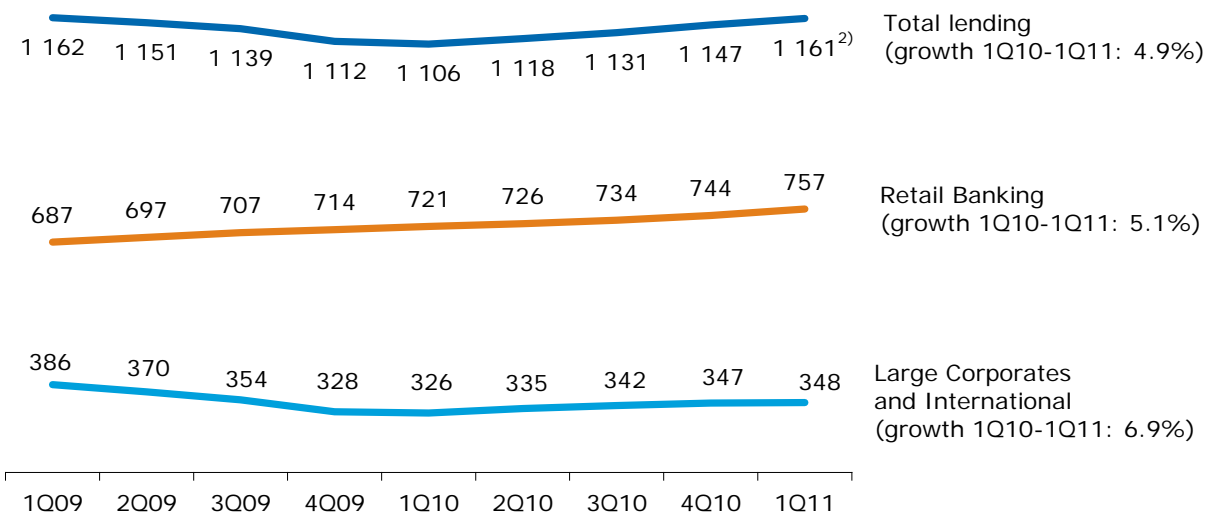


31 Dec.	31 March	30 June	30 Sept.	31 Dec.	31 March	30 June	30 Sept.	31 Dec.	31 March	30 June	30 Sept.	31 Dec.	31 March
2007													
		2008											
					2009								
									2010				
													2011

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

Development in average volumes – lending to customers ¹⁾

NOK billion

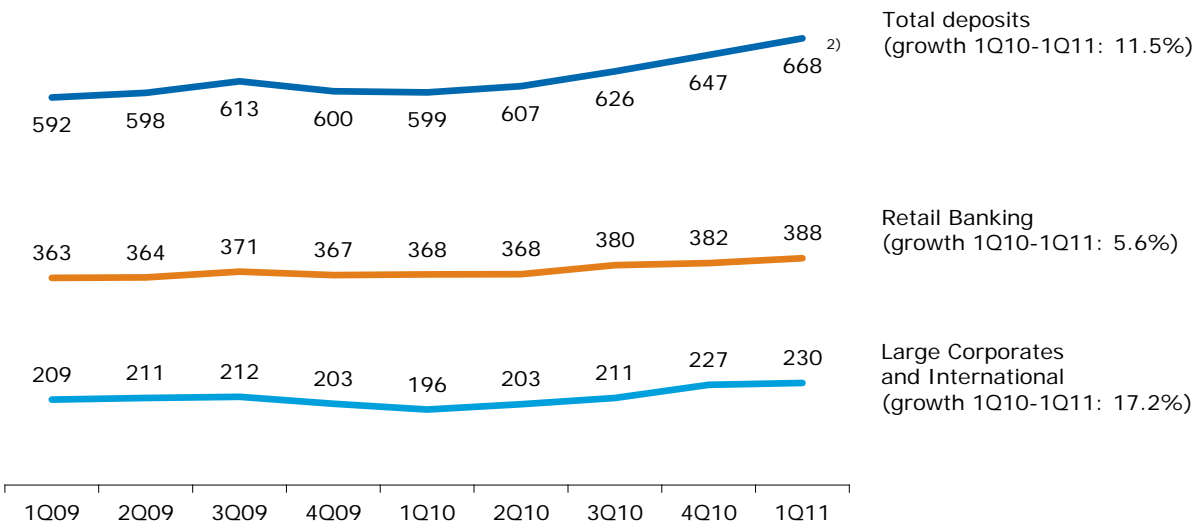


1) Average nominal amounts, excluding impaired loans

2) Of which DnB NOR: NOK 53 billion. Total lending excluding DnB NOR: NOK 1 107 billion (growth 5.8%)

Development in average volumes – deposits from customers ¹⁾

NOK billion



1) Average nominal amounts

2) Of which DnB NOR: NOK 25 billion. Total deposits excluding DnB NOR: NOK 642 billion (growth 10.8%)

Net other operating income

<i>Amounts in NOK million</i>	1Q11	4Q10	3Q10	2Q10	1Q10	Full year	
						2010	2009
Money transfer and interbank transactions	457	387	508	473	435	1 802	1 969
Asset management services	261	245	209	268	252	974	962
Credit broking	107	244	76	51	54	426	315
Real estate broking	199	223	220	238	180	860	774
Custodial services	52	50	40	47	45	183	169
Securities trading	76	73	45	46	60	224	207
Sale of insurance products	603	607	643	607	584	2 442	2 336
Other income from banking services	109	97	101	83	99	380	385
Net gains on equity investments including dividends	152	750	129	(73)	163	969	513
Corporate finance etc.	117	207	157	147	97	608	312
Profit from companies accounted for by the equity method	72	72	99	(52)	61	180	93
Other income ¹⁾	197	121	137	1 333	114	1 704	289
Net financial and risk result from Vital ^{*)}	501	519	801	(243)	242	1 318	841
Net premium income/insurance claims, non-life insurance	53	25	54	42	(30)	91	55
Customer trading in FX and interest rate instruments, DnB NOR Markets	327	391	302	327	335	1 290	1 973
FX and interest rate instruments, DnB NOR Markets	640	232	344	503	357	1 501	2 928
FX and interest rate instruments, other	(458)	311	(550)	997	443	1 201	872
Net other operating income ^{**)}	3 467	4 553	3 315	4 795	3 493	16 156	14 994
<i>As a percentage of total income</i>	<i>36.6</i>	<i>42.5</i>	<i>35.7</i>	<i>45.5</i>	<i>38.6</i>	<i>40.8</i>	<i>39.8</i>

*) Of which:

Net gains on assets in Vital	3 473	6 414	4 152	755	3 748	15 068	13 464
Guaranteed returns and allocations to policyholders in Vital	2 972	5 879	3 324	944	3 353	13 500	12 712
Premium income etc. included in the risk result in Vital	1 226	1 242	1 164	1 173	1 142	4 721	4 705
Insurance claims etc. included in the risk result in Vital	1 234	1 248	1 195	1 226	1 308	4 977	4 613
Net financial and risk result in Vital	493	528	797	(242)	229	1 313	844
Eliminations in the group accounts	8	(9)	4	(1)	12	6	(3)
Net financial and risk result from Vital	501	519	801	(243)	242	1 318	841

For a detailed specification of Vital's income statement, see page 75.

***) Of which:

DnB NORD	174	120	222	99	186	627	684
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1) Include gains of NOK 1 170 million from the merger between the payment services company Nordito and the Danish PBS Holding in the second quarter of 2010.

Net other operating income, operational reporting ¹⁾

Amounts in NOK million	1Q11	4Q10	3Q10	2Q10	1Q10	Full year	
						2010	2009
1. Net stock market related income including financial instruments	658	1 324	581	435	618	2 958	2 163
2. Net financial and risk result from Vital	501	519	801	(243)	242	1 318	841
3. Net other commissions and fees including guarantees	1 407	1 514	1 508	1 369	1 306	5 697	5 383
4. Net gains on FX and interest rate instruments excluding guarantee commissions	378	756	(84)	1 673	1 001	3 346	5 396
Real estate broking	199	223	220	238	180	860	774
Other income ²⁾	323	218	289	1 323	146	1 976	438
Net other operating income	3 467	4 553	3 315	4 795	3 493	16 156	14 994

Specifications

Asset management services	261	245	209	268	252	974	962
Custodial services	52	50	40	47	45	183	169
Securities trading	76	73	45	46	60	224	207
Corporate finance etc.	117	207	157	147	97	608	312
Net stock market related commissions and fees (I)	506	574	452	508	455	1 989	1 650
Net gains on equity investments including dividends	152	750	129	(73)	163	969	513
1. Net stock market related income including financial instruments	658	1 324	581	435	618	2 958	2 163
<i>Net stock market related income as a percentage of total income</i>	<i>6.9</i>	<i>12.4</i>	<i>6.2</i>	<i>4.1</i>	<i>6.8</i>	<i>7.5</i>	<i>5.7</i>
<i>Net stock market related income as a percentage of net other operating income</i>	<i>19.0</i>	<i>29.1</i>	<i>17.5</i>	<i>9.1</i>	<i>17.6</i>	<i>18.3</i>	<i>14.4</i>
Net financial result from Vital	509	525	832	(190)	407	1 574	749
Net risk result from Vital	(8)	(6)	(31)	(53)	(166)	(256)	92
2. Net financial and risk result from Vital	501	519	801	(243)	242	1 318	841
Money transfer and interbank transactions	457	387	508	473	435	1 802	1 969
Credit broking	107	244	76	51	54	426	315
Sale of insurance products	603	607	643	607	584	2 442	2 336
Other income from banking services	109	97	101	83	99	380	385
Net other commissions and fees (II)	1 276	1 336	1 328	1 215	1 173	5 051	5 006
Net gains on financial instruments - guarantee commissions	131	178	180	154	134	646	377
3. Net other commissions and fees including guarantees	1 407	1 514	1 508	1 369	1 306	5 697	5 383
Net commissions and fees (I + II)	1 782	1 910	1 780	1 723	1 627	7 040	6 655
Customer trading in FX and interest rate instruments, DnB NOR Markets	327	391	302	327	335	1 290	1 973
FX and interest rate instruments, DnB NOR Markets	640	232	344	503	357	1 501	2 928
FX and interest rate instruments, other	(458)	311	(550)	997	443	1 201	872
Net gains on FX and interest rate instruments	510	934	96	1 827	1 135	3 992	5 773
Net gains on financial instruments - guarantee commissions	131	178	180	154	134	646	377
4. Net gains on FX and interest rate instruments excluding guarantee commissions	378	756	(84)	1 673	1 001	3 346	5 396

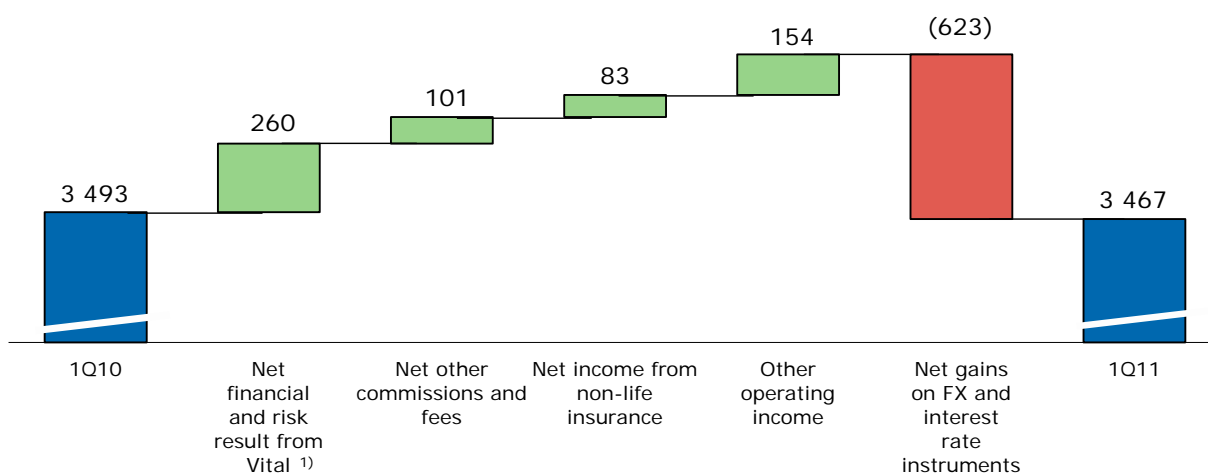
1) In this table items are classified according to main operational areas. Thus, net guarantee commissions, which according to IFRS are classified as "Net gains on financial instruments at fair value" in the income statement, are classified as "Commissions and fees". Stock market related commissions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

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

Changes in net other operating income

NOK million

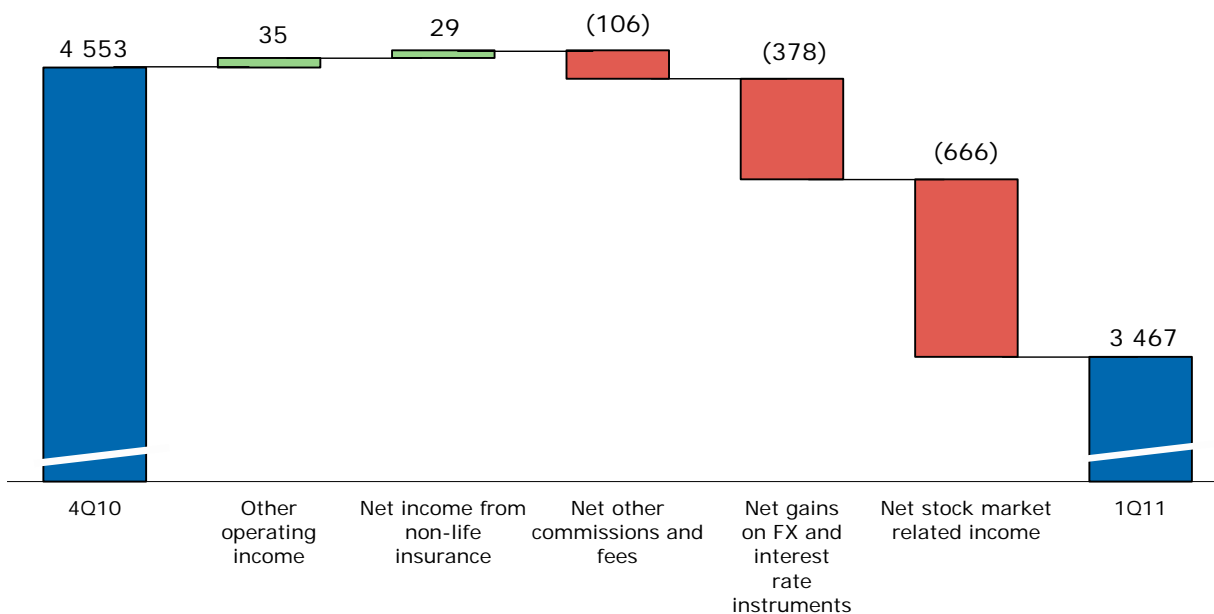
From 1st quarter 2010 to 1st quarter 2011



1) After guaranteed returns and allocations to policyholders

NOK million

From 4th quarter 2010 to 1st quarter 2011



Operating expenses

Amounts in NOK million	1Q11	4Q10	3Q10	2Q10	1Q10	Full year	
						2010	2009
Salaries	1 757	1 830	1 772	1 784	1 685	7 071	7 206
Employer's national insurance contributions	263	260	254	256	254	1 025	1 082
Pension expenses ¹⁾	253	158	221	224	(154)	448	960
Restructuring expenses	2	(19)	13	30	12	36	82
Other personnel expenses	169	209	160	157	154	680	587
Total salaries and other personnel expenses	2 444	2 438	2 419	2 452	1 950	9 259	9 917
Fees ²⁾	407	365	322	406	344	1 437	1 155
IT expenses ²⁾	433	345	421	390	479	1 635	1 741
Postage and telecommunications	95	98	85	95	99	377	412
Office supplies	23	28	21	25	25	99	99
Marketing and public relations	238	224	166	230	192	812	572
Travel expenses	59	83	52	58	50	244	234
Reimbursement to Norway Post for transactions executed	42	36	51	42	22	151	203
Training expenses	22	26	12	14	21	75	73
Operating expenses on properties and premises	352	308	313	330	329	1 280	1 306
Operating expenses on machinery, vehicles and office equipment	36	47	31	36	38	151	145
Other operating expenses	225	123	168	243	201	735	846
Other expenses	1 930	1 685	1 641	1 869	1 799	6 995	6 784
Impairment losses for goodwill ³⁾	0	0	0	194	0	194	730
Depreciations and write-downs of fixed and intangible assets ⁴⁾	419	487	421	789	366	2 063	1 479
Total depreciations and write-downs of fixed and intangible assets	419	487	421	983	366	2 256	2 210
Total operating expenses	4 793	4 610	4 482	5 304	4 115	18 511	18 911
Of which DnB NORD	345	342	328	682	348	1 700	2 589

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

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

3) For the full year 2009, DnB NOR recorded impairment losses for goodwill of NOK 201 million relating to operations in Sweden, Svensk Fastighetsförmedling AB and SalusAnsvar, and NOK 529 million relating to DnB NORD. Impairment losses for goodwill of NOK 194 million relating to Svensk Fastighetsförmedling were recorded in the second quarter of 2010.

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

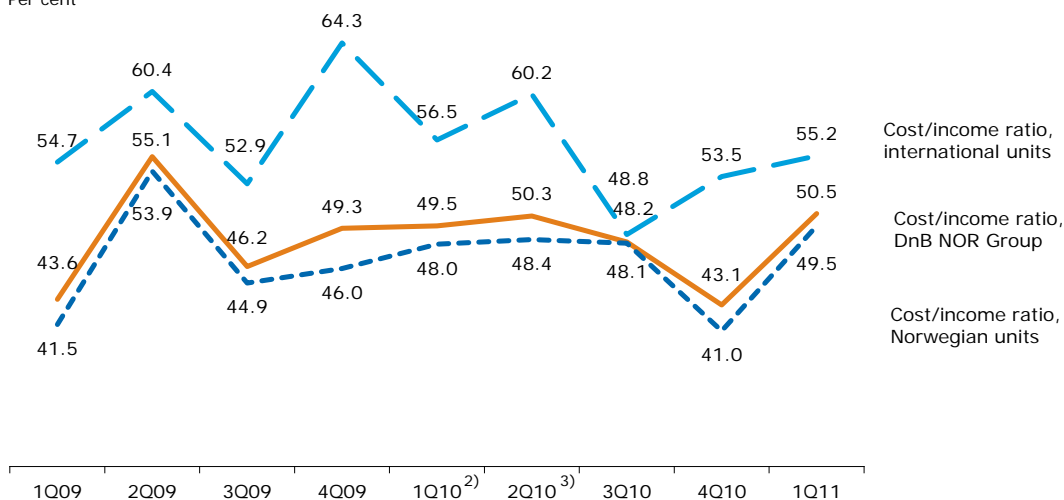
Changes in operating expenses

Amounts in NOK million	1Q11	Change	1Q10
Total operating expenses	4 793	679	4 115
<i>Reversals in the first quarter of 2010:</i>			
Reversal of CPA provisions		367	
Reduced provisions		110	
<i>Non-recurring costs in the first quarter of 2011:</i>			
Costs related to the acquisition of DnB NOR		28	
<i>Direct income-related items:</i>			
Operational leasing		30	
København Ejendomme		16	
<i>Expenses directly related to operations:</i>			
Cost programme		(128)	
Wage and price inflation		133	
Increase in IT-related fees		24	
Rise in pension expenses		40	
Higher activity levels		59	

Amounts in NOK million	1Q11	Change	4Q10
Total operating expenses	4 793	184	4 610
<i>Reversal in the fourth quarter of 2010:</i>			
Reassessment of pension liabilities		63	
<i>Non-recurring costs in the first quarter of 2011:</i>			
Costs related to the acquisition of DnB NOR		28	
<i>Direct income-related items:</i>			
One-off reversal of transaction expenses previously charged to P/L		33	
<i>Expenses directly related to operations:</i>			
Cost programme		(26)	
Rise in IT expenses		80	
Rise in pension expenses		32	
Performance-based pay		(115)	
Higher activity levels		89	

Ordinary cost/income ratio ¹⁾

Per cent



1) Excluding impairment losses for goodwill and intangible assets.

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

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

Number of employees – full-time positions

<i>Full-time positions</i>	31 March 2011	31 Dec. 2010	30 Sept. 2010	30 June 2010	31 March 2010
Retail Banking	4 845	4 842	4 948	4 938	4 953
Large Corporates and International	1 107	1 103	1 084	1 080	1 079
DnB NOR Markets	677	668	666	676	660
Operations	946	986	1 022	999	1 022
Insurance and Asset Management	1 055	1 047	1 055	1 062	1 059
DnB NORD	3 155	3 159	3 138	3 136	3 142
Staff and support units	1 242	1 217	1 226	1 233	1 252
Total ordinary operations	13 027	13 021	13 140	13 125	13 165

IT expenses

<i>Amounts in NOK million</i>	1Q11	4Q10	3Q10	2Q10	1Q10	Full year	
						2010	2009
IT operating expenses ¹⁾	510	484	469	543	488	1 984	1 888
Systems development expenses ^{1) 2)}	526	472	506	480	500	1 958	1 261
IT expenses in Vital, after eliminations ¹⁾	-	-	-	-	-	-	482
Total IT expenses ³⁾	1 036	956	975	1 023	988	3 942	3 630

- 1) With effect from 1 January 2010, the Group's IT operations were reorganised in connection with the ONE IT project. Vital purchases IT services from DnB NOR Bank ASA, and the costs are recorded under IT operating expenses and systems development expenses in the same way as such costs for other units.
- 2) Excluding write-downs on IT investments in DnB NORD of NOK 346 million in the second quarter of 2010.
- 3) Including salaries and indirect costs.

Taxes

The DnB NOR Group's tax charge for the first quarter of 2011 was NOK 913 million, down from NOK 1 081 million lower 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.

Lending

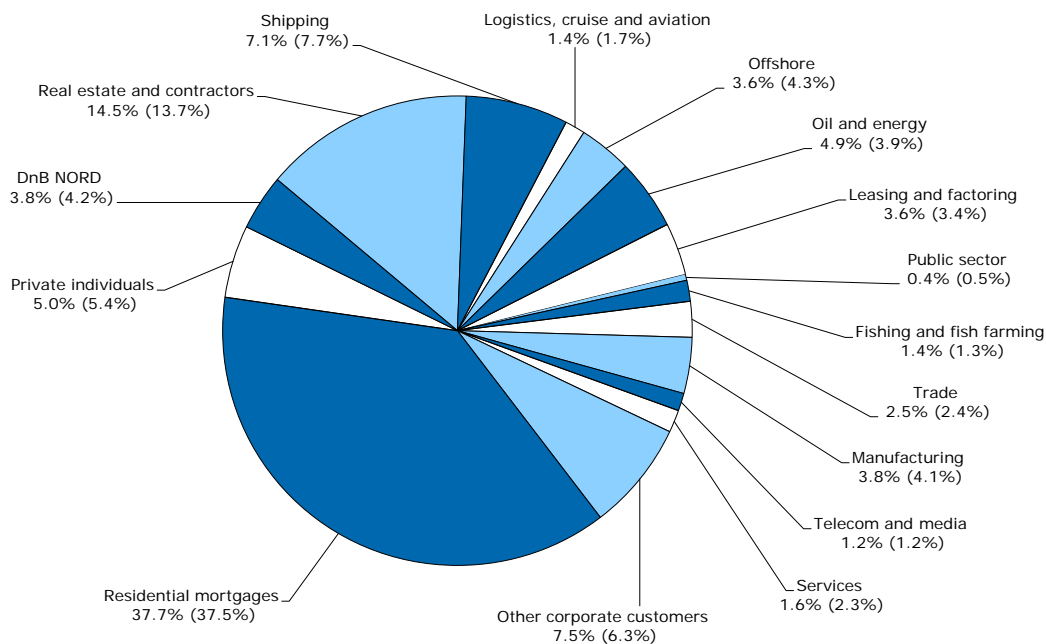
Net lending to principal customer groups ^{1) 2)}

<i>Amounts in NOK billion</i>	31 March 2011	31 Dec. 2010	30 Sept. 2010	30 June 2010	31 March 2010
Private individuals	560.5	559.1	552.5	546.8	537.5
Transportation by sea and pipelines, vessel construction	129.4	133.9	132.4	138.4	126.7
Real estate	180.4	175.8	162.3	161.9	160.4
Manufacturing	52.4	47.7	45.4	48.4	46.4
Services and management	73.0	74.0	95.8	93.9	93.7
Trade	37.2	33.9	36.2	37.4	36.7
Oil and gas	14.4	18.3	13.1	14.5	14.9
Transportation and communication	29.5	29.4	23.6	24.1	24.4
Building and construction	35.3	35.8	34.0	32.8	30.9
Power and water supply	22.8	22.8	18.4	17.7	17.3
Seafood	13.2	13.9	13.5	13.4	13.6
Hotels and restaurants	4.2	5.1	5.1	5.1	5.2
Agriculture and forestry	7.3	7.5	7.5	7.2	7.3
Central and local government	5.5	6.0	6.3	7.0	5.3
Other sectors	7.8	6.7	5.5	5.4	5.5
Net lending to customers	1 173.1	1 170.0	1 151.6	1 154.1	1 125.9

1) Lending after individual write-downs, nominal amounts. The breakdown into principal sectors is based on standardised sector and industry categories set up by Statistics Norway.

2) In the fourth quarter of 2010, industry codes for the international portfolio were reviewed. Following the review, loans totalling NOK 24 billion were reclassified from services and management to transportation by sea and pipelines, vessel construction, real estate, manufacturing, oil and gas and transportation and communication.

Exposure at default by segments as defined in DnB NOR Management Reporting as at 31 March 2011 ¹⁾

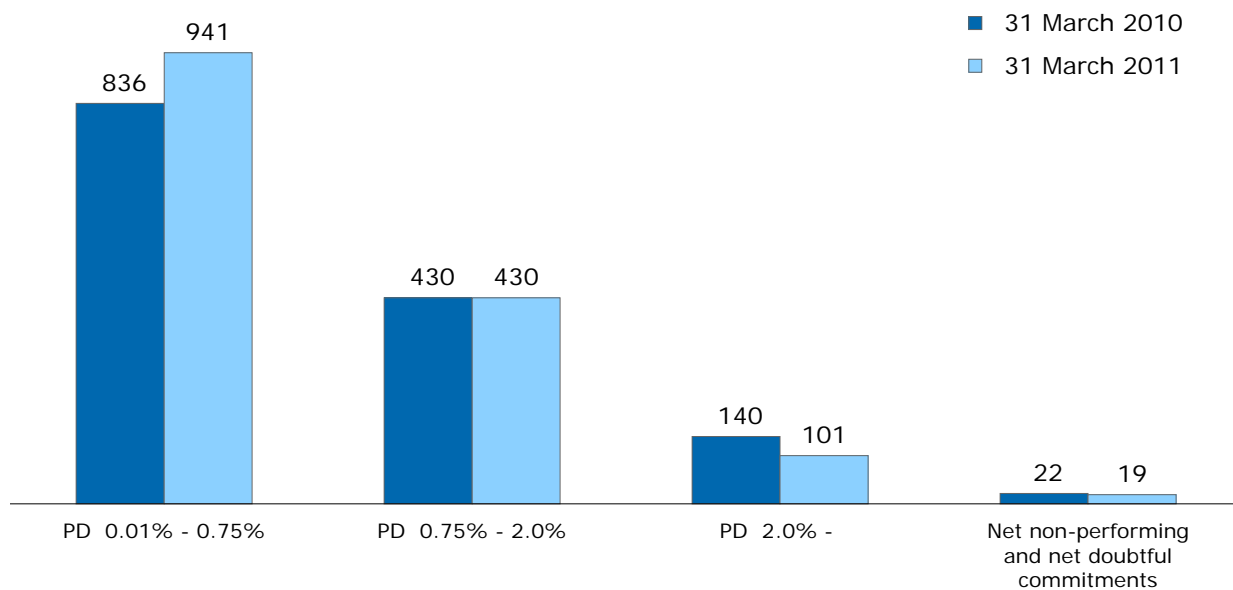


Comparable figures as at 31 March 2010 in parentheses

1) Distribution of exposure at default based on internal segmentation of customers, excluding net non-performing and net doubtful commitments.

Risk classification of portfolio ¹⁾

NOK billion



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

DnB NOR's risk classification ¹⁾

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

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

Write-downs on loans and guarantees

Amounts in NOK million	1Q11	4Q10	3Q10	2Q10	1Q10	Full year	
						2010	2009
Write-offs ¹⁾	43	113	176	145	25	459	554
New individual write-downs	1 308	1 369	948	1 187	1 637	5 141	6 521
Total new individual write-downs	1 351	1 482	1 124	1 332	1 662	5 600	7 075
Reassessed individual write-downs	357	361	262	253	231	1 109	693
Recoveries on commitments previously written off	123	160	85	79	94	418	317
Net individual write-downs	870	961	776	1 000	1 337	4 074	6 065
Change in collective write-downs on loans	21	(432)	(134)	(122)	(390)	(1 077)	1 645
Write-downs on loans and guarantees	892	529	643	878	947	2 997	7 710
Total write-downs in relation to average volumes, annualised (%)	0.31	0.18	0.22	0.31	0.34	0.26	0.67
- DnB NOR excl. DnB NORD	0.25	0.08	0.14	0.07	0.15	0.11	0.35
- DnB NORD	1.45	1.95	1.62	4.46	3.43	2.87	4.69

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

Amounts in NOK million	1Q11	4Q10	3Q10	2Q10	1Q10	Full year	
						2010	2009
<i>Individual write-downs</i>							
Retail Banking:							
- Private Customer Divisions ¹⁾	13	132	146	57	(50)	286	63
- Small and medium sized enterprises	96	182	73	23	78	356	727
- DnB NOR Finans ²⁾	138	49	153	202	178	582	798
Large Corporates and International:						-	
- Nordic Corporates Division	120	4	0	0	(20)	(15)	393
- International Corporates and Institutions Division	(23)	0	1	(12)	13	2	208
- Shipping Offshore and Logistics Division	13	3	8	47	161	219	476
- Energy Division	0	(10)	0	34	65	88	0
- Special and Structured Finance	0	0	0	(7)	(6)	(13)	2
- Northern Europe	297	195	66	0	33	295	48
- Other units	(4)	(1)	10	2	2	13	5
DnB NOR excl. DnB NORD	649	553	456	347	456	1 811	2 719
DnB NORD	221	407	321	653	881	2 262	3 346
Total individual write-downs	870	961	776	1 000	1 337	4 074	6 065
<i>Collective write-downs</i>							
DnB NOR excl. DnB NORD	29	(329)	(66)	(168)	(65)	(628)	1 062
DnB NORD	(8)	(103)	(67)	46	(325)	(449)	583
Total collective write-downs on loans	21	(432)	(134)	(122)	(390)	(1 077)	1 645
Write-downs on loans and guarantees	892	529	643	878	947	2 997	7 710

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

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

Write-downs on loans and guarantees for principal customer groups ¹⁾

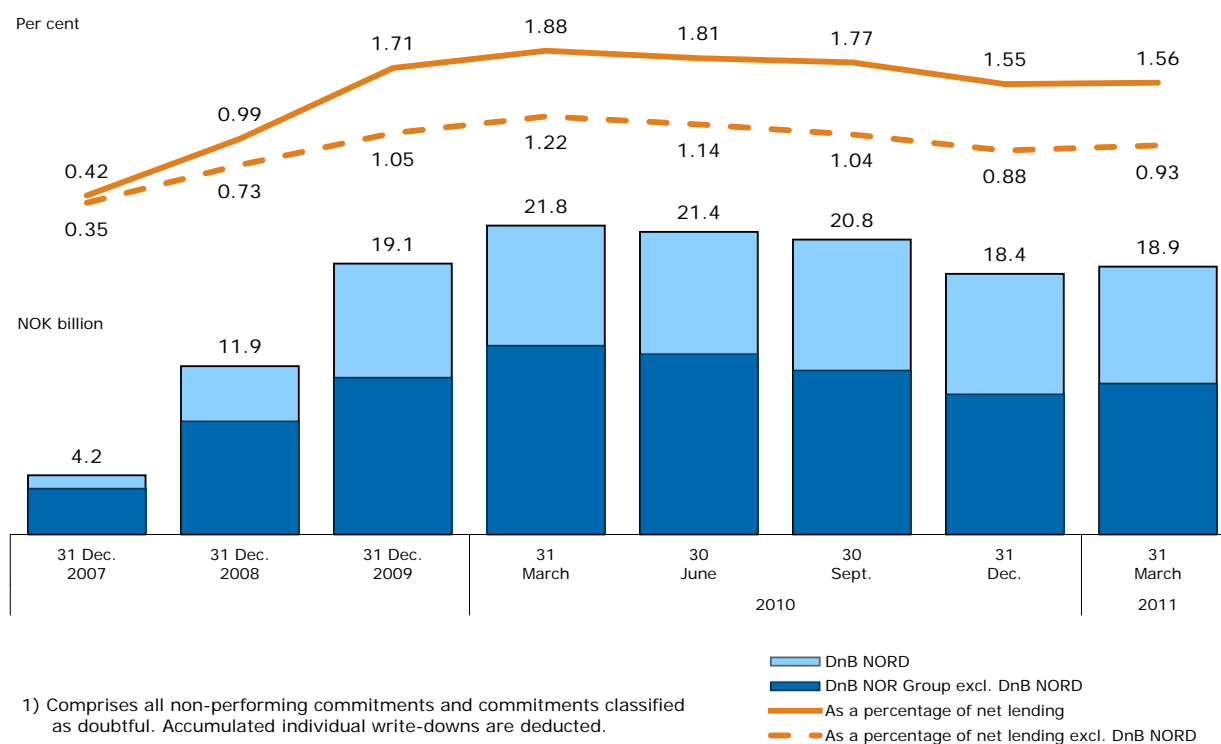
Amounts in NOK million	1Q11	4Q10	3Q10	2Q10	1Q10	Full year	
						2010	2009
Private individuals ²⁾	242	305	377	316	416	1 414	1 061
Transportation by sea and pipelines, vessel construction	21	36	16	39	191	281	520
Real estate	151	134	51	(11)	288	462	970
Manufacturing	19	165	53	236	69	524	765
Services and management	92	(132)	119	57	80	123	574
Trade	20	51	(11)	147	53	240	878
Oil and gas	0	87	0	88	40	216	0
Transportation and communication	8	(32)	85	(30)	79	103	337
Building and construction	309	265	63	38	28	393	637
Power and water supply	1	58	15	33	53	158	1
Seafood	0	(4)	6	6	1	9	(10)
Hotels and restaurants	19	38	11	7	20	76	92
Agriculture and forestry	11	12	30	0	26	69	62
Other sectors	0	(13)	(39)	69	(7)	9	184
Total customers	893	969	776	995	1 337	4 076	6 073
Credit institutions	(22)	(9)	1	5	0	(2)	(8)
Change in collective write-downs on loans	21	(432)	(134)	(122)	(390)	(1 077)	1 645
Write-downs on loans and guarantees ^{*)}	892	529	643	878	947	2 997	7 710

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

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

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

Net non-performing and net doubtful commitments ¹⁾

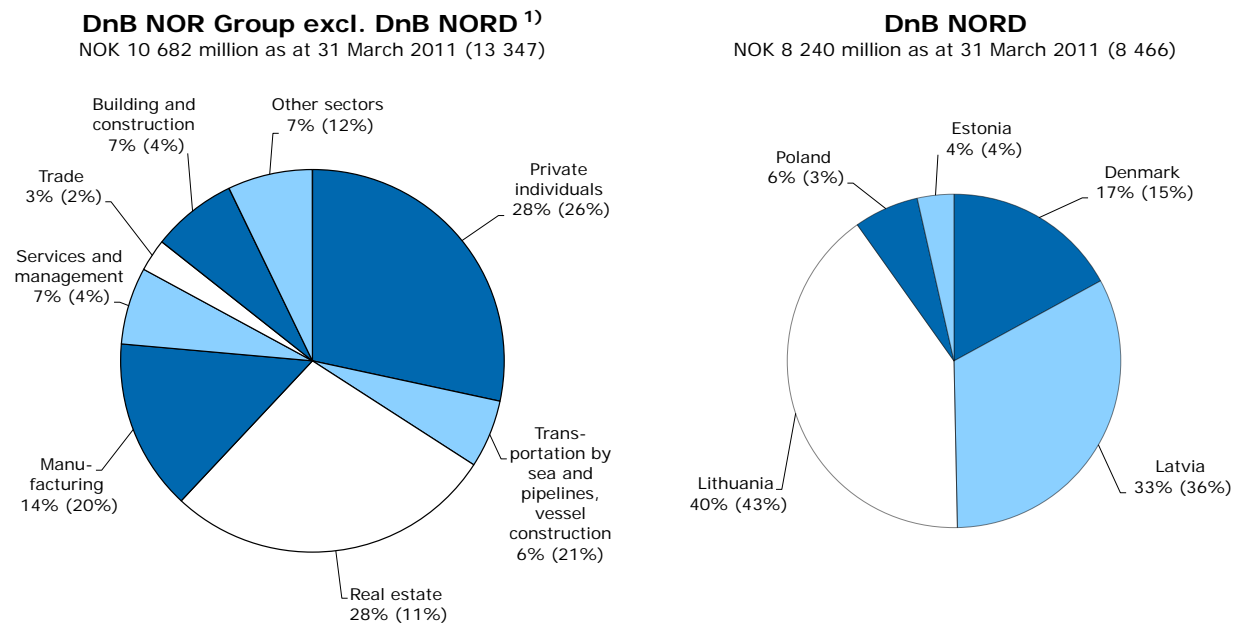


Write-down ratio – net non-performing and net doubtful commitments ¹⁾

Amounts in NOK million	31 March 2011	31 Dec. 2010	30 Sept. 2010	30 June 2010	31 March 2010
Non-performing commitments	16 787	17 313	19 673	19 129	19 507
Doubtful commitments	11 855	10 369	10 622	11 541	11 074
Gross non-performing and gross doubtful commitments	28 642	27 682	30 295	30 670	30 581
Individual write-downs	9 720	9 273	9 471	9 305	8 768
Net non-performing and net doubtful commitments	18 922	18 409	20 824	21 365	21 813
Collective write-downs	1 866	1 872	2 315	2 494	2 577
Write-down ratio (per cent)	40.5	40.3	38.9	38.5	37.1
Collateral for non-performing and doubtful commitments	18 021	17 793	19 843	20 518	20 598
Coverage ratio (per cent)	103.4	104.5	104.4	105.4	104.5

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

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



- 1) Includes non-performing commitments and, in addition, commitments subject to individual write-downs. Comparable figures as at 31 March 2010 in parentheses.
- 2) The breakdown into principal sectors is based on standardised sector and industry categories set up by Statistics Norway.

See pages 86-87 for more details on lending and write-downs in DnB NORD.

Net non-performing and net doubtful commitments ¹⁾

<i>Amounts in NOK million</i>	31 March 2011	31 Dec. 2010	30 Sept. 2010	30 June 2010	31 March 2010
Retail Banking	6 855	7 175	7 296	7 199	7 370
Large Corporates and International	3 827	2 743	4 302	5 562	5 976
DnB NORD	8 240	8 491	9 226	8 604	8 466
Net non-performing and net doubtful commitments ^{*)}	18 922	18 409	20 824	21 365	21 813
*) Of which Norwegian units	9 525	8 258	8 921	9 046	9 162

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

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

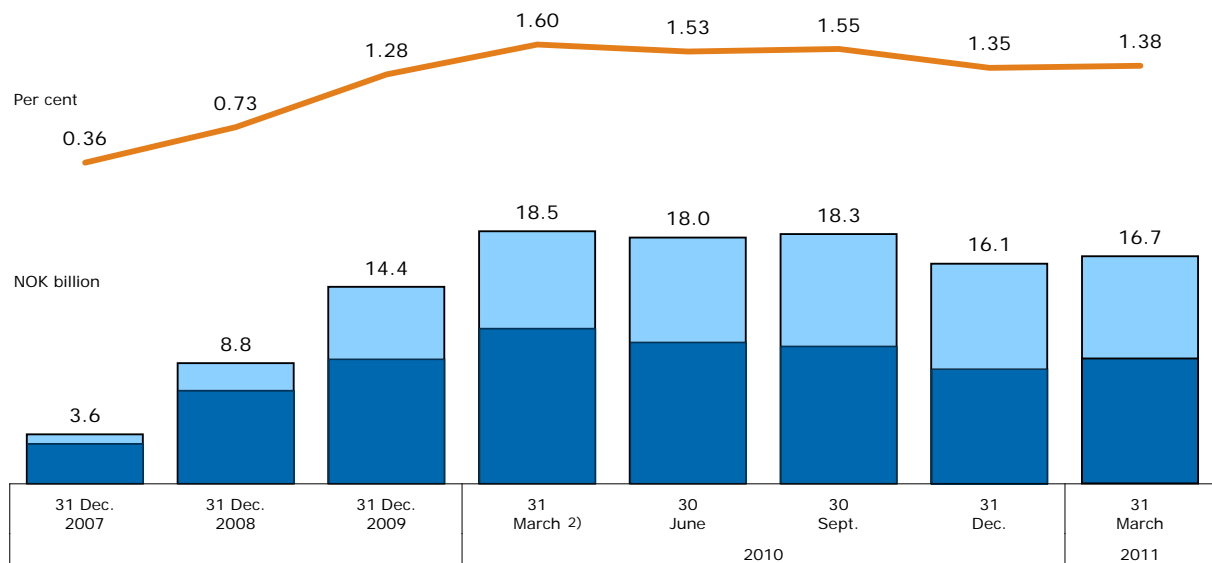
<i>Amounts in NOK million</i>	1Q11		4Q10		3Q10		2Q10		1Q10	
	Private individuals	Corporate customers	Private individuals	Corporate customers	Private individuals	Corporate customers	Private individuals	Corporate customers	Private individuals	Corporate customers
Net non-performing and net doubtful commitments at beginning of period	5 291	13 118	5 553	15 271	5 738	15 627	5 711	16 102	6 107	13 020
New non-performing and doubtful commitments	863	3 017	848	2 465	856	1 856	1 188	2 065	902	4 945
Transferred to current commitments	913	2 315	878	4 318	826	2 138	1 101	2 404	1 088	1 813
Write-offs etc. ²⁾	62	77	232	300	215	74	60	137	210	50
Net non-performing and net doubtful commitments at end of period	5 179	13 743	5 291	13 118	5 553	15 271	5 738	15 627	5 711	16 102

1) Of which DnB NORD:

Net non-performing and net doubtful commitments at beginning of period	2 196	6 295	2 240	6 986	2 216	6 388	2 224	6 242	2 641	5 398
New non-performing and doubtful commitments	139	693	174	400	163	902	368	829	(57)	1 044
Transferred to current commitments	184	894	217	1 090	139	304	376	633	360	200
Write-offs etc.	3	0	1	1	0	1	1	49	0	0
Net non-performing and net doubtful commitments at end of period	2 147	6 093	2 196	6 295	2 240	6 986	2 216	6 388	2 224	6 242

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

Net impaired commitments ¹⁾



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

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

■ DnB NOR

■ DnB NOR Group excl. DnB NOR

— As a percentage of net lending

Write-down ratio – net impaired commitments ¹⁾

Amounts in NOK million	31 March 2011	31 Dec. 2010	30 Sept. 2010	30 June 2010	31 March 2010
Gross impaired commitments subject to individual write-downs	26 379	25 370	27 750	27 326	27 266
Individual write-downs	9 720	9 273	9 471	9 305	8 768
Net impaired commitments	16 659	16 097	18 279	18 021	18 498
Collective write-downs	1 866	1 872	2 315	2 494	2 577
Write-down ratio (per cent)	43.9	43.9	42.5	43.1	41.6
Collateral for impaired commitments	14 983	14 678	16 505	17 178	18 267
Coverage ratio (per cent)	100.7	101.8	102.0	106.0	108.6

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

Capital adequacy

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

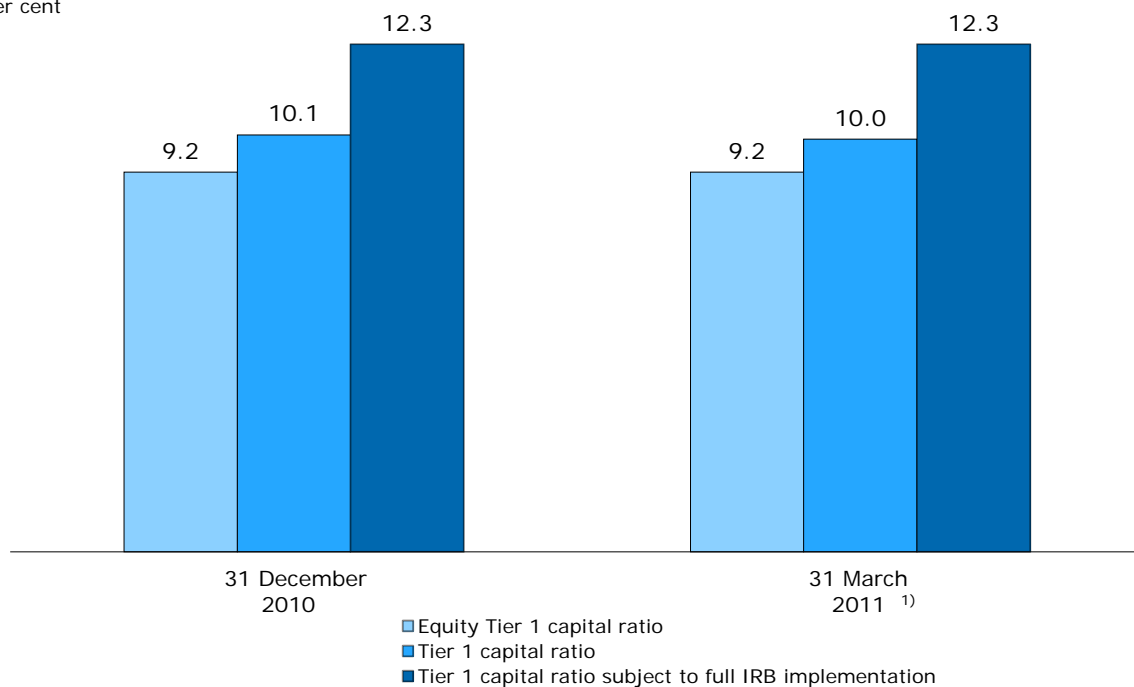
Primary capital	DnB NOR Bank ASA		DnB NOR Bank Group		DnB NOR Group	
	31 March 2011	31 Dec. 2010	31 March 2011	31 Dec. 2010	31 March 2011	31 Dec. 2010
<i>Amounts in NOK million</i>						
Share capital	17 514	17 514	17 514	17 514	16 251	16 232
Other equity	61 403	61 582	72 159	72 344	94 931	94 964
Total 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 unrealised 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.

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.

Tier 1 capital ratio

Per cent



1) Including 50 per cent of profit for the period

Basel II implementation - further progress

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

Portfolios	Reporting methods for credit risk in capital adequacy calculations	
	31 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 NOR, DnB NOR Luxembourg, Monchebank and various other portfolios	Standardised	Standardised

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

2) Reported according to the IRB category Retail, other exposures.

Financial results

Income statement

Amounts in NOK million						Full year	
	1Q11	4Q10	3Q10	2Q10	1Q10	2010	2009
Total interest income	14 902	15 168	14 803	13 896	13 041	56 909	58 363
Total interest expenses	8 884	9 015	8 825	8 152	7 480	33 473	35 730
Net interest income	6 018	6 153	5 978	5 744	5 561	23 436	22 633
Commissions and fees receivable etc.	2 314	2 420	2 367	2 311	2 162	9 261	8 724
Commissions and fees payable etc.	532	511	587	588	534	2 220	2 069
Net gains on financial instruments at fair value	662	1 684	225	1 754	1 298	4 961	6 286
Net gains on assets in Vital	3 481	6 404	4 156	754	3 760	15 074	13 462
Guaranteed returns and allocations to policyholders in Vital	2 972	5 879	3 324	944	3 353	13 500	12 712
Premium income etc. included in the risk result in Vital	1 226	1 242	1 164	1 173	1 142	4 721	4 705
Insurance claims etc. included in the risk result in Vital	1 234	1 248	1 195	1 226	1 308	4 977	4 613
Premium income non-life insurance	295	273	260	242	233	1 009	593
Insurance claims etc. non-life insurance	242	249	206	200	263	918	538
Profit from companies accounted for by the equity method	72	72	99	(52)	61	180	93
Other income	397	343	356	1 571	294	2 565	1 063
Net other operating income	3 467	4 553	3 315	4 795	3 493	16 156	14 994
Total income	9 485	10 706	9 294	10 538	9 054	39 592	37 627
Salaries and other personnel expenses	2 444	2 438	2 419	2 452	1 950	9 259	9 917
Other expenses	1 930	1 685	1 641	1 869	1 799	6 995	6 784
Depreciation and write-downs of fixed and intangible assets	419	487	421	983	366	2 256	2 210
Total operating expenses	4 793	4 610	4 482	5 304	4 115	18 511	18 911
Pre-tax operating profit before write-downs	4 692	6 096	4 812	5 234	4 940	21 081	18 717
Net gains on fixed and intangible assets	5	26	(11)	(1)	10	24	26
Write-downs on loans and guarantees	892	529	643	878	947	2 997	7 710
Pre-tax operating profit	3 805	5 593	4 157	4 355	4 002	18 108	11 032
Taxes	913	367	1 149	1 524	1 081	4 121	4 086
Profit from operations and non-current assets held for sale, after taxes	(41)	57	30	(8)	(4)	75	80
Profit for the period	2 851	5 284	3 038	2 823	2 917	14 062	7 026
Profit attributable to shareholders	2 851	5 349	3 084	3 264	3 117	14 814	8 585
Profit attributable to minority interests	0	(65)	(46)	(442)	(199)	(752)	(1 559)
Earnings/diluted earnings per share (NOK)	1.76	3.25	1.90	2.01	1.92	8.66	6.43
Earnings per share excluding operations held for sale (NOK)	1.78	3.22	1.88	2.02	1.92	8.62	6.37

Balance sheet

Amounts in NOK million	31 March 2011	31 Dec. 2010	30 Sept. 2010	30 June 2010	31 March 2010
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
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

Key figures

						Full year	
	1Q11	4Q10	3Q10	2Q10	1Q10	2010	2009
Interest rate analysis							
1 Combined weighted total average spread for lending and deposits (%)	1.13	1.17	1.16	1.15	1.12	1.15	1.15
2 Spread for ordinary lending to customers (%)	1.61	1.67	1.57	1.60	1.58	1.61	1.61
3 Spread for deposits from customers (%)	0.29	0.27	0.41	0.32	0.29	0.32	0.29
Rate of return/profitability							
4 Net other operating income, per cent of total income	36.6	42.5	35.7	45.5	38.6	40.8	39.8
5 Cost/income ratio (%)	50.5	43.1	48.2	50.3	49.5	47.6	48.1
6 Return on equity, annualised (%)	10.3	19.6	11.8	12.8	12.5	13.6	10.6
7 RARORAC, annualised (%)	20.4	27.8	19.1	17.6	18.4	19.0	17.2
8 RORAC, annualised (%)	17.3	48.2	19.1	20.5	19.8	25.2	12.6
9 Average equity including allocated dividend (NOK million)	112 785	107 173	103 920	102 011	100 066	103 292	81 236
10 Return on average risk-weighted volume, annualised (%)	1.12	2.00	1.11	1.05	0.74	1.17	0.83
Financial strength							
11 Tier 1 capital ratio at end of period (%)	9.8	10.1	9.2	9.0	9.3	10.1	9.3
12 Tier 1 capital ratio incl. 50 per cent of profit for the period (%)	10.0	-	9.7	9.3	9.4	-	-
13 Capital ratio at end of period (%)	11.8	12.4	11.7	11.6	12.1	12.4	12.1
14 Capital ratio incl. 50 per cent of profit for the period (%)	12.0	-	12.1	11.9	12.2	-	-
15 Tier 1 capital at end of period (NOK million)	102 349	103 368	98 529	99 491	98 166	103 368	98 208
16 Risk-weighted volume at end of period (NOK million)	1 039 491	1 028 404	1 066 639	1 104 417	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	0.33	0.27	0.35	0.48	0.36	0.53
18 Write-downs relative to average net lending to customers, annualised	0.31	0.18	0.22	0.31	0.34	0.26	0.67
19 Net non-performing and net doubtful commitments, per cent of net lending	1.56	1.55	1.77	1.81	1.88	1.55	1.71
20 Net non-performing and net doubtful commitments at end of period (NOK million)	18 922	18 409	20 824	21 365	21 813	18 409	19 127
Liquidity							
21 Ratio of customer deposits to net lending to customers at end of period (%)	57.8	54.8	52.6	53.9	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	509	496	481	483	509	468
23 Total combined assets at end of period (NOK billion)	2 380	2 141	2 134	2 253	2 103	2 141	2 076
24 Average total assets (NOK billion)	2 091	1 995	1 987	1 953	1 943	1 970	1 906
25 Customer savings at end of period (NOK billion)	1 199	1 151	1 103	1 103	1 069	1 151	1 059
Staff							
26 Number of full-time positions at end of period	13 027	13 021	13 140	13 125	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	1 628 799	1 628 799	1 628 799
28 Average number of shares (1 000)	1 628 799	1 628 799	1 628 799	1 628 799	1 628 799	1 628 799	1 335 838
29 Earnings per share (NOK)	1.76	3.25	1.90	2.01	1.92	8.66	6.43
30 Earnings per share excluding operations held for sale (NOK)	1.78	3.22	1.88	2.02	1.92	8.62	6.37
31 Dividend per share (NOK)	-	-	-	-	-	4.00	1.75
32 Total shareholder's return (%)	3.6	2.3	26.8	(4.6)	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	68.27	64.64	62.92	62.49	68.27	60.56
35 Share price at end of period (NOK)	84.85	81.90	80.05	63.15	67.90	81.90	62.75
36 Price/earnings ratio	11.91	6.36	10.64	7.83	8.83	9.50	9.85
37 Price/book value	1.21	1.20	1.24	1.00	1.09	1.20	1.04
38 Market capitalisation (NOK billion)	138.2	133.4	130.4	102.9	110.6	133.4	102.2

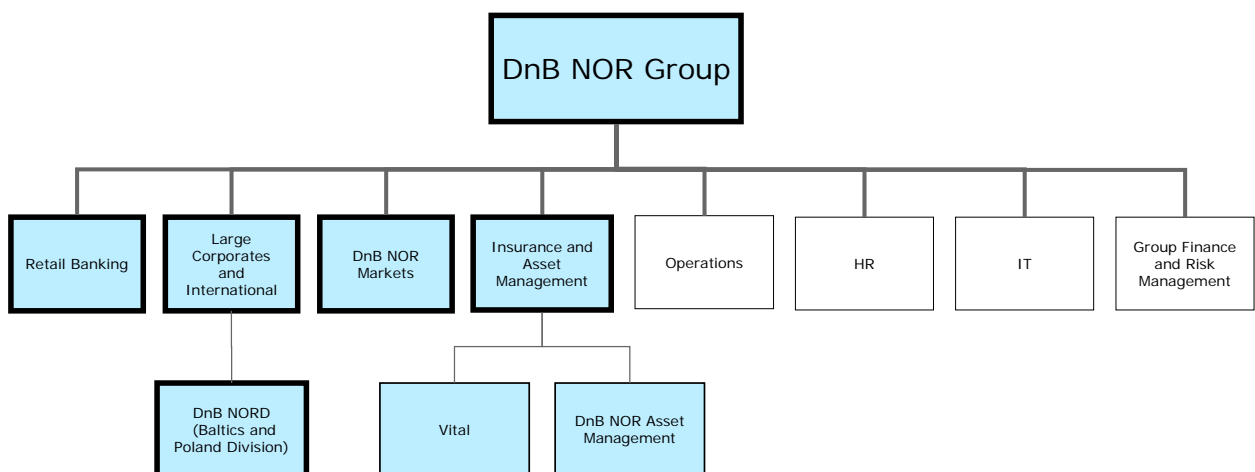
For definitions of selected key figures, see next page.

Definitions to key figures

- 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.

Section 3

Business areas



Business areas – financial performance

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

The income statement and balance sheet for the business areas have been prepared on the basis of internal financial reporting for the functional organisation of the DnB NOR Group into business areas. Figures for the business areas are based on DnB NOR's management model and the Group's accounting principles. Historical figures are restated in accordance with the current organisational structure and the Group's current principles for allocating costs and capital between business areas. The figures for business areas are based on a number of assumptions, estimates and discretionary distributions. Internal transfer rates used between the business areas are determined based on observable market rates, e.g. NIBOR. Additional costs relating to the Group's long-term funding are charged to the business areas. According to the Group's liquidity management policy, 90 per cent of lending is financed through stable deposits and long-term funding. The additional costs thus arising were charged to the business areas. In the management accounts, Retail Banking and Large Corporates and International are measured based on the business areas' ordinary operations. Volatile IFRS effects are not allocated to the business areas.

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

Internal pricing

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

Certain customers and transactions of major importance require extensive cooperation within the Group. To stimulate such cooperation, operating income and expenses relating to some of these customers and transactions are recorded in the accounts of all of the relevant business areas. This refers primarily to income from customer trading in DnB NOR Markets. With effect from 1 January 2010, the internal management reporting has been changed, whereby these double entries are presented gross in the income statement. Income is presented under "Income attributable to product suppliers", appurtenant costs under "Costs attributable to product suppliers" and write-downs under "Write-downs attributable to product suppliers". The net result of such transactions was previously included in other operating income. Double entries now also include income from Insurance and Asset Management. Figures for 2009 have been adjusted correspondingly. In the first quarter of 2011, net result from such transactions totalled NOK 426 million. Double entries are eliminated in the group accounts.

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

Changes in net interest income

<i>Amounts in NOK million</i>	1Q11	Change 4Q10-1Q11	Change 1Q10-1Q11
Net interest income	6 018	(135)	457
Retail Banking	3 610	(21)	178
Large Corporates and International	1 823	51	352
DnB NOR Markets	244	(15)	(47)
Insurance and Asset Management	10	(7)	(10)
DnB NORD	311	(45)	(26)
Other	20	(97)	10

Changes in net other operating income

<i>Amounts in NOK million</i>	1Q11	Change 4Q10-1Q11	Change 1Q10-1Q11
Net other operating income	3 467	(1 086)	(26)
Retail Banking	1 176	48	11
Large Corporates and International	785	(264)	175
DnB NOR Markets	1 400	236	378
Insurance and Asset Management	1 257	14	408
DnB NORD	174	55	(12)
Other	(1 325)	(1 174)	(985)

Changes in operating expenses

<i>Amounts in NOK million</i>	1Q11	Change 4Q10-1Q11	Change 1Q10-1Q11
Operating expenses	4 793	184	679
Retail Banking	2 706	30	19
Large Corporates and International	806	7	107
DnB NOR Markets	529	62	112
Insurance and Asset Management	601	(27)	30
DnB NORD	345	3	(3)
Other	(194)	109	413

Changes in write-downs on loans and guarantees

<i>Amounts in NOK million</i>	1Q11	Change 4Q10-1Q11	Change 1Q10-1Q11
Write-downs on loans and guarantees	892	363	(56)
Retail Banking	252	(110)	46
Large Corporates and International	387	197	135
DnB NORD, including collective write-downs on loans	213	(91)	(343)
Unallocated collective write-downs on loans ¹⁾	41	358	94
Other	(2)	9	12

1) With effect from January 2011, collective write-downs on loans are recorded in the accounts of the business areas.

Extracts from income statement

	Retail Banking		Large Corporates and International		DnB NOR Markets		Insurance and Asset Management		DnB NOR		Other operations/eliminations ¹⁾		DnB NOR Group	
	1Q11	1Q10	1Q11	1Q10	1Q11	1Q10	1Q11	1Q10	1Q11	1Q10	1Q11	1Q10	1Q11	1Q10
<i>Amounts in NOK million</i>														
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	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

1) Other operations/eliminations:

	Eliminations of income/cost attributable to product suppliers		Other eliminations		Group Centre ^{*)}		Total	
	1Q11	1Q10	1Q11	1Q10	1Q11	1Q10	1Q11	1Q10
<i>Amounts in NOK million</i>								
Net interest income - ordinary operations	0	0	(27)	(22)	476	387	449	365
Interest on allocated capital	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	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

	1Q11	1Q10
+ Interest on unallocated equity etc.	224	107
+ Income from equities investments	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.

Main average balance sheet items

	Retail Banking		Large Corporates and International		DnB NOR Markets		Insurance and Asset Management		DnB NOR		Other operations/ eliminations		DnB NOR Group	
	1Q11	1Q10	1Q11	1Q10	1Q11	1Q10	1Q11	1Q10	1Q11	1Q10	1Q11	1Q10	1Q11	1Q10
<i>Amounts in NOK billion</i>														
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

	Retail Banking		Large Corporates and International		DnB NOR Markets		Insurance and Asset Management		DnB NOR		Other operations		DnB NOR Group	
	1Q11	1Q10	1Q11	1Q10	1Q11	1Q10	1Q11	1Q10	1Q11	1Q10	1Q11	1Q10	1Q11	1Q10
<i>Per cent</i>														
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
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 and was NOK 256.2 billion as at 31 March 2011 and NOK 239.9 billion as at 31 March 2010.
- 3) The allocated capital and return on allocated capital are for the business areas calculated on the basis of internal measurement of risk-adjusted capital requirement. Recorded return on capital is used for the Group.
- 4) Total operating expenses relative to total income.
- 5) Deposits from customers relative to net lending to customers.

Market shares lending and deposits, Norwegian customers

Retail customers ¹⁾

<i>Per cent</i>	28 Feb. 2011	31 Dec. 2010	30 Sept. 2010	30 June 2010	31 March 2010
Total lending to households ²⁾	27.9	28.0	28.1	28.3	28.4
Bank deposits from households ³⁾	32.4	32.4	32.3	32.3	32.2

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

1) Based on nominal values.

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

3) Domestic commercial and savings banks.

Source: Norges Bank, DnB NOR

Corporate customers ^{1) 2)}

<i>Per cent</i>	28 Feb. 2011	31 Dec. 2010	30 Sept. 2010	30 June 2010	31 March 2010
Of total lending to corporate clients ³⁾	13.8	13.9	13.9	14.1	13.9
Of deposits from corporate clients ⁴⁾	35.3	35.3	34.6	35.5	35.2

<i>Per cent</i>	31 Dec. 2009	30 Sept. 2009	30 June 2009	31 March 2009	31 Dec. 2008
Of total lending to corporate clients ³⁾	14.0	14.5	14.9	14.4	15.2
Of deposits from corporate clients ⁴⁾	35.5	36.1	35.7	37.1	36.6

1) Based on nominal values.

2) Updated according to adjusted data from Norges Bank.

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

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

Source: Norges Bank, DnB NOR

Retail Banking

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

Retail Banking includes:

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

Customers/markets

- Serving 2.3 million private customers and 184 000 corporate customers, of which 823 000 customers have loans
- 1.4 million customers subscribe to loyalty programmes and product packages
- 1.4 million customers have agreed to receive notifications from the bank, such as account statements, via e-mail
- 19 million payment transactions were carried out through the Internet banks in the first quarter of 2011
- 1.6 million payment transactions were carried out through in-store postal and banking outlets in the first quarter of 2011
- 12 million SMS messages were received in the first quarter of 2011
- Brand names
 - DnB NOR
 - Postbanken ¹⁾
 - Nordlandsbanken
 - Cresco

1) During 2011 the operations under the brand name Postbanken will gradually be integrated with DnB NOR.

Organisation and distribution

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

- Branch offices: 202 DnB NOR and 15 Nordlandsbanken
- Investment Advisory Services for private customers: 41
- Investment Advisory Services for corporate customers: 54
- In-store postal and banking outlets: 2 246
- Postal offices: 179
- Internet and telephone
- Real estate outlets in Norway: 129
- Real estate outlets in Sweden: 222

DnB NOR Bank ASA and Norway Post have an agreement relating to the distribution of financial services through the postal network. The agreement is mainly based on transaction-specific prices and a common aim to increase the number of financial services distributed through the postal network. DnB NOR and Norway Post have established joint service solutions provided through in-store postal outlets where customers can carry out everyday banking transactions in their local supermarkets. The distribution of standard banking services through in-store banking outlets is based on an agreement between DnB NOR and NorgesGruppen.

Employees

At end-March 2011, the business area had a staff of 4 845 full-time positions, with 4 527 positions in Norway including 711 in Norwegian subsidiaries, and 177 in international units.

Cooperation with other group entities

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

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

Financial performance

Amounts in NOK million	1Q11	4Q10	3Q10	2Q10	1Q10	Full year	
						2010	2009
Net interest income - ordinary operations	3 473	3 497	3 369	3 452	3 325	13 643	14 425
Interest on allocated capital ¹⁾	138	134	135	120	108	497	500
Net interest income	3 610	3 631	3 504	3 572	3 432	14 139	14 925
Other operating income	887	781	956	910	854	3 501	3 324
Income attributable to product suppliers	289	347	265	340	310	1 263	1 336
Net other operating income	1 176	1 128	1 221	1 250	1 165	4 764	4 660
Total income	4 786	4 760	4 724	4 822	4 597	18 903	19 585
Other operating expenses	2 553	2 490	2 503	2 785	2 512	10 290	9 989
Cost attributable to product suppliers	153	187	126	187	176	675	770
Operating expenses	2 706	2 677	2 628	2 972	2 687	10 965	10 758
Pre-tax operating profit before write-downs	2 080	2 083	2 096	1 850	1 910	7 938	8 826
Net gains on fixed and intangible assets	1	5	0	1	0	6	1
Write-downs on loans and guarantees	252	362	372	284	207	1 225	1 586
Write-downs attributable to product suppliers	0	0	0	0	0	0	0
Pre-tax operating profit	1 828	1 725	1 725	1 566	1 703	6 719	7 241

Net lending to customers (NOK billion) ²⁾	763.3	750.1	740.8	732.7	727.0	737.7	708.5
Deposits from customers (NOK billion) ²⁾	389.2	387.7	383.6	370.3	368.4	377.6	370.6
Allocated capital (NOK billion) ³⁾	21.6	21.1	20.0	19.6	19.5	20.0	19.2
Cost/income ratio (%)	56.5	56.2	55.6	57.6	58.5	57.0	53.9
Ratio of deposits to lending (%)	51.0	51.7	51.8	50.5	50.7	51.2	52.3
Return on allocated capital, annualised (%) ³⁾	24.7	23.4	24.6	23.1	25.4	24.1	27.1

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

2) Average balances. 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.

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

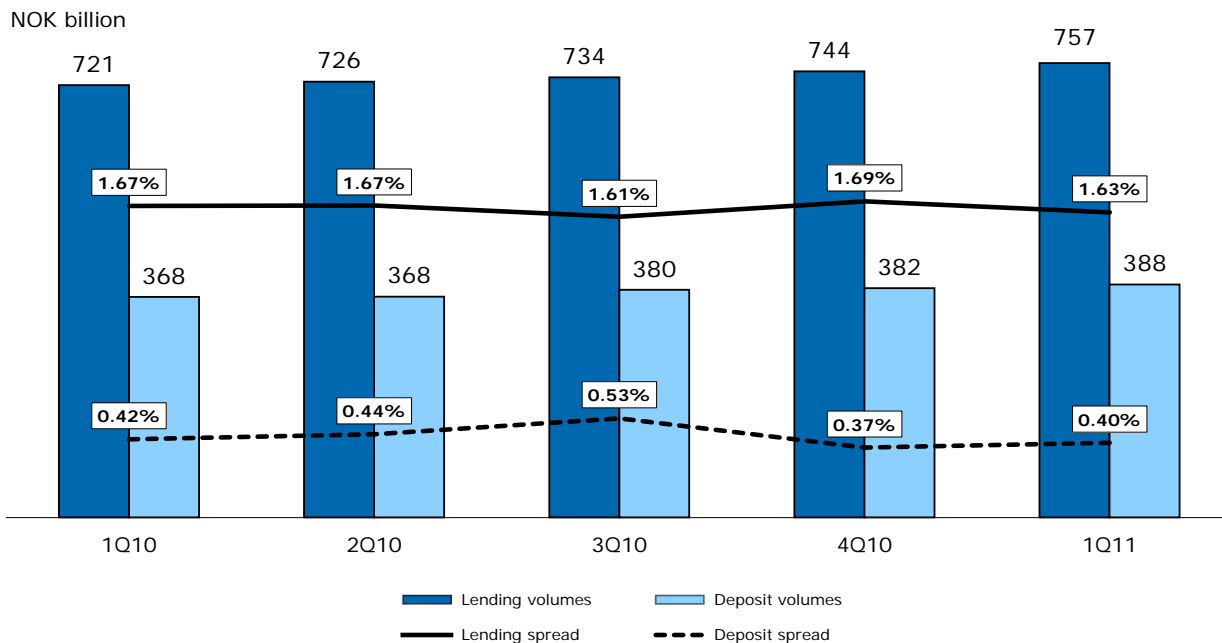
Net interest income

Amounts in NOK million	Average volumes			Spreads in per cent			Net interest income		
	1Q11	4Q10	1Q10	1Q11	4Q10	1Q10	1Q11	4Q10	1Q10
Lending to customers ^{1) 2)}	757 455	743 683	720 655	1.63	1.69	1.67	3 042	3 166	2 959
Deposits from customers ¹⁾	388 144	382 007	367 571	0.40	0.37	0.42	387	360	379
Allocated capital	21 622	21 070	19 542	2.58	2.53	2.24	138	134	108
Other							43	(28)	(13)
Total net interest income							3 610	3 631	3 432

1) Based on nominal values.

2) Excluding impaired loans.

Development in average volumes and interest spreads ¹⁾

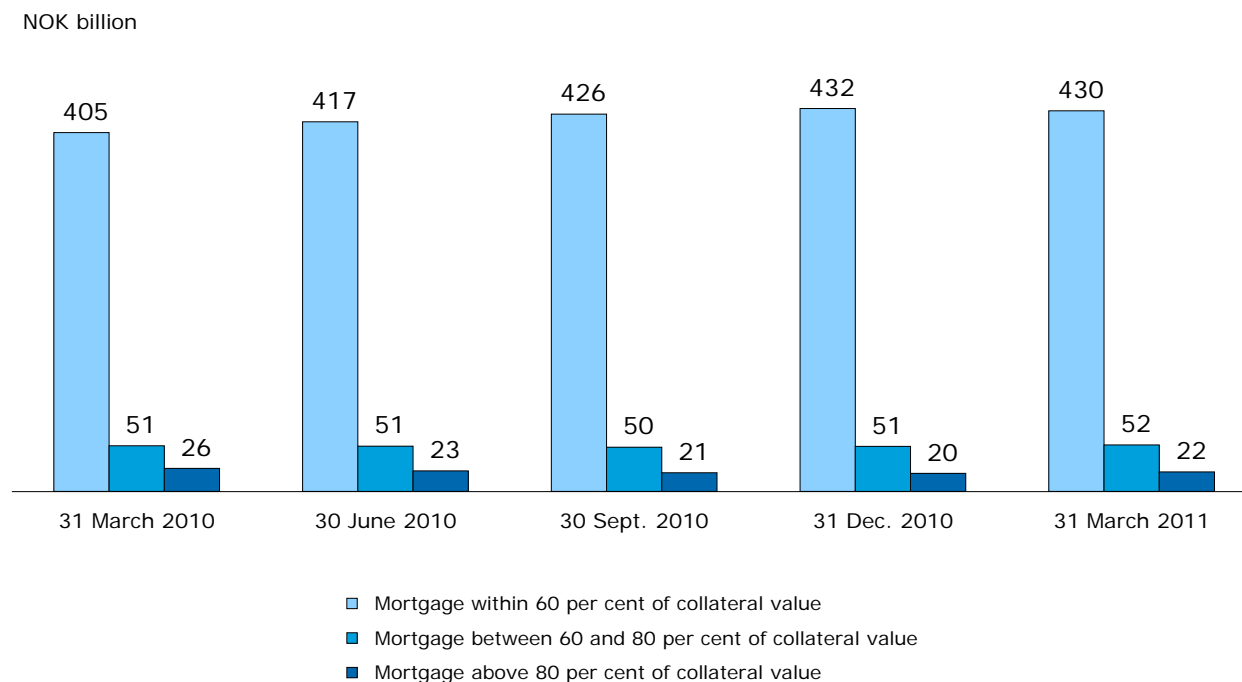


1) Lending to and deposits from customers. Nominal values, excluding impaired loans.

Residential mortgages

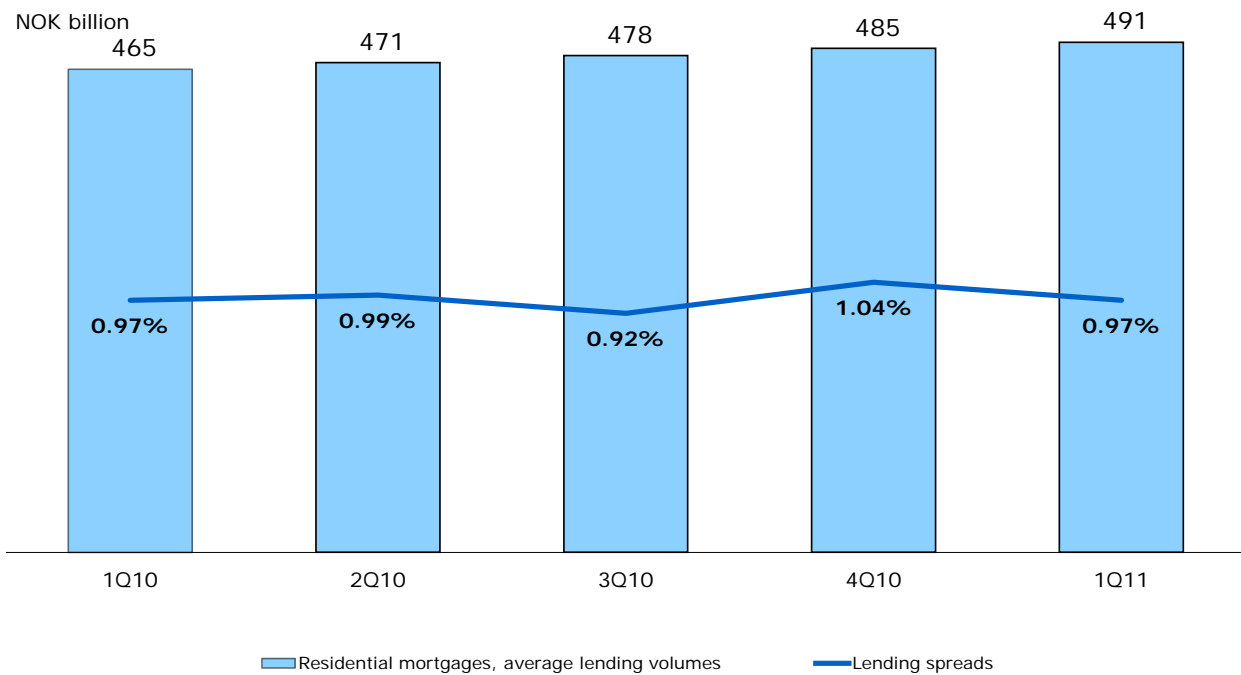
DnB NOR revised its strategy in the Swedish market in 2010 and discontinued the sale of housing loans carried in the bank's balance sheet. With effect from 28 March 2011 DnB NOR's housing loan portfolio of around NOK 6 billion was sold. The development from end-2010 to end-March 2011 reflects this sale.

Distribution of lending according to collateral value ¹⁾



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

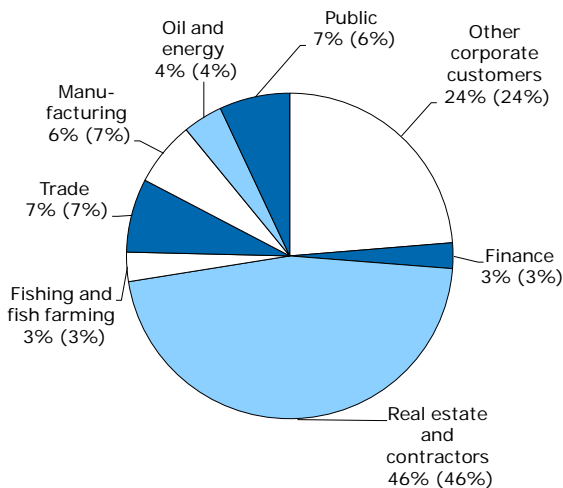
Average mortgage lending - volumes and spreads ¹⁾



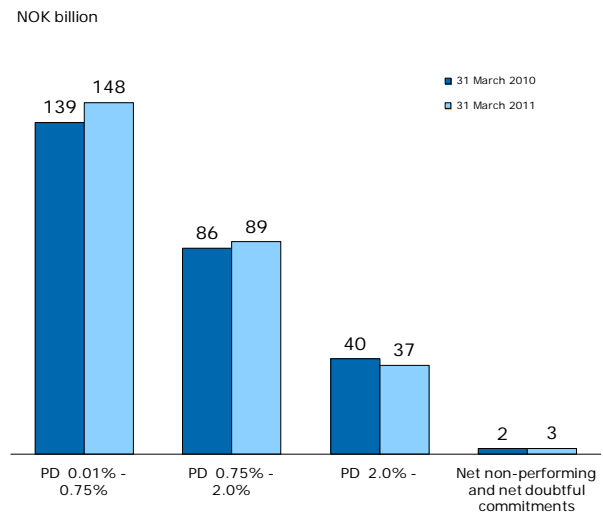
1) Residential mortgages to customers in Norway in the business area Retail Banking.

Corporate customers in Retail Banking

Exposure at default according to sector ¹⁾



Risk classification of portfolio ²⁾



1) Corporate customers. Figures as at 31 March 2011. Percentages as at 31 March 2010 in parentheses.

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

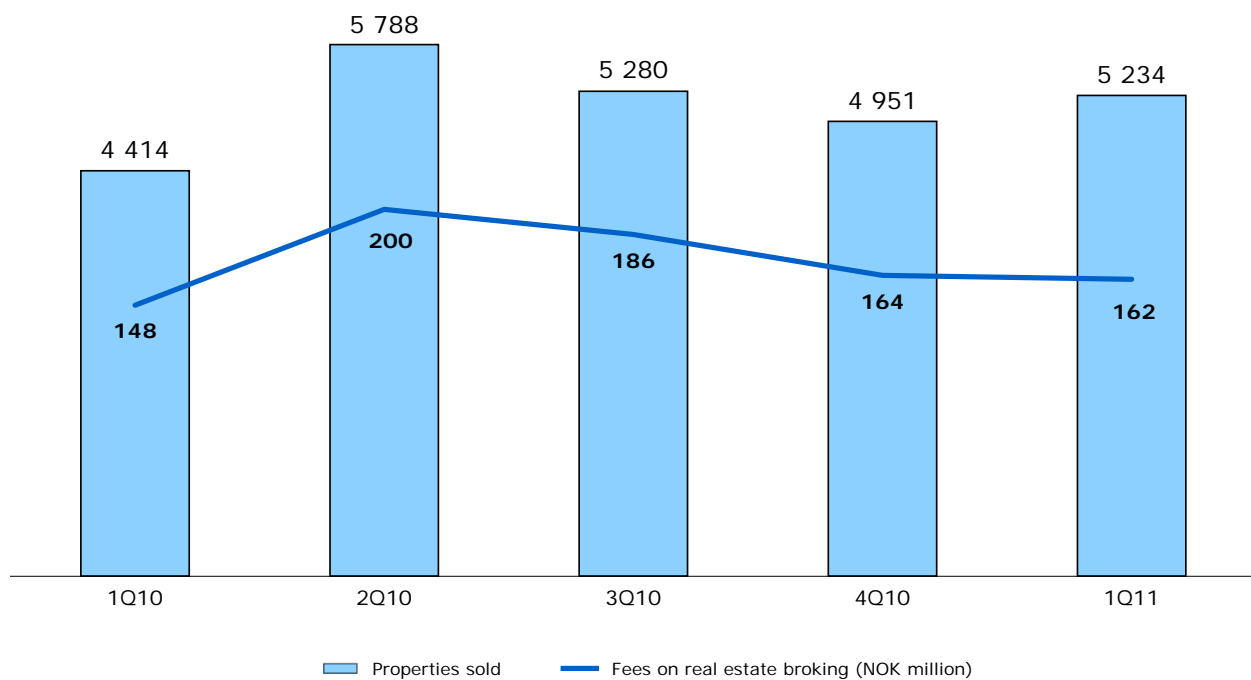
Residential real estate broking

DnB NOR's real estate broking activities are coordinated by DnB NOR Eiendom, a market leader within the real estate broking business in Norway. DnB NOR Eiendom had 94 outlets located in DnB NOR branches at end-March 2011. Postbanken Eiendom has established 35 real estate broking customer service centres.

After the acquisition of Svensk Fastighetsförmedling DnB NOR became the largest provider of real estate brokerage services in the Nordic region. Svensk Fastighetsförmedling had 222 outlets in Sweden at end-March.

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

Real estate broking in Norway



Properties sold and market shares ¹⁾

Properties sold	1Q11	4Q10	3Q10	2Q10	1Q10	Full year	
						2010	2009
DnB NOR Eiendom	4 034	3 867	4 155	4 610	3 534	16 166	15 413
Postbanken Eiendom	1 200	1 084	1 125	1 178	880	4 267	3 539
Total properties sold	5 234	4 951	5 280	5 788	4 414	20 433	18 952
Market shares, per cent ²⁾	19.5					18.6	18.7

1) Norwegian operations only.

2) Management's estimates.

DnB NOR Finans

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

Net lending to customers - average volumes

Amounts in NOK billion	1Q11	4Q10	3Q10	2Q10	1Q10	Full year	
						2010	2009
Motor vehicle finance, leasing and factoring	46.3	45.8	45.4	45.2	45.2	45.4	45.9
Consumer finance	16.0	12.4	11.3	13.0	14.4	12.8	13.5
Total net lending to customers	62.3	58.2	56.8	58.2	59.6	58.2	59.5

- There was a 16.6 per cent increase in new leasing and lending contracts in the first quarter of 2011 compared to the corresponding period in 2010.
- The value of processed factoring invoices was down 10.3 per cent.
- Consumer finance activities generated healthy profits in the first quarter of 2011.
- As at 31 March 2011, the entity had issued more than 1.9 million credit and charge cards

Business profile

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

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

Nordlandsbanken

Average volumes

Amounts in NOK billion	1Q11	4Q10	3Q10	2Q10	1Q10	Full year	
						2010	2009
Net lending to customers	36.6	36.0	35.2	34.5	34.1	34.9	33.2
Customer deposits	13.9	13.6	13.2	12.8	13.1	13.2	12.7

Business profile

Nordlandsbanken is a wholly owned subsidiary of DnB NOR ASA. Nordlandsbanken serves private customers, businesses and the public sector through 15 branches in Nordland county. Nordlandsbanken aim to be the leading bank in Nordland county for customers who seek local expertise.

Large Corporates and International

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

LCI is organised in four global industry divisions, four geographic divisions and two product and support divisions. The global industry divisions develop and maintain our industry strategies and serve our largest Norwegian corporates. The geographic divisions implement our industry strategies and serve our customers locally in their respective geographies.

The presentation of LCI is based on the global industry divisions including related activities in the geographical divisions. As from 2011 the presentation of the global industry divisions also includes the Northern Europe division. Figures for previous periods have been adjusted accordingly.

- Global business segment divisions
 - Nordic Corporates
 - International Corporates and Institutions
 - Energy
 - Shipping, Offshore and Logistics
- Geographical divisions
 - Americas
 - Central Europe, Middle East and Africa
 - Asia
 - Northern Europe
- Product and support divisions
 - Special and Structured Finance
 - Business Development and Cash Management

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

Employees

At end-March 2011, the business area had a staff of 1 107 full-time positions, with 465 positions in Norway and 642 in international units.

Financial performance

<i>Amounts in NOK million</i>	1Q11	4Q10	3Q10	2Q10	1Q10	Full year	
						2010	2009
Net interest income - ordinary operations	1 674	1 616	1 492	1 440	1 336	5 884	5 333
Interest on allocated capital ¹⁾	150	157	163	152	136	608	793
Net interest income	1 823	1 773	1 655	1 593	1 471	6 492	6 126
Other operating income	275	388	313	201	248	1 151	1 272
Income attributable to product suppliers	510	661	525	458	362	2 006	2 032
Net other operating income	785	1 049	838	659	610	3 157	3 304
Total income	2 608	2 822	2 493	2 252	2 082	9 649	9 430
Other operating expenses	588	533	528	521	548	2 130	1 877
Cost attributable to product suppliers	218	266	194	195	151	806	749
Operating expenses	806	799	721	716	699	2 935	2 627
Pre-tax operating profit before write-downs	1 802	2 023	1 772	1 536	1 383	6 713	6 803
Net gains on fixed and intangible assets	0	0	0	0	0	0	0
Write-downs on loans and guarantees	385	191	84	63	249	586	1 128
Write-downs attributable to product suppliers	2	(1)	1	0	3	3	6
Pre-tax operating profit	1 415	1 833	1 687	1 474	1 131	6 124	5 669

Net lending to customers (NOK billion) ²⁾	349.4	350.6	346.1	338.9	328.3	341.1	361.2
Deposits from customers (NOK billion) ²⁾	230.0	228.1	211.2	202.9	196.2	209.7	209.1
Allocated capital (NOK billion) ³⁾	23.5	24.6	24.0	24.9	24.5	24.5	30.3
Cost/income ratio (%)	30.9	28.3	28.9	31.8	33.6	30.4	27.9
Ratio of deposits to lending (%)	65.8	65.1	61.0	59.9	59.8	61.5	57.9
Return on allocated capital, annualised (%) ³⁾	17.6	21.3	20.1	17.1	13.5	18.0	13.5

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

2) Average balances. 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.

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

Average total volumes

<i>Amounts in NOK billion</i>	1Q11	4Q10	3Q10	2Q10	1Q10	Full year	
						2010	2009
Loans ¹⁾	349	351	346	339	328	341	361
Guarantees	57	59	61	62	60	61	68
Total loans and guarantees	406	410	407	401	388	402	429
Adjusted for exchange rate movements	406	403	397	392	387	395	405
Commercial paper during the period	8	11	13	12	11	48	31
Syndicated loans during the period ²⁾	7	2	3	0	0	5	0
Bond issues during the period	13	17	13	15	10	54	142

1) Average balances. Lending to customers includes accrued interest, write-downs and value adjustments. Lending to credit institutions are not included.

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

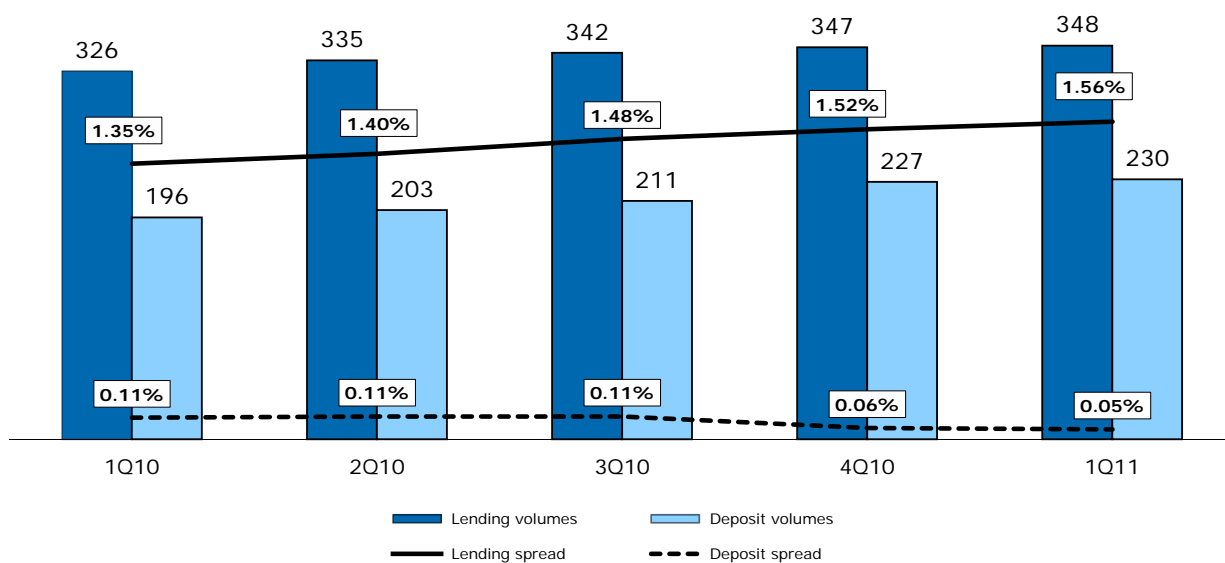
Net interest income

<i>Amounts in NOK million</i>	Average volumes			Spreads in per cent			Net interest income		
	1Q11	4Q10	1Q10	1Q11	4Q10	1Q10	1Q11	4Q10	1Q10
Lending to customers ¹⁾	347 993	346 510	325 638	1.56	1.52	1.35	1 341	1 330	1 087
Deposits from customers ¹⁾	229 695	227 500	196 018	0.05	0.06	0.11	30	33	52
Allocated capital	23 529	24 605	24 539	2.58	2.53	2.24	150	157	136
Other							303	253	197
Total net interest income							1 823	1 773	1 471

1) Based on nominal values excluding impaired loans.

Development in average volumes and interest spreads ¹⁾

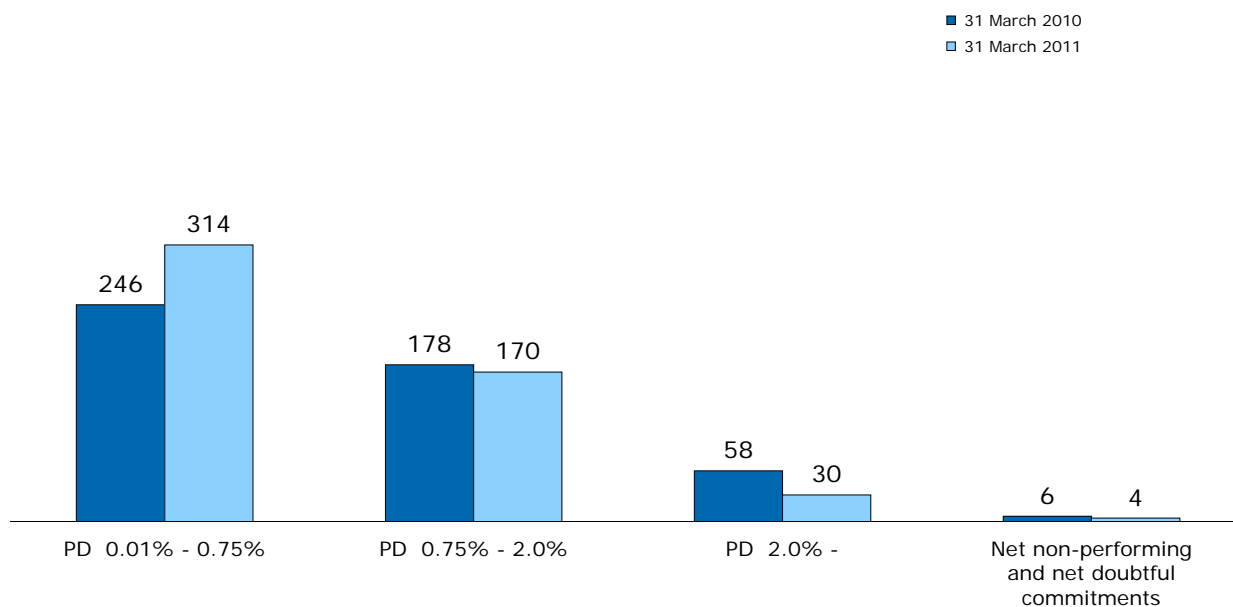
NOK billion



1) Lending to and deposits from customers. Nominal values, excluding impaired loans.

Risk classification of portfolio ¹⁾

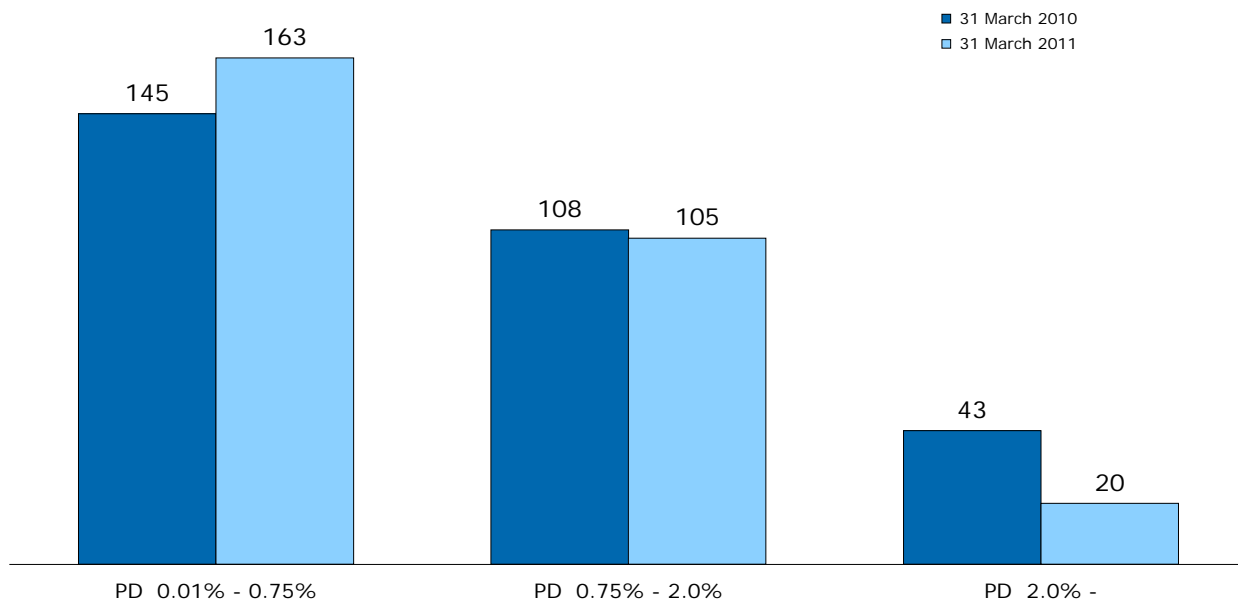
NOK billion



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

Risk classification of international portfolio ¹⁾

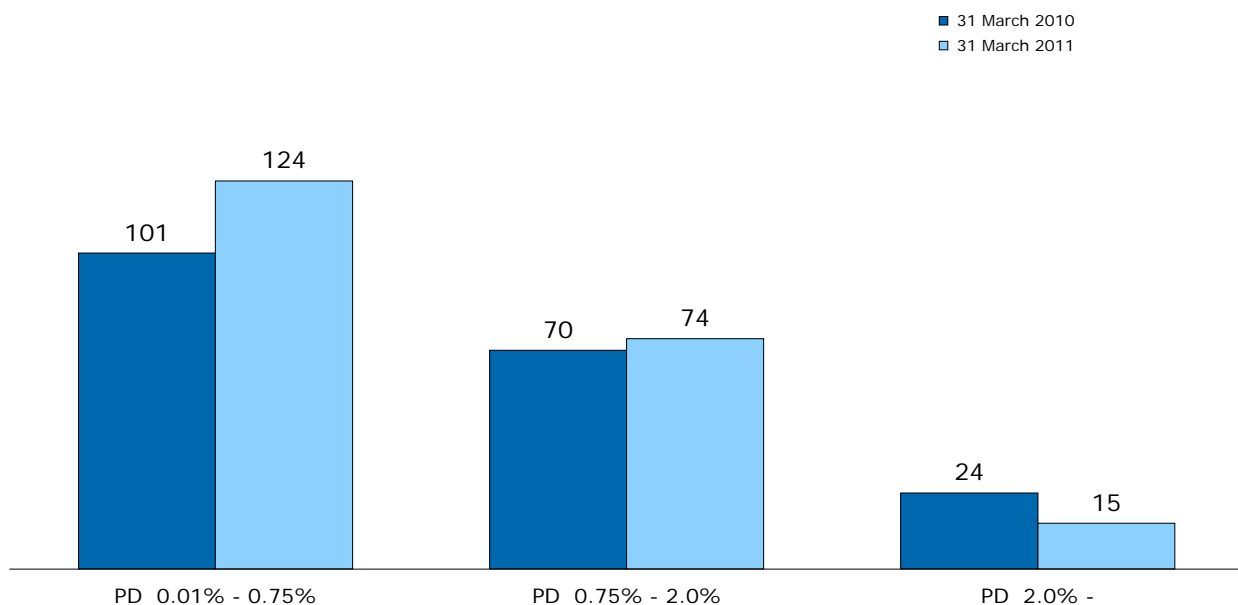
NOK billion



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

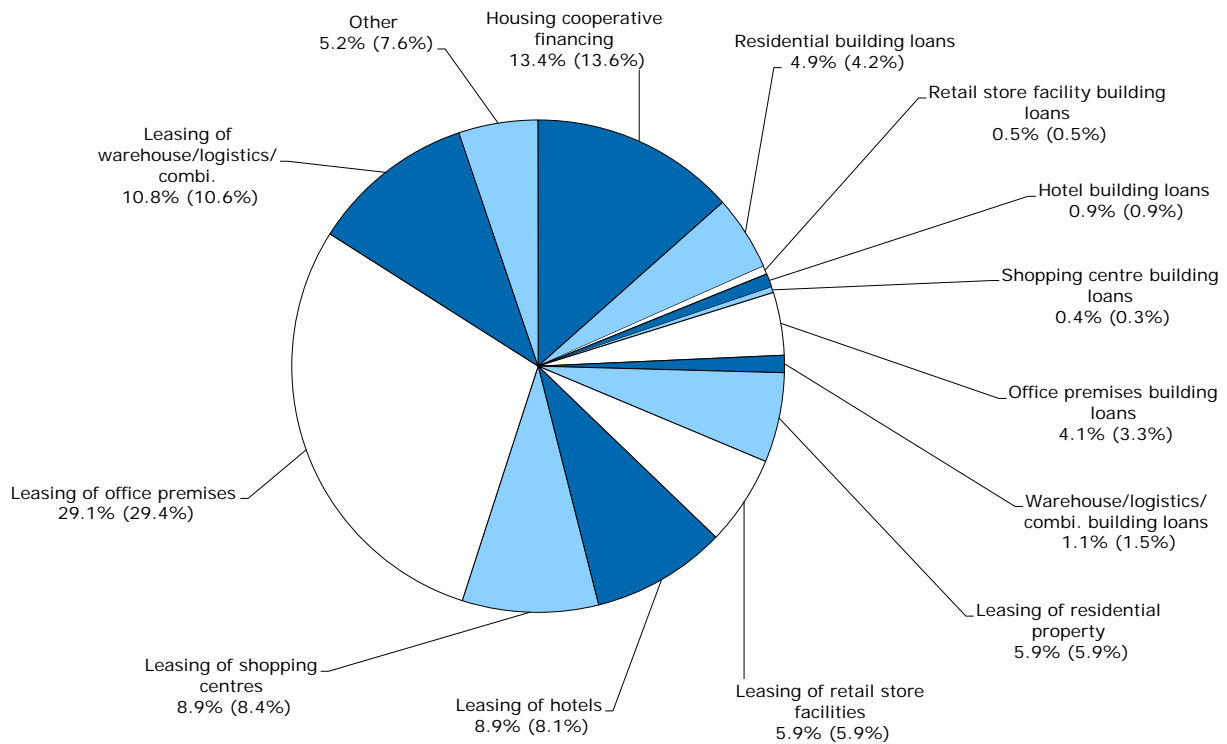
Risk classification of commercial property exposure ¹⁾

NOK billion

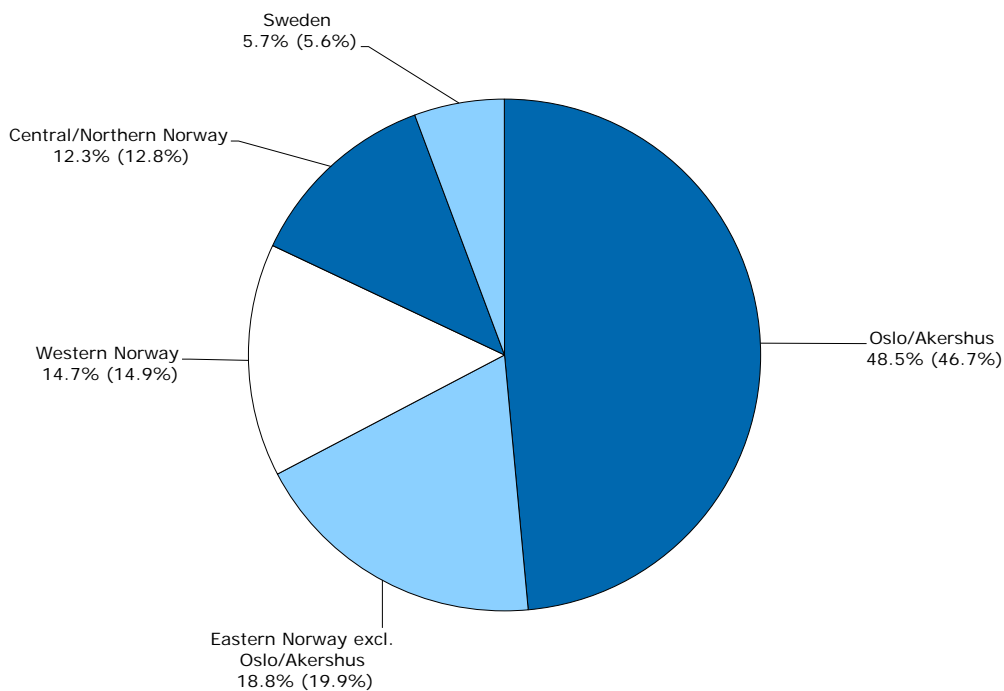


1) Based on DnB NOR's risk classification system. The volume represents the expected outstanding amount in the event of default.
 PD = probability of default

Commercial property exposure according to segment as at 31 March 2011



Geographic distribution of commercial property exposure as at 31 March 2011



Comparable figures as at 31 March 2010 in parentheses.

Nordic Corporate Division

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

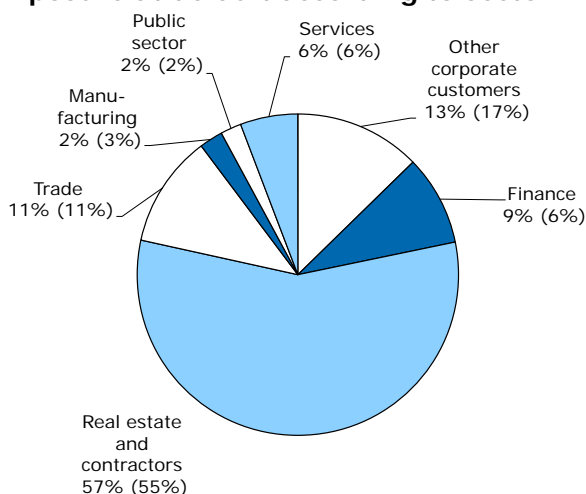
Average volumes

Amounts in NOK billion	1Q11	4Q10	3Q10	2Q10	1Q10	Full year	
						2010	2009
Net lending to customers ¹⁾	115	108	105	105	101	105	104
- Adjusted for exchange rate movements ¹⁾	115	108	104	104	101	104	100
Guarantees	14	14	13	14	14	14	14
Customer deposits ¹⁾	74	73	69	71	68	70	70

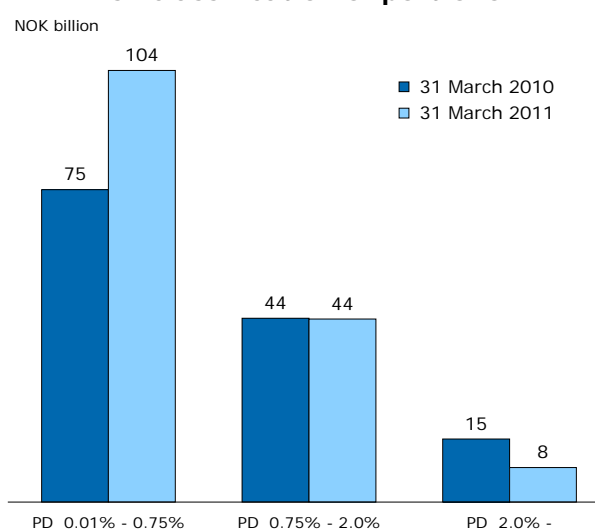
1) Based on nominal values.

Adjusted to include volumes previously reported under the Northern Europe division.

Exposure at default according to sector ¹⁾



Risk classification of portfolio ²⁾



1) Figures as at 31 March 2011. Percentages as at 31 March 2010 in parentheses.

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

Adjusted to include volumes previously reported under the Northern Europe division.

International Corporate and Institutions Division

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

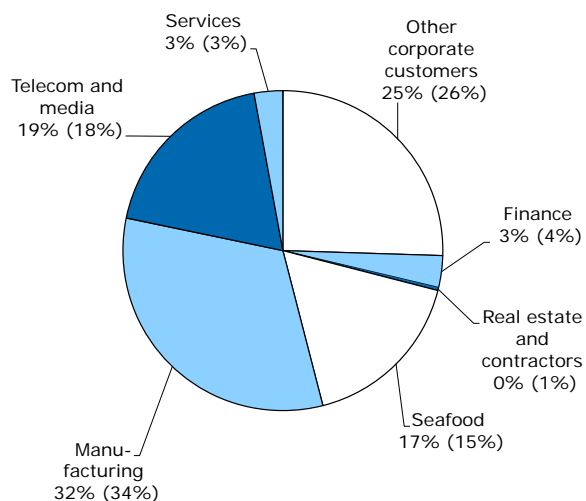
Average volumes

Amounts in NOK billion	1Q11	4Q10	3Q10	2Q10	1Q10	Full year	
						2010	2009
Net lending to customers ¹⁾	57	55	52	50	52	52	60
- Adjusted for exchange rate movements ¹⁾	57	54	51	50	52	52	57
Guarantees	8	11	11	11	12	11	14
Customer deposits ¹⁾	38	36	33	31	32	33	33

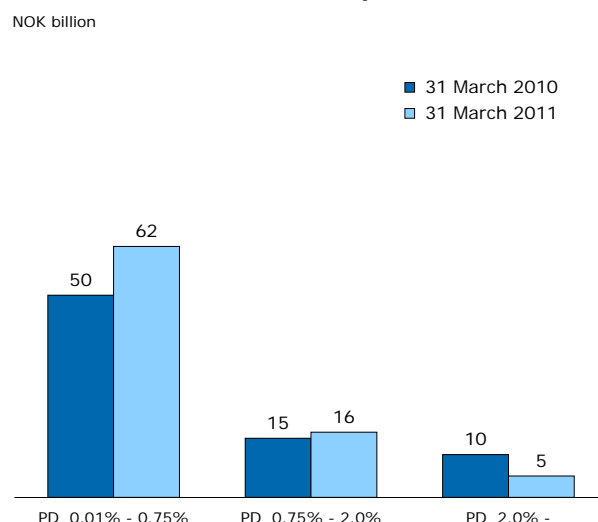
1) Based on nominal values.

Adjusted to include volumes previously reported under the Northern Europe division

Exposure at default according to sector ¹⁾



Risk classification of portfolio ²⁾



1) Figures as at 31 March 2011. Percentages as at 31 March 2010 in parentheses.

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

Adjusted to include volumes previously reported under the Northern Europe division

Energy Division

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

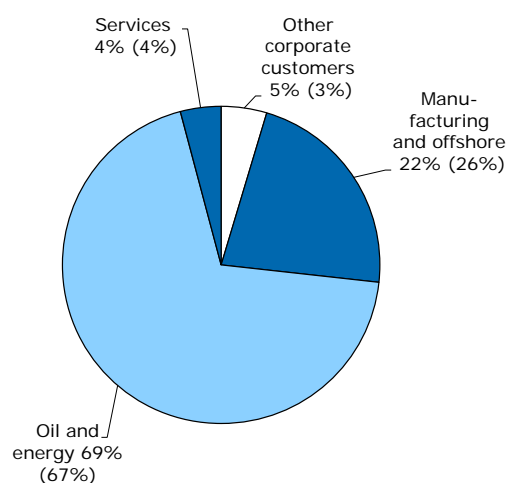
Average volumes

Amounts in NOK billion	1Q11	4Q10	3Q10	2Q10	1Q10	Full year	
						2010	2009
Net lending to customers ¹⁾	37	37	35	34	34	35	38
- Adjusted for exchange rate movements ¹⁾	37	37	34	33	34	34	35
Guarantees	23	23	23	23	22	23	25
Customer deposits ¹⁾	39	37	34	30	29	33	36

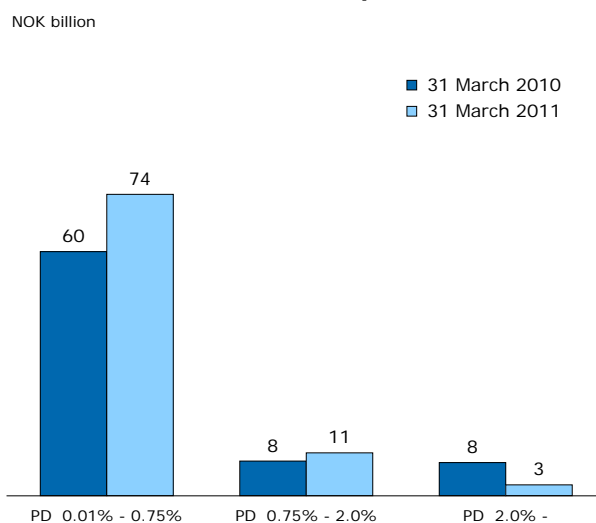
1) Based on nominal values.

Adjusted to include volumes previously reported under the Northern Europe division

Exposure at default according to sector ¹⁾



Risk classification of portfolio ²⁾



1) Figures as at 31 March 2011. Percentages as at 31 March 2010 in parentheses.

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

Adjusted to include volumes previously reported under the Northern Europe division

Shipping, Offshore and Logistics Division

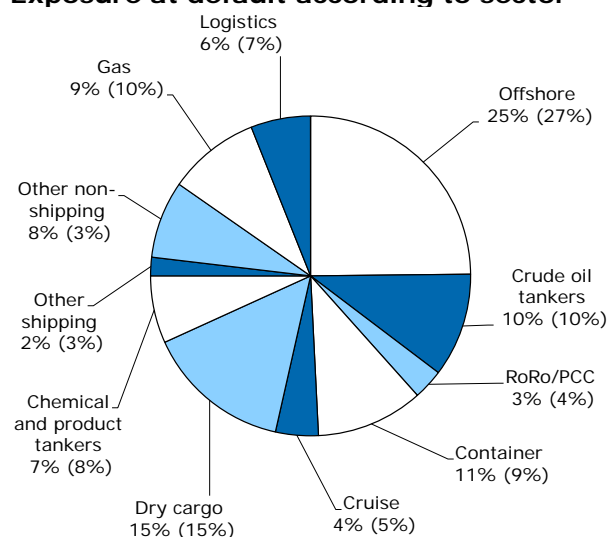
- The Shipping, Offshore and Logistics Division provides commercial and investment banking services to high-quality Norwegian and international shipping, offshore and logistics clients.
- The division aims to achieve satisfactory growth in risk-adjusted profitability by being one of the leading international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

Average volumes

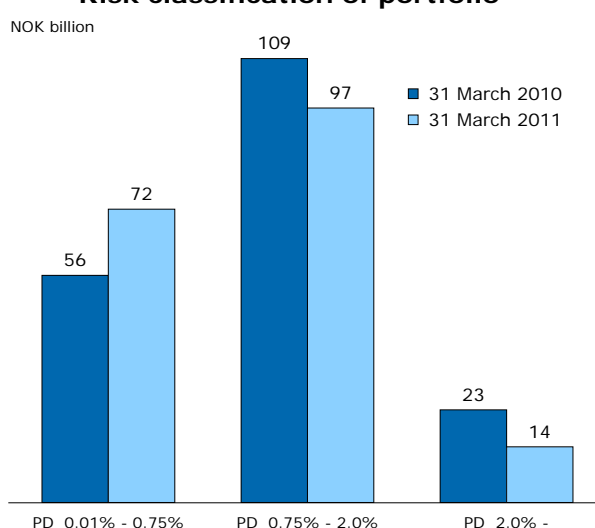
Amounts in NOK billion	1Q11	4Q10	3Q10	2Q10	1Q10	Full year	
						2010	2009
Net lending to customers ¹⁾	135	140	145	140	133	140	151
- Adjusted for exchange rate movements ¹⁾	135	135	136	132	131	134	135
Guarantees	10	11	11	12	10	11	11
Customer deposits ¹⁾	71	77	71	67	63	69	66

1) Based on nominal values.

Exposure at default according to sector ¹⁾



Risk classification of portfolio ²⁾



1) Figures as at 31 March 2011. Percentages as at 31 March 2010 in parentheses.

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

Portfolio

- DnB NOR has a diversified portfolio in the maritime sector, as shown above.
- Lessons are learned from previous downturns, and internal credit analysis has been based on low rate estimates.
- Clients within the dry bulk segment are mainly well-established operators with good contract coverage.
- The container portfolio is characterised by companies that are among the major operators and tonnage providers.
- Within the crude tanker portfolio, clients are mainly leading international tanker owners.
- After a very strong year in the container segment, we expect somewhat weaker market conditions in 2011. The dry bulk and tanker markets remain volatile, the supply/demand balance being an issue going forward.

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

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

Average volumes

<i>Amounts in NOK billion</i>	1Q11	4Q10	3Q10	2Q10	1Q10	Full year	
						2010	2009
Net lending to customers ¹⁾	0.5	0.5	0.5	0.6	0.6	0.5	0.6
Guarantees	-	-	-	-	-	-	-
Customer deposits ¹⁾	0.7	0.8	0.9	0.8	0.6	0.8	0.6

1) Based on nominal values.

DnB NOR Luxembourg

DnB NOR Luxembourg S.A. is a fully licensed bank with two business areas: Private banking and mortgage-financing of secondary homes outside Norway; target customer base is Norwegians living outside Norway and/or with international interests.

Average volumes

<i>Amounts in NOK billion</i>	1Q11	4Q10	3Q10	2Q10	1Q10	Full year	
						2010	2009
Net lending to customers ¹⁾	3.6	4.1	4.2	4.0	4.0	4.1	5.0
Guarantees	-	-	-	-	-	-	-
Customer deposits ¹⁾	2.7	1.9	1.6	1.5	1.3	1.6	1.4

1) Based on nominal values.

DnB NOR Markets

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

DnB NOR Markets comprises the following units:

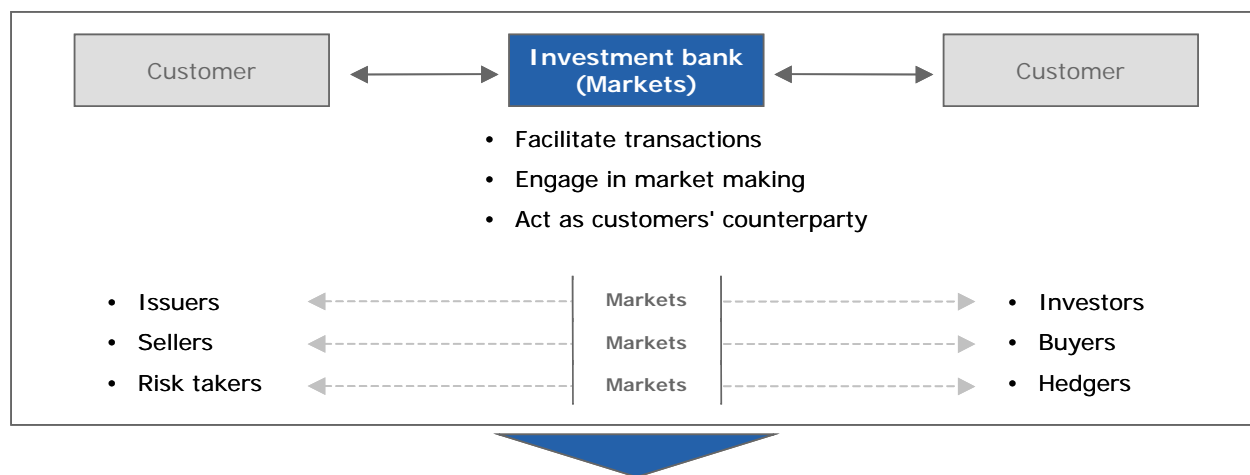
- Fixed Income/Currencies/Commodities
- Equities
- Investment Products
- Corporate Finance
- Securities Services

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

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

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

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



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

Products and services

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

Customers and market shares

- In spite of intensifying competition, DnB NOR Markets maintained its leading market position in Norway within foreign exchange and interest rate activities.
- Manager for the greatest number of Norwegian kroner bond and commercial paper issues in NOK in the domestic market in the first quarter of 2011 (Source: Stamdata, Bloomberg).
- The largest brokerage house on Oslo Børs with respect to equities and the largest within fixed income securities in the secondary market in the first quarter of 2011 (Source: Oslo Stock Exchange).
- Leading within domestic securities services (Source: Oslo Stock Exchange).
- 54.8 per cent of limited companies use DnB NOR Markets as registrar in the Norwegian Central Securities Depository (Source: Norwegian Central Securities Depository).
- Global Finance Magazine named DnB NOR 'Best Debt Bank' in the Nordic region.

Employees

DnB NOR Markets staff located in offices in Norway and abroad represents 677 full-time positions.

Financial performance

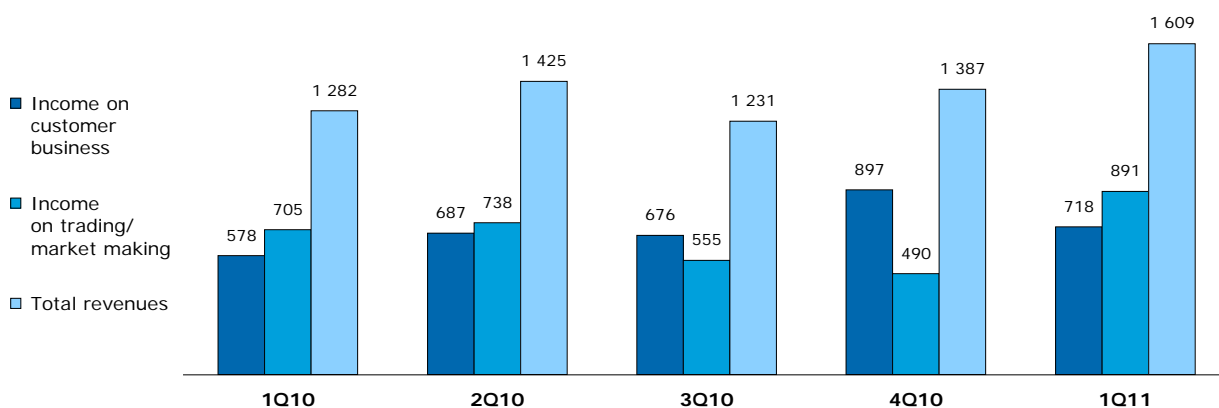
<i>Amounts in NOK million</i>	1Q11	4Q10	3Q10	2Q10	1Q10	Full year	
						2010	2009
Net interest income - ordinary operations	209	224	230	214	260	928	1 100
Interest on allocated capital ¹⁾	35	35	43	36	31	145	144
Net interest income	244	259	273	250	291	1 073	1 244
Net other operating income	1 400	1 164	1 002	1 211	1 022	4 398	5 999
Total income	1 644	1 422	1 274	1 462	1 313	5 471	7 243
Operating expenses	529	467	466	484	417	1 833	1 913
Pre-tax operating profit	1 115	955	808	978	896	3 638	5 331
Allocated capital (NOK billion) ²⁾	5.5	5.5	6.4	6.0	5.6	5.9	5.5
Cost/income ratio (%)	32.2	32.8	36.6	33.1	31.7	33.5	26.4
Return on allocated capital, annualised (%) ²⁾	59.2	49.6	36.2	47.4	47.0	44.8	69.8

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

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

Income distribution

NOK million



Total revenues	1 282	1 425	1 231	1 387	1 609
Interest on allocated capital	31	36	43	35	35
Total income	1 313	1 462	1 274	1 422	1 644

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

	1Q11	4Q10	3Q10	2Q10	1Q10
FX, interest rate and commodity derivatives	327	387	308	331	292
Investment products	123	85	101	99	114
Corporate finance	207	365	216	201	122
Securities services	61	60	51	57	50
Total customer revenues	718	897	676	687	578
Net income liquidity portfolio	279	291	292	265	304
Other market making/trading revenues	612	199	264	474	401
Total trading revenues	891	490	555	738	705
Interest income on allocated capital	35	35	43	36	31
Total income	1 644	1 422	1 274	1 462	1 313

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

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

Distribution and cooperation with other entities

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

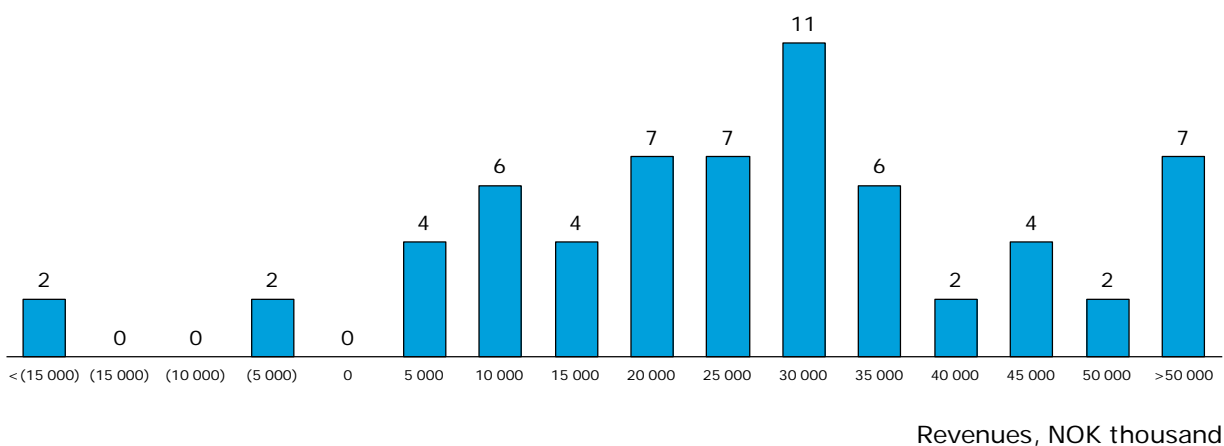
- Central units located in Oslo.
- International offices (Stockholm, London, New York, Singapore and Shanghai) and 13 regional offices in Norway.

Daily revenue statistics

<i>Amounts in NOK thousand</i>	First quarter		Full year	
	2011	2010	2010	2009
Minimum	(28 766)	(17 011)	(82 403)	(67 096)
Maximum	87 329	104 487	105 172	231 705
Average	25 218	20 353	21 164	27 411
Loss days	4	8	44	43
Gain days	60	55	216	216

Daily revenue distribution in the first quarter of 2011

Number of days



Total income

<i>Amounts in NOK million</i>	1Q11
Total daily revenues	1 609
Interest on allocated capital	35
Total income	1 644

Risk profile

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

Value-at-Risk ¹⁾

Market risk arises as a consequence of open positions in foreign exchange, interest rates and equities. The risk is linked to variations in financial results due to fluctuations in market prices or exchange rates. Value-at-risk decreased due to lower interest rate risk during the first quarter of 2011, i.e. due to higher volatility.

<i>Amounts in NOK thousand</i>	31 March 2011	First quarter 2011		
	Actual	Average	Maximum	Minimum
Currency risk	14 030	12 527	18 560	2 230
Interest rate risk	14 280	24 803	47 900	11 770
Equities	622	872	2 895	262
Diversification effects ²⁾	(8 780)	(6 636)		
Total	20 152	31 566		

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

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

Interest rate sensitivity

The value of financial investments recorded on and off the balance sheet is affected by interest rate movements. The table below shows potential losses for DnB NOR resulting from parallel one percentage point changes in all interest rates. The calculations are based on a hypothetical situation where interest rate movements in all currencies are unfavourable for DnB NOR relative to the Group's positions. Also, all interest rate movements within the same interval are assumed to be unfavourable for the Group. The calculations are based on the Group's positions as at 31 March 2011 and market rates at the same date.

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

<i>Amounts in NOK million</i>	Up to 1 month	From 1 month to 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	Total
Trading portfolio						
NOK	23	24	224	217	40	1
USD	2	114	4	22	3	140
EUR	4	24	15	6	59	40
GBP	9	1	1	2	1	6
Other currencies	17	17	17	20	13	42
Banking portfolio						
NOK	81	238	143	20	8	27
EUR	0	0	8	0	0	8
SEK	0	0	15	9	0	6
Total						
NOK	58	262	367	237	48	26
USD	9	11	4	0	3	22
EUR	4	24	22	6	59	47
GBP	9	1	1	2	1	6
SEK	0	0	15	9	0	6
Other currencies	17	17	17	20	13	42

Insurance and Asset Management

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

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

Financial performance

Insurance and Asset Management <i>Amounts in NOK million</i>	1Q11	4Q10	3Q10	2Q10	1Q10	Full year	
						2010	2009
Total income ¹⁾	1 267	1 260	1 565	508	869	4 201	3 582
Operating expenses	601	628	557	532	571	2 288	2 335
Pre-tax operating profit ^{*) **)}	666	632	1 008	(24)	298	1 913	1 247
Taxes	(226)	(663)	(54)	115	(30)	(630)	(144)
Operating profit	892	1 295	1 062	(140)	327	2 544	1 390
Assets under management (NOK billion) ²⁾	541	528	517	507	501	528	486
Allocated capital (NOK billion) ³⁾	15.0	14.2	13.9	13.6	12.9	13.7	9.1
Return on allocated capital, annualised (%) ³⁾	24.1	36.2	30.3	(4.1)	10.3	18.6	15.2
Cost/income ratio (%)	47.4	49.8	35.6	104.8	65.7	54.5	65.2
Number of full-time positions at end of period ^{***)}	1 055	1 047	1 055	1 062	1 059	1 047	1 054

*) of which Vital:

Pre-tax operating profit including interest on allocated capital	601	600	931	(90)	325	1 766	1 134
Difference between recorded equity and allocated capital	4	8	13	12	8	42	(23)
Recorded pre-tax operating profit	596	591	918	(102)	317	1 724	1 156

***) of which DnB NOR Asset Management:

Pre-tax operating profit	60	67	75	82	53	276	217
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***) of which:

Vital	735	726	732	730	745	726	738
DnB NOR Asset Management	216	218	217	224	222	218	223
DnB NOR Skadeforsikring	103	102	105	107	92	102	93

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

2) Assets at end of period.

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

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

Vital

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

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

Business model

Vital's products fall into three main categories:

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

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

		Reserves as at 31 March 2011 (NOK billion)
Fee - based with guarantee	Corporate sector - defined benefit	68
	Municipal sector - defined benefit	36
	Individual sector - defined benefit	6
Fee - based without guarantee	Unit linked - individual	11
	Defined contribution - corporate	13
	Risk products - individual/corporate	1
Profit sharing with guarantee	Paid-up policies (profit sharing 20/80) ¹⁾	54
	Previously established individual products (profit sharing 35/65) ²⁾	48
Corporate portfolio		17

1) The owner's share of the positive interest result and risk result is 20 and 50 per cent, respectively. The entire administration result accrues to the owner.

2) Previously established individual products are products sold prior to 1 January 2008, when new regulations for insurance companies entered into force. The owner's share of the positive result is 35 per cent.

Products

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

Organisation and markets

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

Employees

Vital gives priority to retaining and developing a high level of expertise within insurance products, management and other relevant areas of competence. At end-March 2011, Vital's staff included 735 permanent full-time positions and 94 temporary employees.

Financial performance

Amounts in NOK million	1Q11	4Q10	3Q10	2Q10	1Q10	Full year	
						2010	2009
Net result from equities	766	3 937	3 124	(3 019)	839	4 880	2 780
Net result from other asset classes ^{*)}	2 137	1 841	2 299	2 135	2 756	9 031	7 981
Value-adjusted financial result ^{1) 2)}	2 903	5 778	5 422	(884)	3 595	13 911	10 762
Guaranteed return on policyholders' funds	1 707	1 725	1 593	1 633	1 643	6 594	6 413
Financial result after guaranteed returns	1 197	4 053	3 829	(2 517)	1 953	7 317	4 349
+ From securities adjustment reserve	550	(831)	(1 759)	1 850	(544)	(1 284)	(1 306)
Recorded interest result before the application of/ (transfers to) additional allocations	1 747	3 222	2 070	(667)	1 408	6 033	3 043
Application of/(transfers to) additional allocations	0	(407)	(38)	38	-	(407)	(173)
Recorded interest result	1 747	2 815	2 031	(629)	1 408	5 626	2 870
Risk result ^{**)}	2	(9)	(22)	(46)	(166)	(242)	92
Administration result	(18)	(62)	(11)	8	(39)	(104)	(108)
Upfront pricing of risk and guaranteed rate of return	130	135	141	138	137	552	477
Transferred from security reserve	(10)	2	(9)	4	(11)	(14)	(36)
Allocations to policyholders, products with guaranteed returns	1 255	2 290	1 213	(423)	1 013	4 093	2 138
Net profit in Vital	596	591	918	(102)	317	1 724	1 156
Tax charge	(244)	(672)	(75)	97	(22)	(672)	(175)
Profit from Vital	840	1 263	993	(199)	339	2 396	1 331
Return on allocated capital, annualised ³⁾	25.1	38.9	31.3	(6.0)	11.9	19.5	16.0

*) Of which property revaluation ⁴⁾ 88 300 8 28 5 341 (887)

***) Of which provisions for higher life expectancy ⁵⁾ (96) (244) (243) (243) (243) (973) (177)

1) Before unrealised gains on long-term securities.

2) See table below. For developments in the asset mix and return on assets from products with guaranteed returns, see tables on pages 76 and 74.

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

4) Changes in the value of directly owned properties, Vital Eiendomsfond and properties owned through joint ventures. The total value of investment properties was NOK 36.0 billion as at 31 March 2011.

5) As Norwegian life insurance companies offer life-long pension payments, higher life expectancy in the population is one of many risk factors. Vital strengthened its reserves in 2009 and 2010 to reflect higher life expectancy for individual pension insurance. The remaining required increase in reserves is NOK 770 million, which will be covered in 2011 and 2012.

Result

<i>Amounts in NOK million</i>	1Q11	4Q10	3Q10	2Q10	1Q10	Full year	
						2010	2009
Upfront pricing of risk and guaranteed rate of return	130	135	141	138	137	552	477
Return on corporate portfolio	258	226	221	(51)	89	485	530
Total inadequate additional allocations ¹⁾	0	0	0	0	0	0	0
Total negative return ¹⁾	0	0	0	0	0	0	0
Owner's share of interest profit, common portfolio ^{2) 3)}	207	319	367	(185)	162	662	237
Owner's share of risk result, common portfolio ^{3) 4)}	21	(42)	134	(1)	(22)	69	40
Administration result, common portfolio + unit linked ⁵⁾	(36)	(54)	(22)	6	(35)	(104)	(102)
Risk result and interest profit, unit linked ⁶⁾	(10)	(1)	13	(2)	6	14	13
Risk products ⁷⁾	27	9	65	(7)	(20)	46	(38)
Pre-tax operating profit	596	591	918	(102)	317	1 724	1 156

- 1) The owner must cover any negative return on financial assets. If the return on financial assets is between nil and the guaranteed rate of return, the owner must cover the difference for contracts for which no or inadequate additional allocations have been made.
- 2) Including the owner's share of the interest result from paid-up policies and previously established individual products. The owner's share of the positive interest result from paid-up policies and previously established individual products is 20 and 35 per cent, respectively. Previously established individual products are products sold prior to 1 January 2008, when new regulations for insurance activity entered into force.
- 3) 35 per cent of the increase in reserves to cover higher life expectancy within individual annuity and pension insurance will be charged to the owner. This charge is included under 'Owner's share of risk result'. If there is a negative result within individual annuity and pension insurance, the owner has been required to cover more than 35 per cent of the increase in reserves. Charges in excess of 35 per cent will be included under 'Owner's share of interest result'.
- 4) For parts of the common portfolio, including paid-up policies, 50 per cent of the positive risk result may be allocated to the risk equalisation fund. The positive risk result for previously established individual products will be allocated to the owner according to the profit sharing model, i.e. by 35 per cent. A negative result will be charged to the owner.
- 5) The administration result from the low, moderate and high-risk portfolios and from paid-up policies will be allocated to the owner. If the overall result for previously established individual products shows a profit, the administration result will be divided between policyholders and the owner (65/35). A negative result will be charged to the owner.
- 6) The risk result and interest result from unit linked products was previously shown under Administration result, common portfolio + unit linked. Figures for previous periods have been restated accordingly.
- 7) Includes employer's liability insurance and group life insurance.

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

<i>Amounts in NOK million</i>	1Q11	Full year				
		2010	2009	2008	2007	2006
Tax charge	(244)	(672)	(175)	427	(2 074)	(771)

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

Value-adjusted return on assets

Per cent	1Q11	4Q10	3Q10	2Q10	1Q10	Full year	
						2010	2009
Return - common portfolio ¹⁾							
Financial assets							
Norwegian equities	0.6	18.1	13.8	(13.5)	2.1	18.6	72.2
International equities ²⁾	2.6	8.7	10.4	(10.7)	3.7	10.7	35.7
Norwegian bonds	(0.2)	(0.3)	1.4	2.3	2.5	6.0	5.2
International bonds	0.1	(2.1)	3.7	3.0	2.6	7.2	6.4
Money market instruments	0.7	0.7	0.8	0.6	0.7	2.8	3.2
Bonds held to maturity	1.2	1.3	1.2	1.3	1.2	5.0	4.8
Investment property	1.5	2.2	1.3	1.5	1.3	6.3	2.5
Value-adjusted return on assets I ³⁾	1.3	2.7	2.6	(0.4)	1.8	6.8	5.4
Value-adjusted return on assets II ⁴⁾	0.8	1.9	2.8	(0.1)	2.1	6.9	5.7
Recorded return on assets ^{5) *)}	1.5	2.3	1.7	0.5	1.5	6.2	4.7
Value-adjusted return on assets I, annualised ³⁾	5.2	11.4	10.9	(1.6)	7.4	6.8	5.4
Value-adjusted return on assets II, annualised ⁴⁾	3.1	8.1	11.7	(0.2)	8.7	6.9	5.7
Return - corporate portfolio							
Value-adjusted return on assets I ³⁾	1.8	2.0	1.9	(0.2)	0.9	4.7	5.1

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

Previously established individual products	1.7	2.3	1.9	0.4	1.5	6.3	4.7
Paid-up policies	1.5	2.4	1.6	0.8	1.5	6.4	4.3
Common portfolio with low risk	1.1	1.8	1.0	1.3	1.4	5.5	4.2
Common portfolio with moderate risk	1.4	2.2	1.6	0.5	1.6	6.0	4.8
Common portfolio with high risk	1.6	2.7	2.3	(0.4)	1.7	6.5	5.8
Recorded return on assets	1.5	2.3	1.7	0.5	1.5	6.2	4.7

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

Key figures per sub-portfolio as at 31 March 2011

Per cent	Corporate portfolio	Common portfolio					
		Total common portfolio	Advance pricing of guaranteed rate of return			Profit sharing	
			Common portfolio with low risk	Common portfolio with moderate risk	Common portfolio with high risk	Paid-up policies	Previously established individual products
Recorded return on assets	1.8	1.5	1.1	1.4	1.6	1.5	1.7
Value-adjusted return on assets	1.8	1.3	0.8	1.2	1.3	1.3	1.4
Asset class breakdown:							
- Equity exposure ¹⁾	16.7	19.2	12.9	17.1	21.9	19.0	22.6
- Money market instruments	71.5	14.4	20.6	16.4	11.6	14.5	10.9

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

Premium income

Amounts in NOK million	1Q11	4Q10	3Q10	2Q10	1Q10	Full year	
						2010	2009
Total premiums due ^{1) 2)}	6 813	2 847	4 119	2 562	6 599	16 126	16 090
Inflow of reserves	3 044	457	849	178	2 269	3 753	3 368
Outflow of reserves	725	563	753	607	1 248	3 171	3 933
Net premiums paid	9 131	2 741	4 215	2 132	7 619	16 708	15 526
Outflow of reserves	725	563	753	607	1 248	3 171	3 933
Total premium income	9 856	3 304	4 968	2 739	8 868	19 879	19 459
1) Of which group pensions - defined benefit	4 669	1 156	2 666	876	4 485	9 184	8 994
2) Of which group pensions - defined contribution	784	696	680	646	673	2 695	2 625

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

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

	1Q11	4Q10	3Q10	2Q10	1Q10	Full year	
						2010	2009
<u>DnB NOR Group:</u>							
Net gains on assets in Vital	3 473	6 414	4 152	755	3 748	15 068	13 464
Guaranteed returns and allocations to policyholders in Vital	2 972	5 879	3 324	944	3 353	13 500	12 712
Premium income etc. included in the risk result in Vital	1 226	1 242	1 164	1 173	1 142	4 721	4 705
Insurance claims etc. included in the risk result in Vital	1 234	1 248	1 195	1 226	1 308	4 977	4 613
Net financial and risk result in Vital	493	528	797	(242)	229	1 313	844
<u>Vital:</u>							
Recorded interest result	1 747	2 815	2 031	(629)	1 408	5 626	2 870
Allocations to policyholders, products with guaranteed returns	1 255	2 290	1 213	(423)	1 013	4 093	2 138
Risk result	2	(9)	(22)	(46)	(166)	(242)	92
Transferred from security reserve	(10)	2	(9)	4	(11)	(14)	(36)
+ Costs from subsidiaries which are fully consolidated in Vital's accounts	10	10	10	7	10	36	55
Net financial and risk result in Vital	493	528	797	(242)	229	1 313	844

<u>DnB NOR Group:</u>							
Commissions and fees receivable	579	585	579	584	556	2 303	2 209
Commissions and fees payable	79	90	87	88	93	358	336
Other income	8	0	0	0	0	0	0
Operating expenses	405	431	371	357	376	1 534	1 561
Administration result including profit for risk and guaranteed rate of return	103	63	121	139	88	411	313
<u>Vital:</u>							
Upfront pricing of risk and guaranteed rate of return	130	135	141	138	137	552	477
Administration result	(18)	(62)	(11)	8	(39)	(104)	(108)
- Costs from subsidiaries which are fully consolidated in Vital's accounts	10	10	10	7	10	36	55
Administration result including profit for risk and guaranteed rate of return	103	63	121	139	88	411	313

Balance sheets ¹⁾

Amounts in NOK million	31 March 2011	31 Dec. 2010	30 Sept. 2010	30 June 2010	31 March 2010
Lending to and deposits with credit institutions	3 624	4 730	5 932	13 609	4 997
Lending to customers	1 345	2 833	2 980	3 285	3 157
Commercial paper and bonds	53 235	46 574	54 812	53 238	54 013
Shareholdings	61 301	60 443	51 864	49 175	49 970
Financial assets, customers bearing the risk	23 875	23 506	21 903	21 149	21 193
Financial derivatives	1 943	2 445	2 245	1 139	1 879
Commercial paper and bonds, held to maturity	69 708	68 038	67 853	66 707	67 622
Investment property	36 034	35 961	33 784	33 327	33 000
Investments in associated companies	16	16	17	17	17
Intangible assets	253	256	262	287	289
Deferred tax assets	873	629	52	15	74
Fixed assets	19	21	27	31	32
Other assets	3 942	1 654	3 114	2 769	3 672
Total assets	256 169	247 107	244 844	244 745	239 915
Financial derivatives	752	1 299	1 347	2 214	1 667
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
Payable taxes	27	27	16	51	654
Other liabilities	2 783	1 591	5 477	10 152	2 599
Pension commitments	224	224	222	222	227
Subordinated loan capital	2 481	2 497	2 503	2 545	2 522
Total liabilities	242 915	234 693	233 694	234 588	229 559
Share capital	1 321	1 321	1 321	1 321	1 321
Share premium reserve	1 175	1 175	1 175	1 175	1 175
Other equity	10 758	9 918	8 654	7 661	7 861
Total equity	13 254	12 413	11 150	10 157	10 356
Total liabilities and equity	256 169	247 107	244 844	244 745	239 915

*) Of which group pensions - defined contribution

**) Of which group pensions - defined benefit

12 791

11 941

10 744

9 754

9 337

156 335

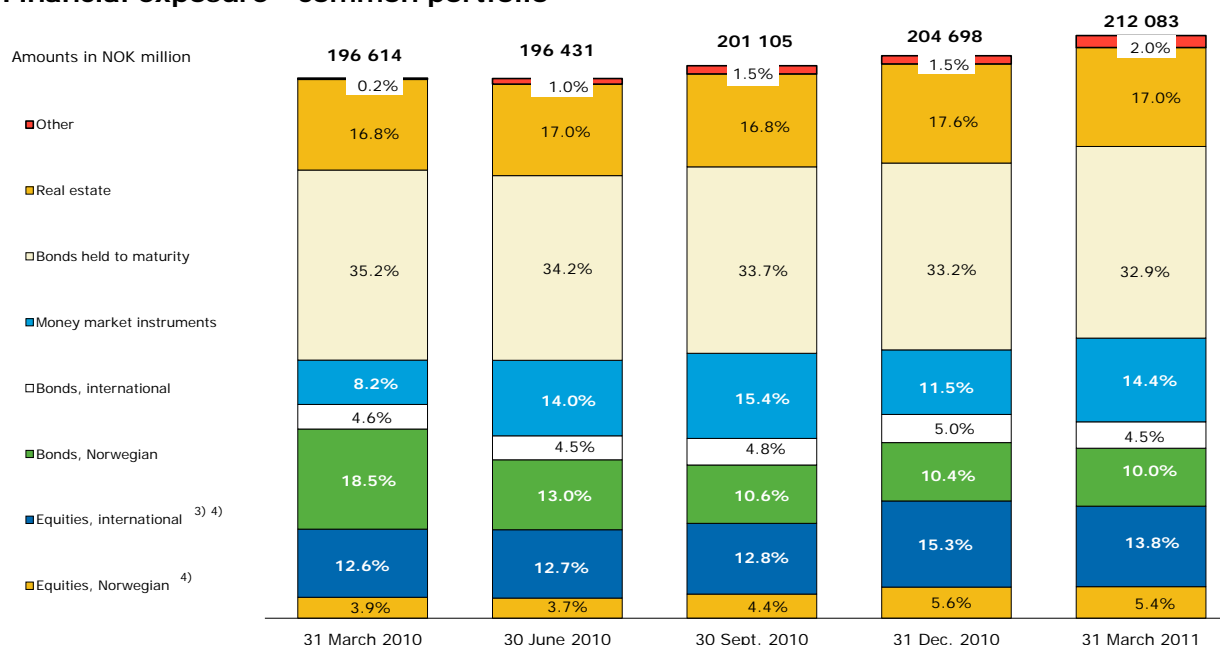
149 231

147 226

143 466

141 546

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

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

1) The figures represent net exposure after derivative contracts.

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

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

4) Equity exposure per sub-portfolio in the common portfolio, see table on page 74.

Market shares in Norway

<i>Per cent</i>	31 Dec. 2010	31 March 2010
Of insurance funds including products with a choice of investment profile	29.6	30.3
- Corporate market	40.6	41.5
- Public market	9.8	9.6
- Retail market	52.2	53.0

Source: Finance Norway (FNO)

Cooperation with other group entities

- By taking advantage of the strength of the DnB NOR Group's total distribution network, Vital is well positioned to enjoy continued market growth.
- In the first quarter of 2011, other business areas accounted for 42.4 per cent of the sales of Vital's products in the retail market, compared with 43.0 per cent in the corresponding period of 2010.

Solvency capital ^{1) 2)}

<i>Amounts in NOK million</i>	31 March 2011	31 Dec. 2010	30 Sept. 2010	30 June 2010	31 March 2010
Interim profit, accumulated	1 851	0	2 936	805	1 330
Securities adjustment reserve	2 041	2 591	1 760	0	1 851
Additional allocations	5 574	5 694	5 271	5 248	5 423
Security reserve	168	158	160	153	155
Equity	12 414	12 414	10 018	10 018	10 018
Subordinated loan capital and perpetual subordinated loan capital securities	2 476	2 492	2 498	2 541	2 508
Unrealised gains on long-term securities	51	1 100	2 597	2 196	1 489
Solvency capital	24 575	24 448	25 239	20 961	22 772
Buffer capital ³⁾	10 512	11 172	8 362	8 521	8 742

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

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

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

Capital adequacy and solvency margin capital ¹⁾

<i>Amounts in NOK million</i>	31 March 2011	31 Dec. 2010	30 Sept. 2010	30 June 2010	31 March 2010
Capital adequacy ²⁾					
Total eligible primary capital	12 324	12 552	10 969	11 030	11 092
Capital adequacy ratio (%)	10.3	11.0	10.1	10.3	10.7
Core capital	10 938	10 980	9 333	9 344	9 440
Core capital (%)	9.1	9.7	8.6	8.7	9.1
Risk-weighted assets	119 926	113 607	109 058	107 063	104 005
Solvency margin capital ³⁾					
Solvency margin capital	15 517	15 800	13 808	13 876	14 007
Solvency margin capital exceeding minimum requirement	6 325	6 962	5 041	5 204	5 452
Solvency margin capital in per cent of solvency margin capital requirement (%)	169	179	158	160	164

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

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

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

DnB NOR Asset Management

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

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

Products and services

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

Organisation

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

Employees

DnB NOR Asset Management totalled 216 full-time positions at the end of the quarter.

Financial performance

<i>Amounts in NOK million</i>	1Q11	4Q10	3Q10	2Q10	1Q10	Full year	
						2010	2009
Net interest income - ordinary operations	(9)	(5)	(1)	1	1	(3)	(14)
Interest on allocated capital ¹⁾	3	3	3	3	3	13	17
Net interest income	(5)	(1)	2	5	4	10	3
Net commission income							
- from retail customers	98	90	92	85	90	357	269
- from institutional clients	119	122	113	132	114	481	528
Other income	1	4	13	(1)	4	20	68
Total income	213	214	221	220	212	868	868
Operating expenses	154	147	146	138	160	592	650
Pre-tax operating profit before write-downs	60	67	75	82	52	276	217
Net gains on fixed and intangible assets	0	0	0	0	0	0	0
Pre-tax operating profit	60	67	75	82	53	276	217

Assets under management (NOK billion) ²⁾							
Institutional	446	436	425	411	413	436	384
- of which Vital ³⁾	205	199	196	192	196	199	188
Retail	43	44	43	43	44	44	57
Total	489	479	468	454	457	479	441

Key figures							
Cost/income ratio (%)	72.0	68.8	66.2	62.6	75.3	68.2	74.9
Return on allocated capital, annualised (%) ⁴⁾	32.4	35.7	41.7	47.3	28.8	38.2	24.5

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

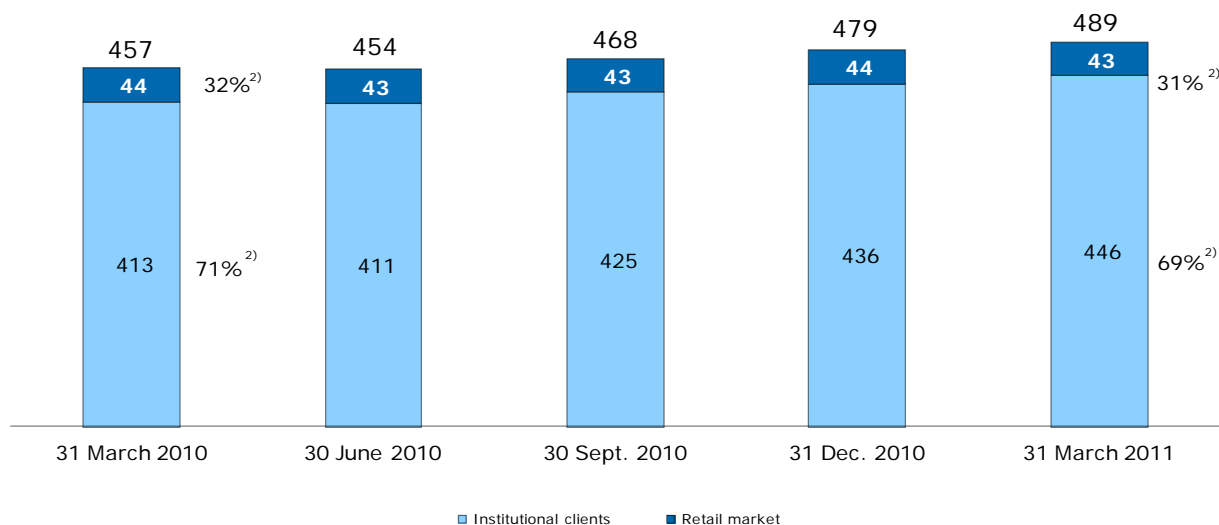
2) Assets under management and assets under operation at end of period. During the first quarter of 2011, portfolio values were redistributed between the retail and institutional segments. This was primarily due to the transfer of portfolio values related to the SME market from the retail to the institutional segment. Figures for previous periods have been restated.

3) Managed on behalf of Vital Forsikring.

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

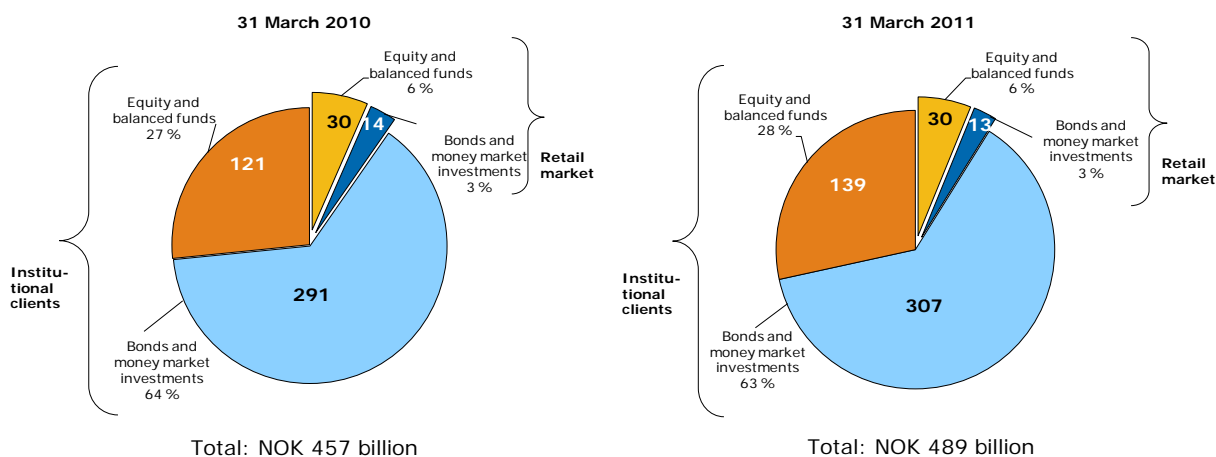
Assets under management - distribution by market segment ¹⁾

NOK billion



- 1) During the first quarter of 2011, portfolio values were redistributed between the retail and institutional segments. This was primarily due to the transfer of portfolio values related to the SME market from the retail to the institutional segment. Figures for previous periods have been restated.
- 2) Share of total assets in the institutional and retail market respectively, invested in bonds, fixed-income funds and money market funds.

Assets under management - distribution by investment type ¹⁾



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

- 1) During the first quarter of 2011, portfolio values were redistributed between the retail and institutional segments. This was primarily due to the transfer of portfolio values related to the SME market from the retail to the institutional segment. Figures for previous periods have been restated.

Changes in assets under management - net inflow

Amounts in NOK million	1Q11 ¹⁾	4Q10	3Q10	2Q10	1Q10 ²⁾	Full year	
						2010 ²⁾	2009 ³⁾
Retail market	(272)	840	(1 070)	(1 414)	603	(1 041)	5 210
Institutional clients	6 438	(3 072)	(6 551)	1 722	1 808	(6 093)	(76 832)
Total	6 166	(2 233)	(7 621)	309	2 411	(7 134)	(71 622)

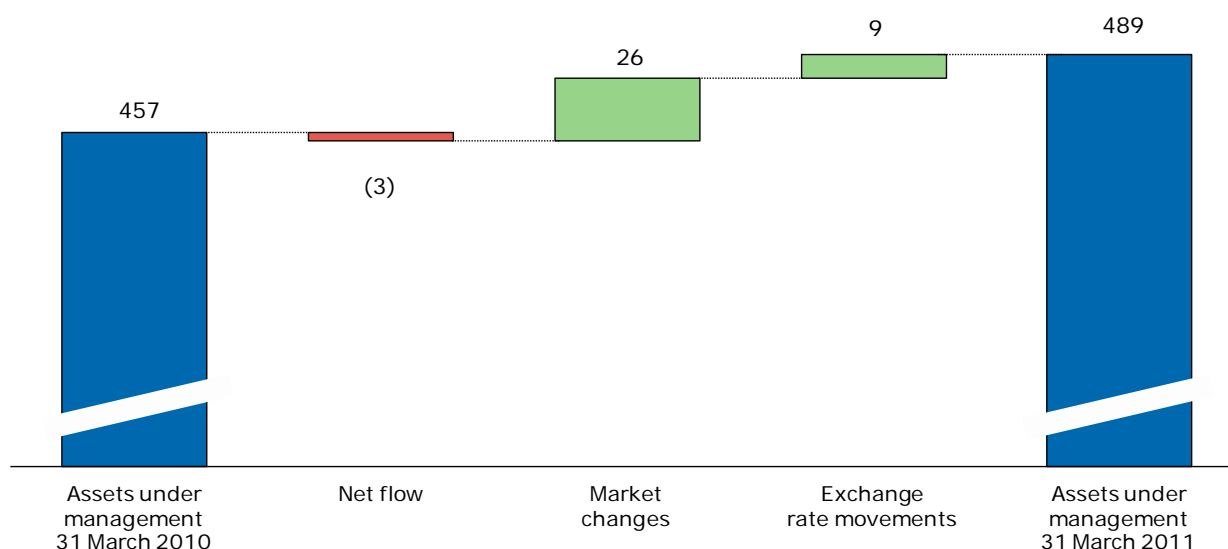
1) Excluding dividends of NOK 1 932 million, of which NOK 328 million refers to retail and NOK 1 604 million to institutional clients

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

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

Changes in assets under management

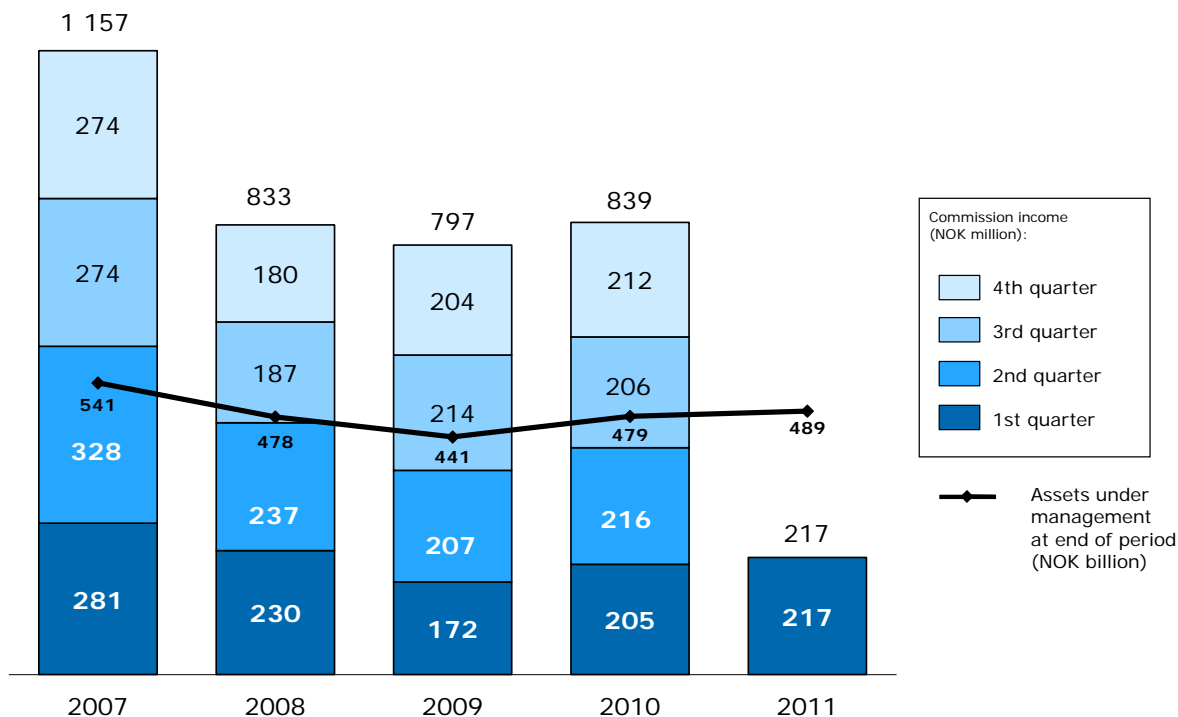
NOK billion



Comments to changes in assets under management as from 31 March 2010

- Assets under management increased by NOK 32.2 billion or 7.0 per cent.
 - Net flow:
 - There was a net outflow of funds from institutional clients of NOK 1.6 billion or 0.3 per cent.
 - New institutional mandates were obtained in both Sweden and Norway.
 - There was a net outflow of funds from the retail market of NOK 1.8 billion or 0.4 per cent.
 - Market changes:
 - Market developments led to a NOK 26 billion increase in assets under management, representing 5.7 per cent measured in clients' base currencies.
 - During the last four quarters, Morgan Stanley's global equity index increased by 13.4 per cent measured in USD and increased by 5.7 per cent measured in NOK.
 - Prices on the stock exchange in Stockholm (OMX) increased by 11.1 per cent, and the stock exchange in Oslo (OSEBX) experienced 18.2 per cent growth in prices during the last four quarters.
 - Exchange rate movements:
 - The appreciation of NOK against other currencies, especially SEK, increased assets under management by NOK 9 billion.

Development in commission income and assets under management



Investment returns on assets under management as from 31 March 2010

- Returns on a number of major client portfolios and funds outperformed relevant benchmarks.
- Fund managers' specialisation has led to strong relative performance for several funds (return in excess of benchmark):
 - Equity funds:
 - DnB NOR Nordic Technology (20.0 per cent)
 - DnB NOR Miljøinvest (18.2 per cent)
 - DnB NOR Renewable Energy (16.2 per cent)
 - DnB NOR Private Equity (14.0 per cent)
 - Money Market funds:
 - DnB NOR Likviditet 20 (V) (0.6 per cent)
 - DnB NOR Pengemarked (II) (0.4 per cent)
 - Bond funds:
 - DnB NOR Kredittobligasjon (2.7 per cent)
 - DnB NOR Obligasjon (III) (2.2 per cent)

Clients/markets

- DnB NOR Asset Management serves the Nordic and European savings markets, offering domestic and international asset management services.
- Brand names:
 - DnB NOR Kapitalforvaltning in the Norwegian institutional and retail markets.
 - Carlson in the Swedish institutional and retail markets.
 - DnB NOR Asset Management and Carlson in the European institutional and retail markets, respectively.
- A leading position in the institutional market in both Norway and Sweden with 266 institutional clients. The largest clients are Vital Forsikring and Skandia Liv.
- The number of mutual fund clients in Norway was approximately 588 000 at the end of March 2011. The number of active savings schemes reached nearly 275 000.
- Market shares:
 - DnB NOR Kapitalforvaltning (retail mutual funds in Norway) 28.6 per cent ¹⁾
 - Carlson Fonder (total mutual funds in Sweden and Luxembourg) ≈ 1.6 per cent
 - Institutional market in Norway (mutual funds in Norway) 19.9 per cent ¹⁾
 - Institutional market in Sweden > 15 per cent

1) Source: Norwegian Mutual Fund Association.

Retail: Fund capital and market shares in Norway

	31 March 2011		31 December 2010		31 December 2009	
	Fund capital	Market share	Fund capital	Market share	Fund capital	Market share
<i>Amounts in NOK million and per cent</i>						
Equity funds	23 268	22.1	23 306	22.2	21 098	26.2
Balanced funds	7 980	53.0	7 753	56.3	6 802	60.3
Fixed-income funds	15 551	35.7	15 979	38.0	14 693	45.8
Total mutual funds	46 799	28.6	47 039	29.3	42 593	34.4

Source: Norwegian Mutual Fund Association

Cooperation with other group entities

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

Non-life insurance

DnB NOR Skadeforsikring primarily offers non-life insurance products to the retail market (private house and contents insurance, car insurance, travel insurance etc.). These products are sold mainly through the bank's distribution network.

DnB NOR Skadeforsikring is in an expansion phase, and sales increased by 51 per cent compared with the first quarter of 2010. A reduced claims frequency and a reinsurance programme which to a greater extent neutralises seasonal variations contributed to improved profit performance in the first quarter of 2011.

DnB NOR Skadeforsikring is well positioned to become an important player in the Norwegian market in the longer term.

DnB NORD

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

DnB NORD became wholly owned by DnB NOR from year-end 2010. Operations in the Baltic States and Poland will continue as a separate profit centre organised under the Large Corporates and International business area. The division is headed by Terje Turnes.

Organisation and market

- DnB NORD serves more than 920 000 retail and corporate clients.
- At end-March 2011 DnB NORD had 160 branches and offices in four countries in the Baltics and Poland.
- DnB NORD's staff represented 3 155 full-time positions at end-March 2010.
- DnB NORD was the third largest bank in Lithuania and number four in Latvia, measured by lending to customers. DnB NORD is providing a full range of services to individual and corporate customers. In Estonia, the bank was number five in terms of total lending and the main focus is on corporate lending.
- DnB NORD in Poland is providing financial services to individual and corporate customers and is among the leading banks in providing new mortgage loans in the Polish market.
- A serious economic cool-down at end-2008 and in 2009 was followed by signs of stabilisation and a moderate growth towards the end of 2010. Forecast for the macro economic development in 2011 also shows a moderate GDP growth. In general, the Baltic States saw a normalisation of money and capital markets in the first half of 2010. Due to beginning economic recovery, DnB NORD expects the level of write-downs on loans to decrease in coming years.
- The macro economic situation in Poland during the financial crisis has been more favourable, and DnB NORD will continue to develop products and services for this market.
- DnB NORD continues to concentrate on consolidating operations, including a closer integration of the operations with DnB NOR, following up high-risk commitments and improving cost efficiency.

Financial performance

Amounts in NOK million	1Q11	4Q10	3Q10	2Q10	1Q10	Full year	
						2010	2009
Net interest income - ordinary operations	299	344	334	377	328	1 383	1 462
Interest on allocated capital ¹⁾	12	12	10	8	9	38	96
Net interest income	311	355	345	385	337	1 422	1 559
Net other operating income	174	120	222	99	186	627	684
Total income	485	475	567	483	523	2 048	2 242
Operating expenses ²⁾	345	342	328	682	348	1 700	2 589
Pre-tax operating profit before write-downs	140	133	240	(198)	174	348	(347)
Net gains on fixed and intangible assets	3	13	(14)	(8)	(6)	(15)	(13)
Write-downs on loans and guarantees	213	304	253	699	556	1 813	3 929
Pre-tax operating profit	(70)	(159)	(28)	(906)	(387)	(1 481)	(4 289)

Net lending to customers (NOK billion) ³⁾	59.4	62.1	62.1	62.9	65.7	63.2	83.7
Deposits from customers (NOK billion) ³⁾	25.5	23.5	22.3	21.9	19.4	21.8	20.9
Allocated capital (NOK billion) ⁴⁾	4.3	4.5	4.6	4.7	5.2	4.8	7.8
Cost/income ratio (%) ⁵⁾	71.2	72.2	57.9	69.5	66.6	66.2	70.6
Ratio of deposits to lending (%)	42.8	37.8	35.9	34.8	29.5	34.5	25.0
Return on allocated capital, annualised (%) ⁴⁾	(5.3)	(11.2)	(2.0)	(37.9)	(24.0)	(19.1)	(33.7)

- 1) Interest on allocated capital is calculated according to internal DnB NOR capital allocation rules. "Net interest income - ordinary operations" does not include interest on equity.
- 2) In the second quarter of 2010 operating expenses included impairment of intangible assets of NOK 346 million related to the development of a new IT infrastructure for joint solutions across national borders. In the second quarter of 2009 operating expenses included impairment losses for goodwill of NOK 570 million related to the operations in the Baltic States and in the fourth quarter of 2009 NOK 368 million related to the operations in the Baltic States and Poland.
- 3) Average balances. 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.
- 4) The allocated capital and return on allocated capital are calculated on the basis of internal measurement of risk-adjusted capital requirement.
- 5) Total operating expenses excluding impairment losses for goodwill and intangible assets relative to total income.

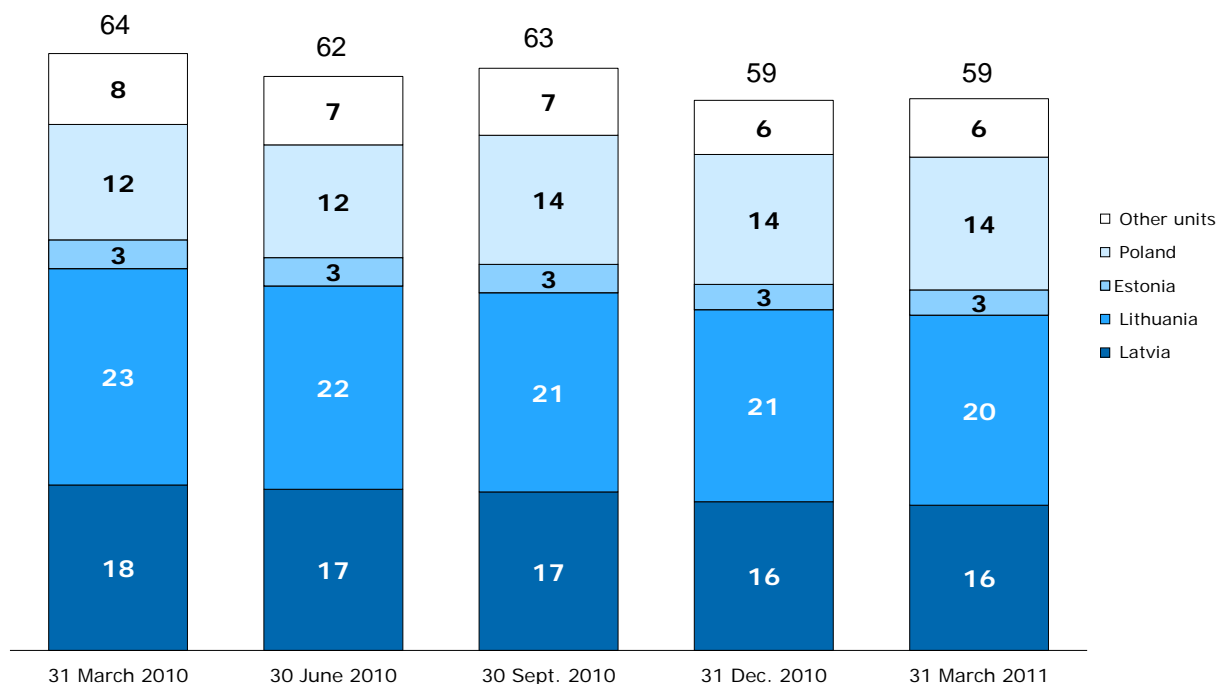
Net interest income ¹⁾

Amounts in NOK million	Average volumes			Spreads in per cent			Net interest income		
	1Q11	4Q10	1Q10	1Q11	4Q10	1Q10	1Q11	4Q10	1Q10
Lending to customers ¹⁾	53 277	55 394	60 253	1.65	1.97	1.70	217	274	252
Deposits from customers ¹⁾	25 379	23 369	19 282	0.66	0.64	0.66	41	38	31
Allocated capital	4 294	4 493	5 230	1.10	1.01	0.66	12	12	9
Other							41	32	44
Total net interest income							311	355	337

- 1) Based on nominal values excluding impaired loans.

Development in lending volumes

NOK billion



- Measured in NOK, lending volumes declined by 7.6 per cent from end-March 2010 to end-March 2011, but increased by 0.3 per cent compared with year-end 2010.
- Poland was the only unit showing an increase in lending, 15.2 and 2.3 per cent from end-March 2010 and year-end 2010, respectively.
- The market activities and branches in Denmark and Finland were closed down in 2009. The portfolio is in a run-off situation, explaining the decrease in net lending in other units by 17,2 per cent from end-March 2010 to end-March 2011.

Lending and write-downs

Amounts in NOK million	Net lending 31 March 2011	Of which net non-performing and net doubtful commitments		Net individual write-downs 1Q11	Collective write-downs 1Q11	Total write-downs 1Q11
		NOK million	As a percentage of net lending			
Latvia	15 646	2 688	17.2	120	(1)	119
Lithuania	20 399	3 337	16.4	55	(7)	48
Estonia	2 760	293	10.6	3	(4)	(1)
Poland	14 213	517	3.6	24	0	24
Total Baltic States and Poland	53 018	6 835	12.9	202	(12)	190
Other	6 320	1 405	22.2	19	4	23
Total DnB NORD	59 338	8 240	13.9	221	(8)	213

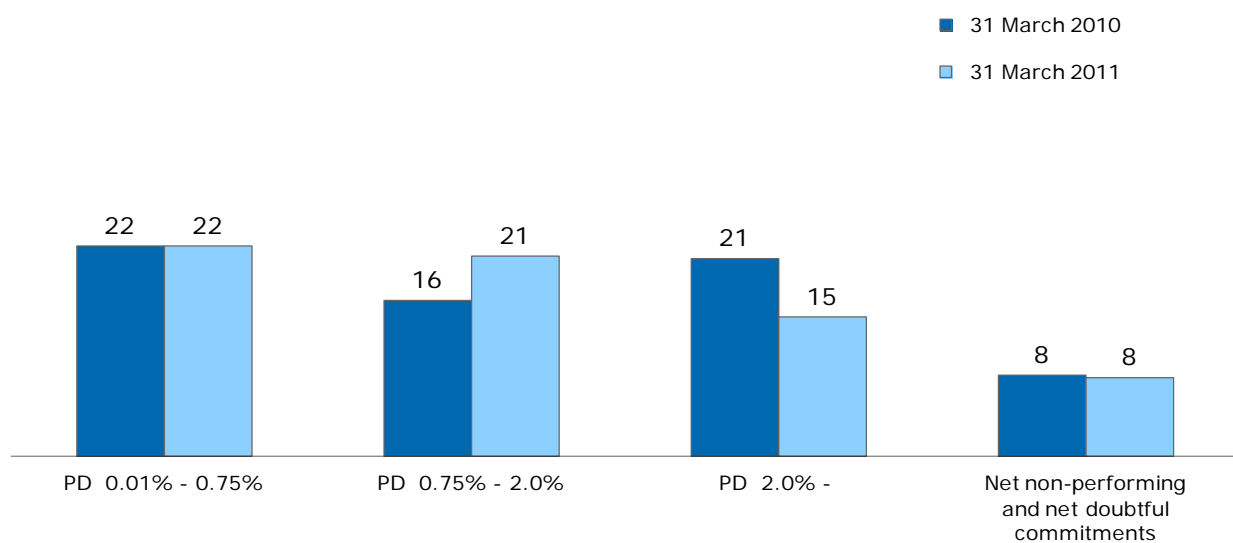
Write-down ratio – net non-performing and net doubtful commitments

<i>Amounts in NOK million</i>	31 March 2011	31 Dec. 2010	30 Sept. 2010	30 June 2010 ¹⁾	31 March 2010
Non-performing commitments	8 466	8 559	8 937	8 386	8 992
Doubtful commitments	4 800	5 041	5 330	5 079	3 912
Gross non-performing and gross doubtful commitments	13 266	13 600	14 267	13 466	12 904
Individual write-downs	5 026	5 109	5 042	4 862	4 437
Net non-performing and net doubtful commitments	8 240	8 491	9 226	8 604	8 466
Collective write-downs	333	341	451	516	480
Write-down ratio (per cent)	40.4	40.1	38.5	39.9	38.1
Non-performing and doubtful commitments relative to total commitments (per cent)	13.9	14.4	14.7	13.9	13.2
Collateral for loans	10 504	11 518	11 967	12 477	12 509
Coverage ratio (per cent)	119.6	124.8	122.4	132.6	135.1

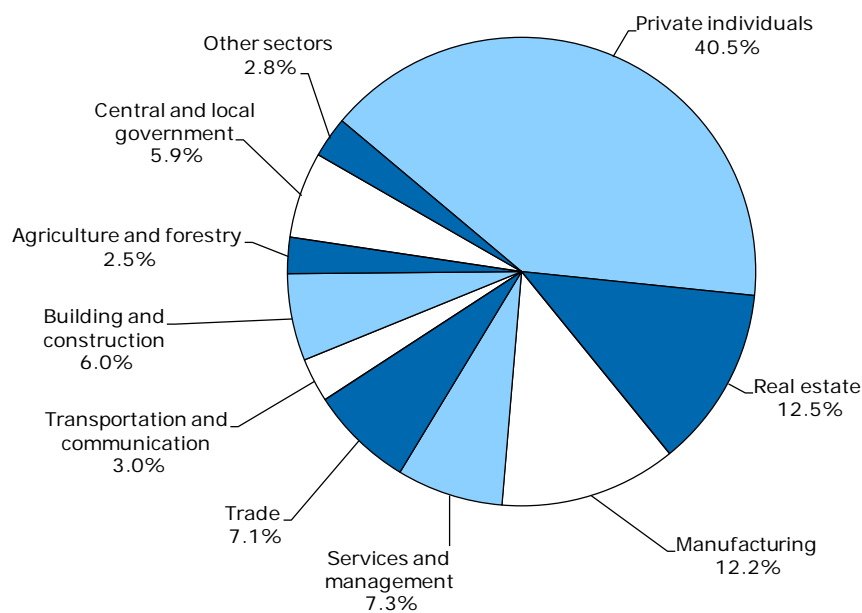
1) Collateral for loans restated due to updated estimates.

Risk classification of portfolio ¹⁾

NOK billion



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

Net lending to principal sectors as at 31 March 2011 ^{1) 2)}

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

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

The Baltics and Poland Division

The activities in the new division will include the subsidiaries in the Baltic countries and in Poland. The division management will be located in Oslo and the division will be a part of the business area Large Corporates and International.

Estimated financial performance - Baltics and Poland Division

The figures do not include portfolios, activities or expenses at DnB NORD's head-office in Denmark, but estimated expenses at division management in Oslo are included.

Amounts in NOK million	1Q11	4Q10
Net interest income	328	369
Net other operating income	190	140
Total income	518	509
Operating expenses ¹⁾	305	301
Pre-tax operating profit before write-downs	213	208
Write-downs on loans and net gains on fixed assets	187	225
Pre-tax operating profit	26	(17)
Net lending to customers (NOK billion) ²⁾	53.0	53.3
Deposits from customers (NOK billion) ²⁾	25.6	24.8

1) Excluding expenses at head-office in Copenhagen, including estimated expenses at division management in Oslo.

2) Balances at end-period.

Section 4

The Norwegian economy

Basic information about Norway

Area	385 199 square kilometres
Population	4.9 million
Fertility rate	2.0
Life expectancy	M: 76.8 F: 81.8
Work participation rate, per cent 15–74 years	71.9 (M: 75.0 F: 68.7)
Gross domestic product 2010	USD 414.7 billion
GDP per capita 2010	USD 84 000
Rating	AAA, Aaa
Currency exchange rate used	6.04 USD/NOK (Average 2010)
Current balance 2010	USD 53.5 billion or 12.9 per cent of GDP

Source: Statistics Norway

Key macro-economic indicators, Norway

Per cent	2009	2010	F 2011	F 2012	F 2013	F 2014
GDP growth						
- Norway, total	(1.4)	0.4	1.2	2.4	2.3	2.2
- Mainland Norway	(1.3)	2.2	2.5	3.0	3.1	2.7
Private consumption	0.2	3.6	3.0	2.9	2.7	2.0
Gross fixed investment	(7.4)	(8.9)	3.2	4.3	4.8	5.1
Inflation (CPI)	2.1	2.5	1.6	1.2	2.1	2.5
Savings ratio ¹⁾	7.5	7.4	6.7	6.7	6.2	6.0
Unemployment rate	3.2	3.6	3.6	3.6	3.6	3.6
Current account ²⁾	13.1	12.9	17.4	19.7	21.4	22.7

1) Per cent of disposable income. Households.

2) Per cent of GDP.

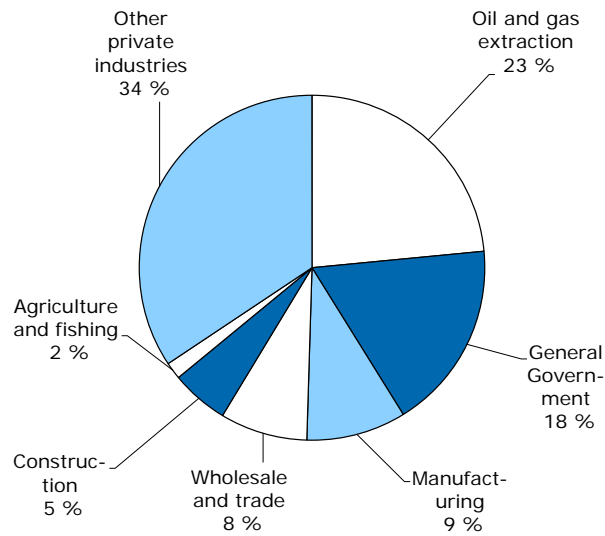
Source: Statistics Norway and DnB NOR Markets: Economic Outlook 1/2011

Contribution to volume growth in GDP, mainland Norway

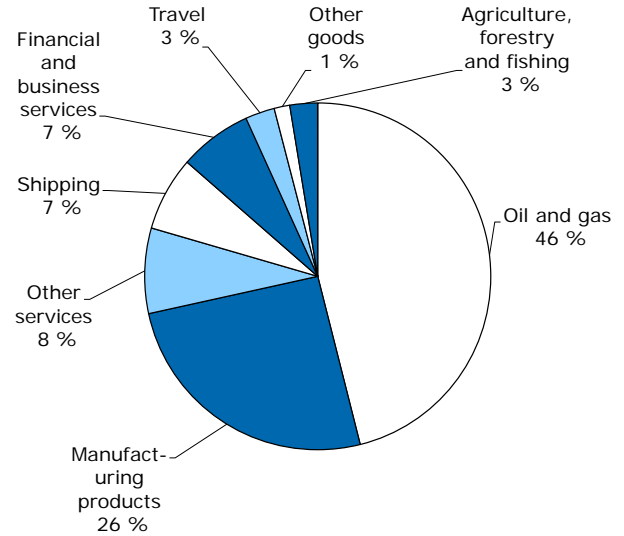
Per cent	2009	2010	F 2011	F 2012	F 2013	F 2014
Household demand	(0.9)	1.9	1.9	2.0	1.9	1.6
Gross fixed capital formation, mainland companies	(1.8)	(0.4)	0.3	0.4	0.4	0.4
Gross fixed capital formation, petroleum activity	0.5	(2.3)	(0.1)	0.2	0.3	0.1
Public sector demand	1.6	0.3	0.8	0.7	0.9	0.8
Exports, mainland Norway	(1.3)	2.3	1.0	1.0	1.1	1.1
Imports, mainland Norway	3.9	(4.0)	(1.6)	(1.4)	(1.6)	(1.3)
Changes in stocks and statistical discrepancies	(3.4)	4.4	0.1			
GDP, mainland Norway	(1.3)	2.2	2.5	3.0	3.1	2.7

Source: Statistics Norway and DnB NOR Markets

Composition of GDP in 2010

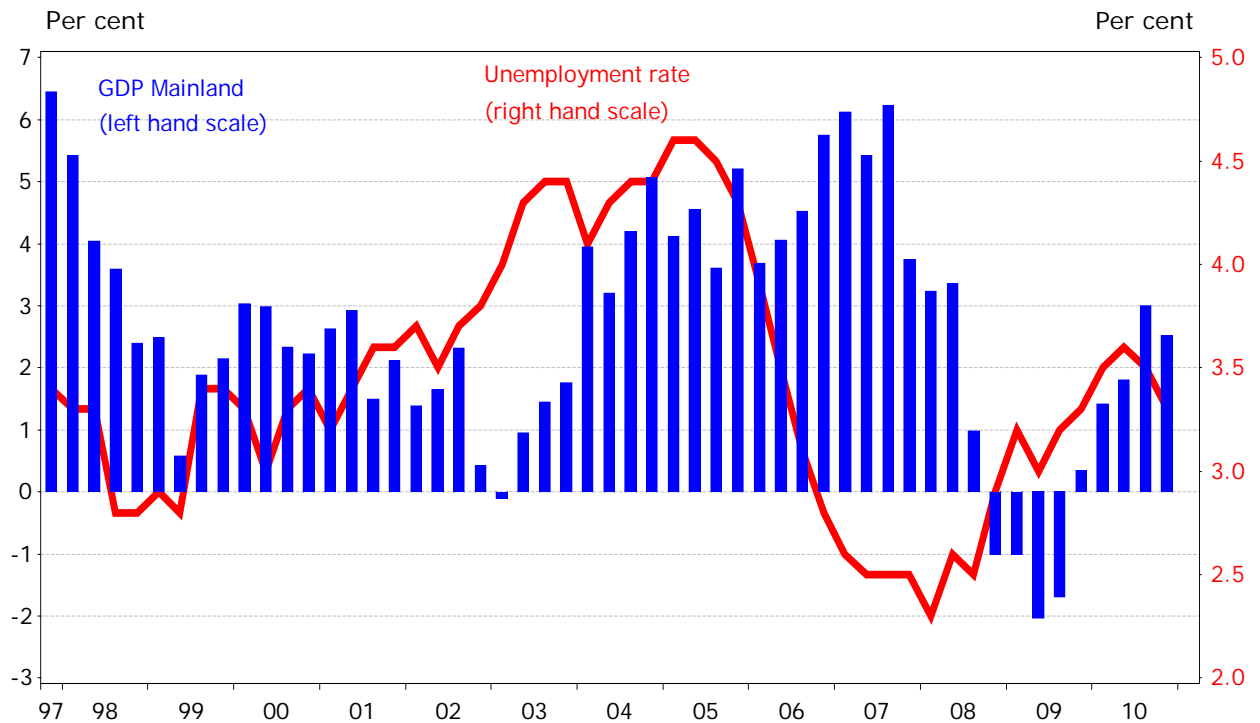


Composition of export in 2010



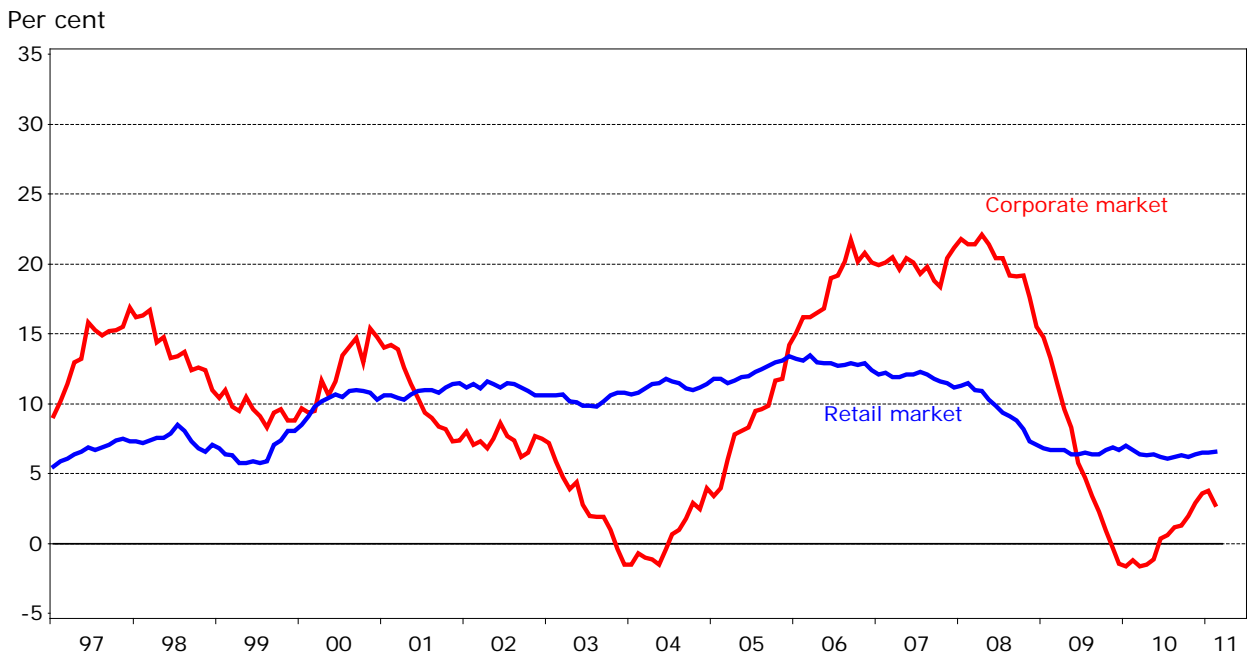
Source: Statistics Norway

GDP-growth mainland Norway and unemployment rate



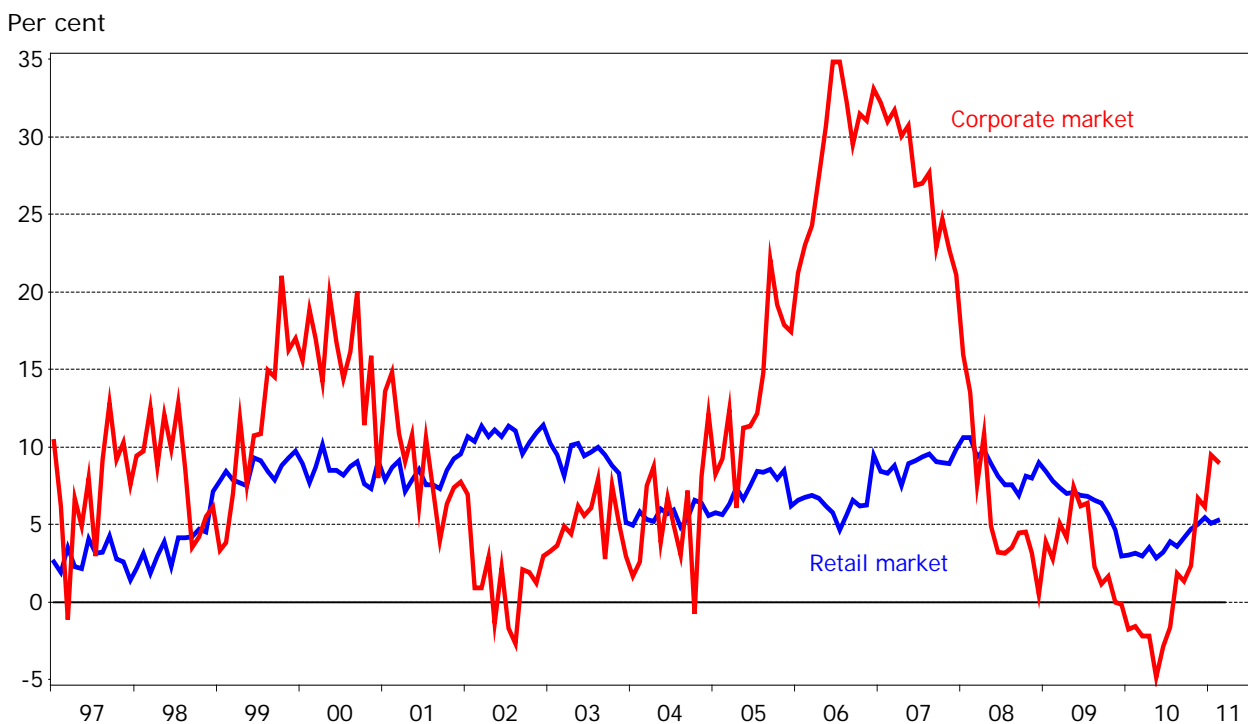
Source: Statistics Norway

Credit market, 12 month percentage growth



Source: Statistics Norway

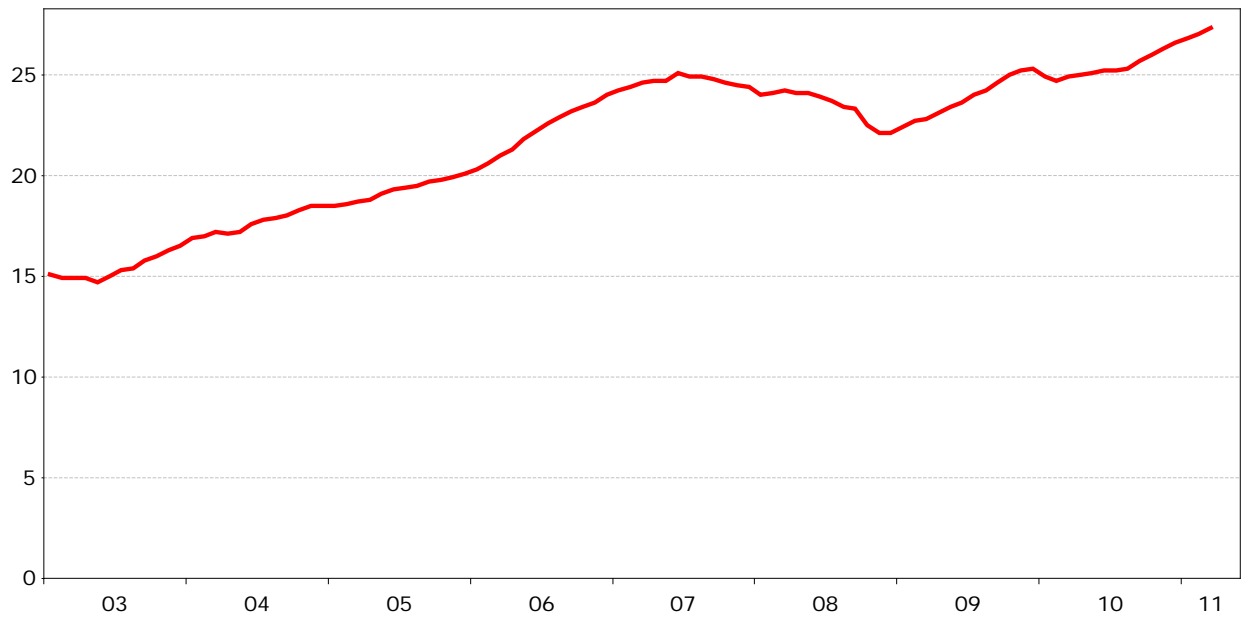
Deposit market, 12 month percentage growth



Source: Statistics Norway

House prices, per square meter Seasonally adjusted

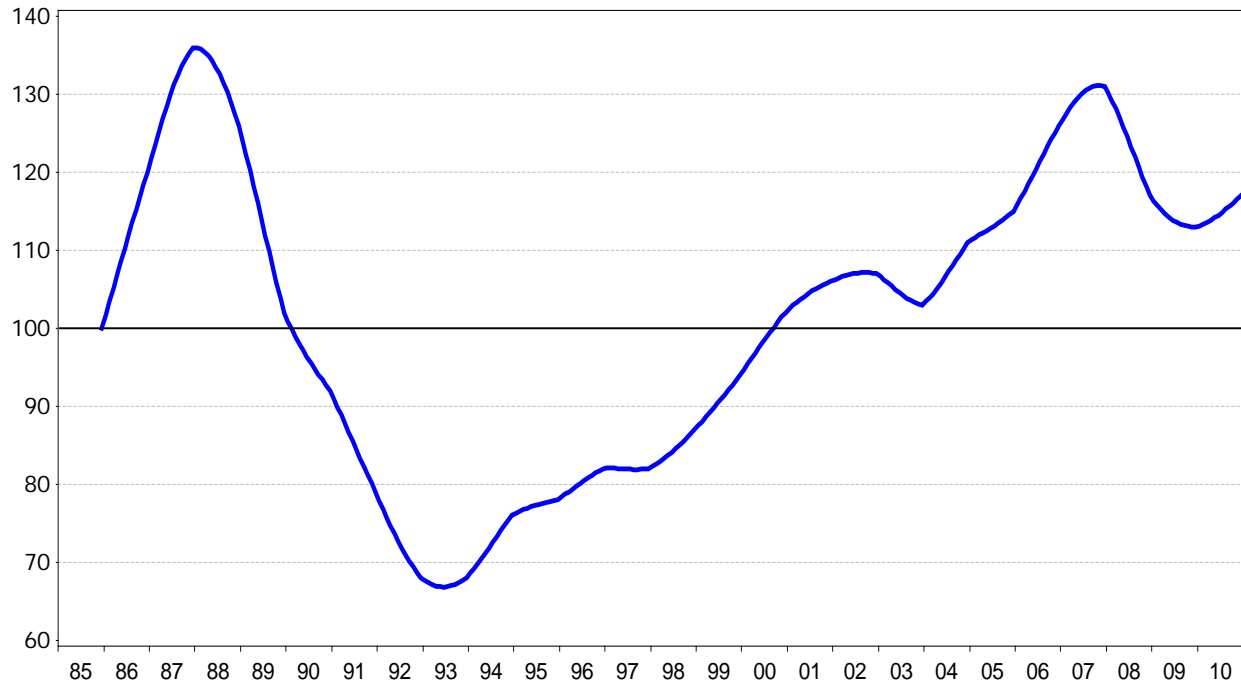
NOK 1 000



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

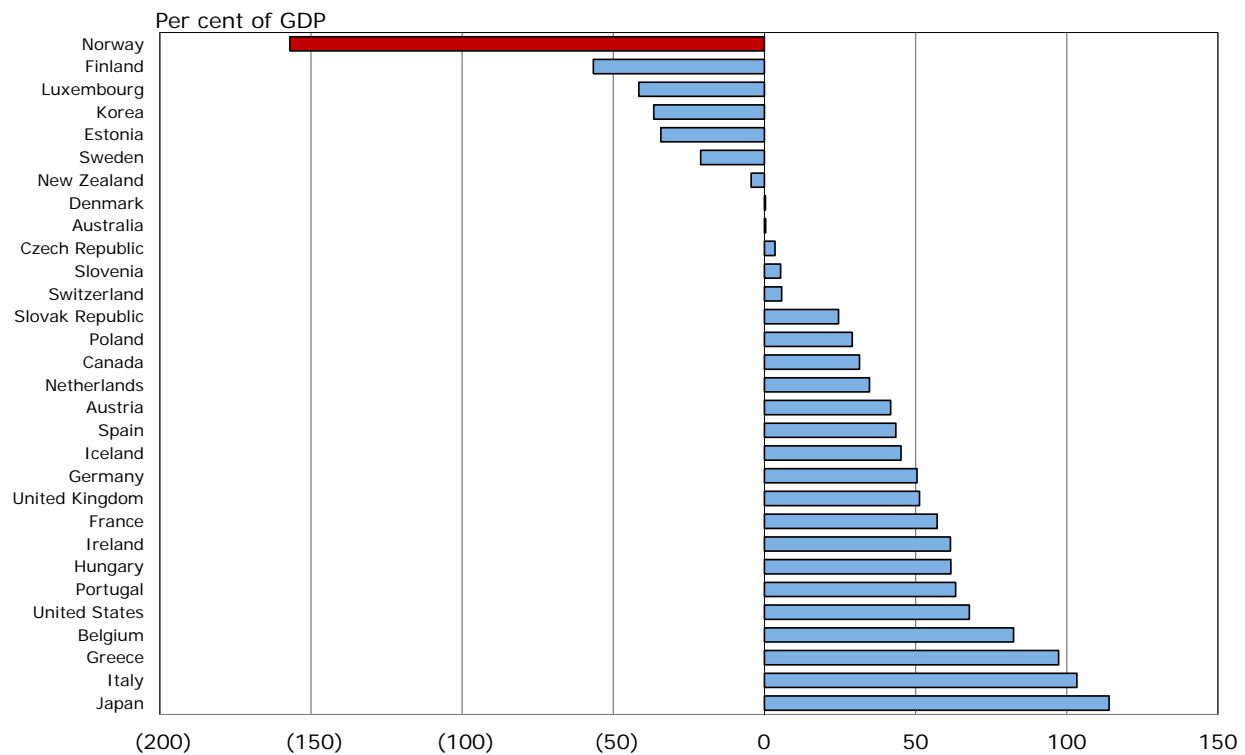
House prices, deflated by income

Indices: 1985=100



Source: Norges Bank

Government net financial liabilities 2010



Source: OECD Economic Outlook No. 88, December 2010

Key macro-economic indicators, Poland and the Baltic states

Percentage change from previous year	2009	2010	F 2011	F 2012
Poland				
GDP	1.7	3.8	4.0	4.2
Private consumption	2.1	3.2	3.6	4.0
Gross fixed investments	(1.1)	(2.0)	7.7	7.7
Inflation (CPI)	3.5	2.6	3.7	2.9
Estonia				
GDP	(13.9)	3.1	4.4	4.2
Private consumption	(18.8)	(1.9)	3.3	3.8
Gross fixed investments	(33.0)	(9.1)	9.6	8.3
Inflation (CPI)	(0.1)	3.0	4.1	3.0
Latvia				
GDP	(18.0)	(0.3)	3.4	3.6
Private consumption	(24.1)	(0.1)	3.0	3.7
Gross fixed investments	(37.3)	(19.5)	7.4	8.4
Inflation (CPI)	3.5	(1.1)	3.4	2.5
Lithuania				
GDP	(14.7)	1.3	3.4	3.4
Private consumption	(17.7)	(4.1)	3.2	3.6
Gross fixed investments	(40.0)		9.3	7.5
Inflation (CPI)	4.2	1.3	3.2	2.6

Source: Consensus Economics

