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Quarterly report **Second quarter 2011**

(unaudited)

DnB NOR

Key figures

DnB NOR Group

Income statement *Amounts in NOK million*	2nd quarter 2011	2nd quarter 2010	1st half 2011	1st half 2010	Full year 2010
Net interest income	6 048	5 744	12 066	11 305	23 436
Net commissions and fees, operational reporting [1]	*2 007*	*1 814*	*3 871*	*3 524*	*7 293*
Net financial items	*1 977*	*2 980*	*3 581*	*4 763*	*8 863*
Net other operating income, total	3 984	4 795	7 451	8 288	16 156
Ordinary operating expenses	4 888	4 690	10 187	8 742	17 721
Other expenses	44	614	(462)	677	790
Pre-tax operating profit before write-downs	5 101	5 234	9 793	10 174	21 081
Net gains on fixed and intangible assets	9	(1)	13	9	24
Write-downs on loans and guarantees	457	878	1 349	1 825	2 997
Pre-tax operating profit	4 652	4 355	8 457	8 358	18 108
Taxes	1 116	1 524	2 030	2 605	4 121
Profit from operations and non-current assets held for sale, after taxes	11	(8)	(30)	(13)	75
Profit for the period	**3 546**	**2 823**	**6 397**	**5 740**	**14 062**
Profit attributable to shareholders	3 546	3 264	6 397	6 381	14 814
Profit attributable to minority interests	0	(442)	0	(641)	(752)

Balance sheet *Amounts in NOK million*	30 June 2011	31 Dec. 2010	30 June 2010
Total assets	1 853 848	1 861 620	1 992 607
Lending to customers	1 201 961	1 170 341	1 154 491
Deposits from customers	647 880	641 914	621 882
Total equity	111 028	111 196	104 498
Average total assets	2 165 584	1 969 557	1 953 260
Total combined assets	2 119 338	2 140 868	2 253 370

Key figures	2nd quarter 2011	2nd quarter 2010	1st half 2011	1st half 2010	Full year 2010
Average combined weighted spread for lending and deposits (per cent)	1.10	1.15	1.11	1.14	1.15
Cost/income ratio (per cent)	49.2	50.3	49.8	49.9	47.6
Write-downs relative to net lending to customers, annualised (per cent)	0.15	0.31	0.23	0.33	0.26
Return on equity (per cent)	12.6	12.8	11.5	12.6	13.6
Earnings per share (NOK)	2.18	2.01	3.94	3.93	8.66
Dividend per share (NOK)	-	-	-	-	4.00
Tier 1 capital ratio at end of period (per cent) [2]	9.8	9.3	9.8	9.3	10.1
Capital adequacy ratio at end of period (per cent) [2]	11.7	11.9	11.7	11.9	12.4
Share price at end of period (NOK)	75.20	63.15	75.20	63.15	81.90
Price/book value	1.10	1.00	1.10	1.00	1.20

1) *Net commissions and fees, operational reporting includes commissions and fees related to money transfers and interbank transactions, asset management services, real estate broking, custodial services, securities trading, sale of insurance products and other income from banking services. The revenues are expected to be fairly stable over time.*
2) *Including 50 per cent of profit for the period, except for the full year figures.*

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

First half and second quarter report 2011

Directors' report

First half 2011

DnB NOR recorded a profit of NOK 6 397 million in the first half of 2011, an increase from NOK 5 740 million in the first half of 2010. The rise in profits reflected higher interest income, lower write-downs and lower taxes. Pre-tax operating profits before write-downs were NOK 9 793 million, down from NOK 10 174 million in the first half of 2010.

There was a NOK 47.5 billion increase in lending from end-June 2010. Lending spreads were stable measured against the 3-month money market rate. Net interest income increased by NOK 761 million during the period, mainly due to rising volumes.

Other operating income declined by NOK 836 million from the first half of 2010. The reduction must be viewed in light of the NOK 1 170 million gain recorded by the Group in the first half of 2010 in connection with the merger between the payment services company Nordito and the Danish PBS Holding. Adjusted for the gains from the merger and a reduction in income from mark-to-market adjustments of liabilities and associated instruments of NOK 1 061 million, other operating income rose by NOK 1 395 million or 20.9 per cent. There was a very healthy underlying income trend during the period.

Operating expenses rose by NOK 306 million from the first half of 2010. However, the comparison is affected by a number of items of a non-recurring nature. In 2010, costs for contractual pension agreements (CPA) of NOK 367 million were reversed in the first quarter, while impairment losses for goodwill and intangible assets totalled NOK 591 million in the second quarter. Adjusted for these items, the underlying rise in costs represented NOK 530 million. The cost increase must be seen in association with the rise in income and higher activity levels. Among other things, DnB NOR has escalated its IT initiatives over the past year parallel to a strong increase in market activities, also outside Norway, for example in the energy sector.

Risk developments in the Group's loan portfolio were well under control, and individual write-downs mainly related to a few commitments. There was a significant reduction in write-downs in DnB NORD compared with the first half of 2010.

Return on equity was 11.5 per cent, down from 12.6 per cent in the first half of 2010. Earnings per share were NOK 3.94 in the first half of 2011 and NOK 3.93 in the first half of 2010.

DnB NOR's General Meeting has decided to change the name of the Group from DnB NOR to DNB and to include the Group's products and services under this brand name. The name change is scheduled to be implemented in November 2011. In June, the Group's new DNB logo was made public. Uniting operations under one brand name will offer opportunities to further strengthen initiatives targeted at the Group's customers.

As part of the process to establish a common brand, all of Postbanken's customer accounts were transferred to DnB NOR's IT systems during the Easter of 2011. This step will give the Group a less complex portfolio of IT systems and thus reduce risk and costs.

Second quarter 2011

DnB NOR achieved a profit of NOK 3 546 million in the second quarter of 2011, up NOK 723 million from the second quarter of 2010. Apart from the particularly healthy profits recorded in the fourth quarter of 2010, this is the best quarterly performance since the financial crisis. All business areas showed improved profitability. Operating profits reflected rising interest rate levels and strong competition for both loans and deposits. In addition, unease over developments in the international real economy and the financial situation in certain European countries characterised the quarter. Although the Norwegian economy showed a sound and stable trend, the unease resulted in relatively strong fluctuations in share prices and in the value of financial instruments. As opposed to the first quarter of 2011 and second quarter of 2010, technical accounting items had little impact on the Group's accounts, which ensures a realistic picture of underlying operations.

There was a NOK 47.5 billion increase in lending volumes from end-June 2010. DnB NOR is in the process of reversing the falling trend in its market shares of lending. Lending spreads contracted by 0.05 percentage points from the second quarter of 2010, while deposit spreads remained relatively unchanged. Spreads narrowed primarily in the home mortgage market, reflecting fierce competition. In addition, lags in the implementation of interest rate adjustments also had an effect on spreads. Total interest income rose by NOK 305 million from the second quarter of 2010.

Other operating income declined by NOK 811 million compared with the second quarter of 2010. Adjusted for the NOK 1 170 million gain from the Nordito merger in 2010 and a NOK 547 million reduction in income due to mark-to-market adjustments of liabilities and associated instruments, income showed an underlying increase of NOK 907 million or 29.2 per cent. There was a rise in other operating income from many areas of operation.

Operating expenses were reduced by NOK 373 million from the second quarter of 2010. Adjusted for impairment losses for goodwill and intangible assets totalling NOK 591 million in the second quarter of 2010, there was a NOK 218 million rise in costs. The rise in costs in excess of ordinary wage and price inflation primarily reflected a rise in income and higher activity levels. During the quarter, Postbanken's IT system was decommissioned. This gave a temporary rise in costs, but will ensure cost savings for the Group in several areas over the coming years.

There was a generally low level of write-downs in the second quarter, with a further reduction in write-downs in DnB NORD. Pre-tax profits from DnB NORD's operations in the Baltic region and Poland are estimated at NOK 22 million in the second quarter of 2011.

Return on equity was 12.6 per cent, compared with 12.8 per cent in the second quarter of 2010. Earnings per share were NOK 2.18 and NOK 2.01, respectively, for the same periods.

The bank continued its preparations for the new liquidity and capital requirements which are expected to be introduced over the coming years and maintained a high level of activity in the long-term funding markets during the second quarter. Funding was obtained at favourable terms.

DnB NOR's corporate reputation score increased by 1.7 points to 65.8 points in RepTrak's latest survey among Norway's 50 most high-profile companies.

In the latest Universum survey of business students' preferred employers, the Group climbed from third to second place.

DnB NORD's operations in the Baltic region and Poland have been further integrated into DnB NOR Bank. During the second quarter, ownership of the banks in Lithuania and Latvia was transferred from Bank DnB NORD in Denmark to DnB NOR Bank in Oslo. Once the restructuring has been completed, DnB NORD in Denmark will only engage in pure investment activity.

DnB NOR has decided to open a new representative office in Aberdeen in Scotland, aiming to further improve the offering to large customers in the Group's strategic priority areas shipping, energy and seafood.

Changes were made to the Board of Directors of DnB NOR ASA during the second quarter, whereby Jarle Bergo, Carl A. Løvvik and Sverre Finstad replaced Bent Pedersen, Gunilla Berg, Per Hoffmann and Jørn O. Kvilhaug as board members.

Income statement

Net interest income

	2nd quarter		2nd quarter
Amounts in NOK million	2011	Change	2010
Net interest income	6 048	305	5 744
Lending and deposit volumes		504	
Reduced guarantee fund levy		183	
Equity and non-interest bearing items		89	
Lending and deposit spreads		(135)	
Exchange rate movements		(147)	
Long-term funding costs		(155)	
Other net interest income		(35)	

Net interest income rose by NOK 305 million from the second quarter of 2010, reflecting strong volume growth and rising pressure on spreads. Lending and deposits in the personal customer market in Norway showed healthy growth, and DnB NOR recorded higher market shares for lending to the household sector. Corporate lending also showed a good trend during the quarter, though the accounting figures were somewhat affected by lower exchange rates. Average lending volumes increased by 5 per cent and deposit volumes by 10.6 per cent. Adjusted for exchange rate effects, lending increased by 7.8 per cent. The rise in volumes gave a NOK 504 million rise in net interest income for the period.

Lending spreads narrowed by 0.05 percentage points, while deposit spreads remained virtually unchanged. Lending spreads in the personal customer market and in DnB NORD were affected by intense competition, while spreads showed a positive trend in other segments.

Interest rate increases during the second quarter necessitated price adjustments. Due to notification rules for interest rate adjustments on personal customer loans, it will take some time before the interest rate adjustments for these customers will take effect. The lag effect will initially give somewhat lower income, though in the longer term, interest rate increases have a positive effect on the Group's earnings. Certain adjustments were also made to terms and conditions for customers in connection with the conversion of Postbanken's customer accounts. This had a negative impact on spreads.

Long-term funding costs reduced income by NOK 155 million compared with the second quarter of 2010. However, as the Group was subject to no guarantee fund levy in 2011, the reduction in income was offset.

Net other operating income

	2nd quarter		2nd quarter
Amounts in NOK million	2011	Change	2010
Net other operating income	3 984	(811)	4 795
Net financial and risk result from Vital 1)		565	
Net stock market-related income		172	
Net other commissions and fees		151	
Real estate broking		63	
Profits from associated companies		24	
Net income from non-life insurance		11	
Net gains on foreign exchange and interest rate instruments 2)		(635)	
Gain, Nordito		(1 170)	
Other operating income		9	

1) Guaranteed returns and allocations to policyholders deducted.
2) Excluding guarantees.

Net other operating income was reduced by NOK 811 million from the second quarter of 2010. Adjusted for the gain of NOK 1 170 million related to Nordito, recorded in the second quarter of 2010, and an overall reduction in income due to mark-to-market adjustments of liabilities and associated instruments of NOK 547 million, other operating income rose by NOK 907 million during the period.

A number of units in the Group recorded healthy income. The rise in income from Vital was attributable to healthy returns and somewhat lower provisions for higher life expectancy. There was a rise in market activity during the second quarter, though there was a more cautious trend in some areas, including equity trading.

Operating expenses

	2nd quarter		2nd quarter
Amounts in NOK million	2011	Change	2010
Operating expenses	4 931	(373)	5 304
Non-recurring costs			
Impairment losses for goodwill and intangible assets in the 2nd quarter of 2010		(591)	
Direct income-related items			
Operational leasing		26	
København Ejendomme		11	
Performance-based pay		29	
Marketing expenses		22	
Expenses directly related to operations			
Cost programme		(108)	
Wage and price inflation		152	
Rise in pension expenses		34	
Increase in investments		52	

The Group's total expenses were reduced by NOK 373 million from the second quarter of 2010. Adjusted for a few large impairment losses for goodwill and intangible assets totalling NOK 591 million relating to operations in Sweden, DnB NORD and Postbanken in the second quarter of 2010, there was a NOK 218 million rise in costs.

The Group further expanded its international operations and increased its income from areas which record costs directly related to sales and remuneration. This gave a certain rise in costs during the period.

Non-recurring costs relating to the decommissioning of Postbanken's IT systems were recorded in the second quarter.

The cost programme is still ahead of schedule, and the programme target has been increased from cost savings of NOK 2 billion at year-end 2012 to NOK 3 billion at year-end 2015.

Write-downs on commitments

Write-downs on loans and guarantees totalled NOK 457 million for the quarter, down NOK 421 million from the second quarter of 2010.

There was a continued decline in the level of individual write-downs, which was lower than normalised losses for the Group as a whole. Individual write-downs in DnB NORD totalled NOK 184 million, close to a 72 per cent reduction from NOK 653 million in the second quarter of 2010.

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

Net non-performing and doubtful commitments totalled NOK 16.1 billion at end-June 2011, down from NOK 21.4 billion a year earlier. Net non-performing and doubtful commitments represented 1.31 and 1.81 per cent, respectively, of lending volume on the same dates.

Taxes

The DnB NOR Group's tax charge for the second quarter of 2011 was NOK 1 116 million, down from NOK 1 524 million in the year-earlier period. Relative to pre-tax operating profits, the tax charge was reduced from 35 per cent in the second quarter of 2010 to 24 per cent in the second quarter of 2011. The main factor behind the high tax charge in the second quarter of 2010 was losses on equity investments in Vital classified within the tax exemption model and losses in DnB NORD for which no tax value could be calculated. The tax charge in the second quarter of 2011 was in accordance with the long-term guiding.

Business areas

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

From year-end 2010, DnB NORD is wholly-owned by DnB NOR. Operations in the Baltic region and Poland were organised under Large Corporates and International, but will still be reported as a separate profit centre.

Retail Banking

Retail Banking is responsible for serving the Group's 2.1 million personal customers and some 220 000 corporate customers through the branch network in Norway. DnB NOR aspires to be a local bank for the whole of Norway while offering the expertise of a large bank. The aim is that coordinated service to these customer segments will make the services more accessible and give customers good personal financial advice.

Pre-tax operating profits totalled NOK 1 756 million in the second quarter of 2011, an increase of NOK 190 million from the year-earlier period. There was a positive development in volumes and a satisfactory trend in non-performing commitments and write-downs.

Income statement in NOK million	2nd quarter 2011	2nd quarter 2010	Change
Net interest income	3 455	3 572	(117)
Other operating income	906	910	(4)
Income attributable to product suppliers	319	340	(22)
Net other operating income	1 225	1 250	(25)
Total income	4 680	4 822	(142)
Ordinary operating expenses	2 672	2 592	81
Costs attributable to product suppliers	151	187	(36)
Impairment losses for goodwill	0	194	(194)
Total operating expenses	2 824	2 972	(148)
Pre-tax operating profit before write-downs	1 856	1 850	6
Net gains on fixed assets	0	1	(0)
Net write-downs on loans [1)]	100	284	(184)
Pre-tax operating profit	1 756	1 566	190
Average balance sheet items in NOK billion			
Net lending to customers	772.7	732.7	40.0
Deposits from customers	394.0	370.3	23.7
Key figures in per cent			
Lending spread [2)]	1.51	1.67	
Deposit spread [2)]	0.45	0.44	
Return on risk-adjusted capital [3)]	23.1	23.1	
Ordinary cost/income ratio	60.3	57.6	
Ratio of deposits to lending	51.0	50.5	
Number of full-time positions, end period	4 928	4 938	

1) *Collective write-downs included from 2011*
2) *Calculated relative to the 3-month money market rate.*
3) *Calculated on the basis of internal measurement of risk-adjusted capital.*

Average net lending increased by 5.5 per cent from the second quarter of 2010 to the corresponding period in 2011. Adjusted for the sale of DnB NOR's home mortgage portfolio in Sweden at end-March 2011, lending rose by 6.2 per cent. The growth rate for home mortgages increased in the second quarter of 2011. In addition, lending to small and medium-sized businesses showed a positive volume trend. Compared with the year-earlier period, average deposits rose by 6.4 per cent, while the average ratio of deposits to lending was 51 per cent for the quarter. Along with customer deposits, covered bonds based on residential mortgages in DnB NOR Boligkreditt were key sources of funding. At end-June 2011, 91 per cent of lending volume in Retail Banking was funded by deposits and covered bonds.

Adjusted for the discontinuation of guarantee fund levies, net interest income declined by NOK 231 million compared with the year-earlier period. The reduction reflected rising funding costs and lag effects related to the implementation of interest rate adjustments. The weighted interest rate spread, defined as total margin income on loans and deposits relative to total loans and deposits, was 1.15 per cent in the second quarter of 2011, down from 1.26 per cent in the year-earlier period. Retail Banking has competitive products and wishes to offer attractive prices in both the retail and corporate markets.

Rising income from real estate broking in Norway contributed to increasing other operating income, while a negative trend in the value of shares held by partially-owned companies had a negative effect on income compared with the second quarter of 2010.

Ordinary operating expenses, adjusted for impairment losses for goodwill, were up NOK 81 million in the second quarter of 2011 compared with the year-earlier period. The increase reflected a rise in depreciation on operational leasing in DnB NOR Finans and higher marketing expenses due to an increase in market activities. In addition, IT systems recorded in the balance sheet were written down in consequence of the conversion of Postbanken's customer accounts to DnB NOR's IT systems. The merging of the DnB NOR and Postbanken brands will give customers access to a wider distribution network and product range. This is also a step towards improved future cost efficiency.

The number of full-time positions was 4 928 at end-June 2011, of whom 4 607 worked in the business area's units in Norway.

The quality of the loan portfolio was sound, with relatively low net write-downs in both the retail and corporate markets. On an annual basis, net write-downs represented 0.05 per cent of lending in the second quarter of 2011, compared with 0.16 per cent in the year-earlier period. Net impaired commitments amounted to NOK 5.0 billion at end-June 2011, up NOK 0.2 billion from end-June 2010.

As at 31 May 2011, the market share of credit to households was 27.5 per cent, down 0.3 percentage points from end-June 2010. Developments during the first half of 2011 indicated a reversal of the negative trend, with a positive development in market shares. The market share of household deposits was 32.5 per cent.

Interest rates levels are expected to remain low, but to show a rising trend. Corporate credit demand is expected to increase further, which will be reflected in a rise in lending to Retail Banking's small and medium-sized corporate customers. The price pressure on low-risk housing loans is expected to continue, and Retail Banking expects the low level of write-downs on loans to prevail in both the personal and corporate customer segments. Competition for stable deposits will continue to be strong, reflecting the introduction of new liquidity requirements for banks.

Large Corporates and International

Large Corporates and International offers large Norwegian and international corporate customers the Group's full range of financial services. Broad industry expertise and long-term relationships are key elements in the business area's strategic initiatives.

Operations in the second quarter of 2011 reflected rising competition in a banking market which was no longer marked by the financial crisis levels. Pre-tax operating profits came to NOK 1 735 million, up NOK 261 million from the year-earlier period.

Income statement in NOK million	2nd quarter 2011	2nd quarter 2010	Change
Net interest income	1 929	1 593	337
Other operating income	315	201	114
Income attributable to product suppliers	494	458	36
Net other operating income	809	659	150
Total income	2 739	2 252	487
Operating expenses	582	521	61
Costs attributable to product suppliers	201	195	6
Total operating expenses	783	716	67
Pre-tax operating profit before write-downs	1 956	1 536	419
Net write-downs on loans 1)	220	63	157
Pre-tax operating profit	1 735	1 474	261
Average balance sheet items in NOK billion			
Net lending to customers	352.8	338.9	13.9
Deposits from customers	230.9	202.9	28.0
Key figures in per cent			
Lending spread 2)	1.62	1.40	
Deposit spread 2)	0.03	0.11	
Return on risk-adjusted capital 3)	21.1	17.1	
Cost/income ratio	28.6	31.8	
Ratio of deposits to lending	65.4	59.9	
Number of full-time positions, end period	1 117	1 080	

1) *Collective write-downs included from 2011*
2) *Calculated relative to the 3-month money market rate.*
3) *Calculated on the basis of internal measurement of risk-adjusted capital.*

The Norwegian krone appreciated by 11 per cent relative to the US dollar from the second quarter of 2010 to the corresponding period in 2011, which had a negative effect on the business area's lending and deposit volumes measured in Norwegian kroner. The underlying level of activity showed a positive trend. Lending increased by 4.1 per cent from the second quarter of 2010. Adjusted for exchange rate movements, there was an 8.9 per cent rise. There was a positive trend from the first to the second quarter of 2011, with increases in lending of NOK 3 billion and NOK 13 billion, respectively, adjusted for exchange rate movements.

Deposits rose by 13.8 per cent from the second quarter of 2010, while the ratio of deposits to lending increased by 5.6 percentage points. Deposit volumes were virtually unchanged from the first quarter of 2011.

Measured against the 3-month money market rate, lending spreads widened by 0.22 percentage points from the second quarter of 2010 and by 0.06 percentage points from the first quarter of 2011, to 1.62 per cent. The widening spreads helped compensate for higher long-term funding costs. There was strong competition for deposits, and deposit spreads were relatively stable at a low level over the past three quarters. Competition for deposits intensified compared with the second quarter of 2010, and deposit spreads in the second quarter of 2011 were 0.08 percentage points lower than in the year-earlier period.

The increase in other operating income was mainly attributable to a positive development in the value of repossessed assets in the form of equities.

Operating expenses rose by 9.4 per cent from the second quarter of 2010, mainly due to a rise in staff numbers in strategic priority areas and increased IT development activity. There was a 2.9 per cent reduction in costs compared with the first quarter of 2011. At end-June 2011, staff in the business area represented 1 117 full-time positions, including 648 positions outside Norway.

Net write-downs on loans represented 0.25 per cent of net lending to customers on an annual basis, of which individual write-downs represented 0.15 per cent. In the second quarter of 2010, net individual write-downs came to 0.07 per cent of net lending. Net impaired commitments totalled NOK 1.6 billion at end-June 2011, down NOK 2.2 billion from end-March 2011. The corresponding figure at end-June 2010 was NOK 5.6 billion.

The quality of the loan portfolio remained sound, and the improved macroeconomic situation, close follow-up of customers and preventive measures ensured a positive trend from the preceding quarters. Certain customer segments may nevertheless face challenges if the macroeconomic situation worsens. DnB NOR will give priority to retaining and developing long-term and profitable customer relationships through sound professional skills, good solutions, close follow-up and support. A positive market trend is anticipated in most of the business area's priority segments, which may offer good opportunities for growth. Average lending spreads are expected to increase somewhat, while the pressure on deposits spreads is expected to continue.

DnB NOR Markets

DnB NOR Markets recorded satisfactory profits in the second quarter of 2011. Pre-tax operating profits totalled NOK 1 069 million, up NOK 91 million compared with the year-earlier period.

Income statement in NOK million	2nd quarter 2011	2nd quarter 2010	Change
FX, interest rate and commodity derivatives	309	331	(22)
Investment products	82	99	(16)
Corporate finance	230	201	29
Securities services	62	57	5
Total customer revenues	683	687	(4)
Net income liquidity portfolio	262	265	(2)
Other market making/trading revenues	589	474	115
Total trading revenues	851	738	113
Interest income on allocated capital	35	36	(1)
Total income	1 569	1 462	108
Operating expenses	500	484	17
Pre-tax operating profit	1 069	978	91
Key figures in per cent			
Return on risk-adjusted capital 1)	59.1	47.4	
Cost/income ratio	31.9	33.1	
Number of full-time positions, end period	688	676	

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

Unrest in the so-called PIGS countries and fear of lower global growth resulted in a decline in market and customer activity. On the other hand, the volatile markets gave higher income from proprietary trading and thus an increase in total income.

Operating expenses rose by 3.5 per cent from the second quarter of 2010, while the cost/income ratio declined by 1.2 percentage points.

Customer-related income from foreign exchange and interest rate and commodity derivatives declined, mainly due to less currency and commodity hedging activity. There was greater demand for interest rate hedging towards the end of the quarter.

Customer-related income from the sale of securities and other investment products was reduced compared with the second quarter of 2010. Stock market developments reflected the uncertain macro-economic situation and lack of risk willingness among investors, resulting in lower activity levels. There was rising interest in investing in property projects.

Customer-related revenues from corporate finance services increased by 14.4 per cent from the second quarter of 2010. Due to the weak stock market, there was reduced activity within equity issues and initial public offerings. However, there was a high level of activity in the debt capital markets, especially at the start of the quarter. During the second quarter, DnB NOR Markets established a debt capital markets unit in Singapore with responsibility for Asia.

There was a rise in customer-related revenues from custodial and other securities services from the second quarter of 2010, in spite of reduced stock market activity. There was seasonally high activity within securities services.

Income from market making and other proprietary trading increased by 15.3 per cent from the second quarter of 2010, to NOK 851 million. There was a rise in income from trading in fixed income instruments, while income from foreign exchange trading was somewhat lower than the previous year.

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

Insurance and Asset Management

Insurance and Asset Management is responsible for life insurance, pension savings, asset management and non-life insurance in the DnB NOR Group. The business area recorded healthy profits in the second quarter of 2011, and this was a significant improvement from the year-earlier period.

Income statement in NOK million	2nd quarter 2011	2nd quarter 2010	Change
Total income	1 107	508	600
Operating expenses	581	532	49
Pre-tax operating profit	526	(24)	550
Tax	11	115	(105)
Profit after tax	515	(140)	655
Balances in NOK billion (end of period)			
Assets under management	524.3	506.7	17.6
Key figures in per cent			
Return on risk-adjusted capital [1)]	11.9	(4.1)	
Cost/income ratio	52.5	104.8	
Number of full-time positions, end period	1 047	1 062	

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

Vital

Vital recorded pre-tax operating profits of NOK 434 million in the second quarter of 2011, an increase of NOK 537 million from the year-earlier period.

Income statement in NOK million	2nd quarter 2011	2nd quarter 2010	Change
Interest result	2 149	(629)	2 778
Risk result	(137)	(46)	(92)
- Of which provisions for higher life expectancy	*(97)*	*(243)*	*147*
Administration result	(4)	8	(12)
Profit on risk and guaranteed rate of return	133	138	(5)
Other	(7)	4	(10)
Allocations to policyholders	1 700	(423)	2 123
Pre-tax profit	434	(102)	537
Tax charge	(9)	97	(106)
Profit from Vital	443	(199)	642
Balances in NOK billion (end of period)			
Total assets	256.9	244.7	12.1
Assets under management			
- individual customers	64.7	65.2	(0.6)
- corporate customers	136.8	124.5	12.3
- public sector	35.5	29.7	5.8
Key figures in per cent			
Return on risk-adjusted capital [1)]	11.7	(6.0)	
Recorded return on assets	1.8	0.5	
Value-adjusted return on assets	0.8	(0.4)	
Number of full-time positions, end period	726	730	

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

Vital achieved a recorded return of 1.8 per cent and a value-adjusted return of 0.8 per cent on the common portfolio in the second quarter of 2011, excluding changes in the value of bonds held to maturity. A return of 0.9 per cent was generated in the corporate portfolio.

The recorded return was higher than the guaranteed rate of return in all portfolios in the first six months of 2011. Vital's common portfolio represents a sound base, with approximately half of the funds invested in property and bonds held to maturity generating ongoing returns of approximately 5 per cent. These investments contribute to stabilising returns. The property portfolio gave a direct return of 2.0 per cent in the second quarter of 2011.

Total assets as at 30 June 2011 were NOK 257 billion, an increase of 4 per cent since end-December 2010. Recorded policy-holders' funds within defined-contribution pension schemes totalled NOK 13.3 billion, an increase of 11.5 per cent from end-December 2010.

Premium income totalled NOK 3.8 billion in the second quarter of 2011, up 39.1 per cent compared with the year-earlier period.

Vital reported a net inflow of transfers of NOK 410 million in the second quarter of 2011, compared with a net inflow of NOK 17 million in the year-earlier period.

The risk result for the second quarter of 2011 was negative at NOK 137 million, compared with a negative result of NOK 46 million in the year-earlier period. Allocations of NOK 97 million were made in the second quarter of 2011 to cover the required increase in reserves for higher life expectancy for individual annuity and pension insurance and group association insurance, of which NOK 33 million was charged to the owner.

The level of solvency capital remained unchanged from 31 December 2010, totalling NOK 24.4 billion at end-June 2011. The capital adequacy ratio was 9.6 per cent, well within the 8 per cent requirement.

Vital's market share of total policyholders' funds was 29.8 per cent at end-March 2011, down 0.5 percentage points from end-March 2010.

Vital's performance in the second quarter of 2011 reflected the somewhat unstable financial markets. The markets are expected to remain volatile through the remainder of the year. As part of the DnB NOR Group, Vital has the financial strength required to handle such volatility.

Vital is preparing for its adaptation to changes in the regulatory framework. The Banking Law Commission has recently been reviewing the regulatory framework for paid-up policies. Vital supports the initiatives to ensure that paid-up policies will remain an attractive pension product also after the introduction of Solvency II with effect from 2013.

Draft legislation has been presented for new disability benefits and retirement pensions for the disabled. The proposal is aimed to ensure that people who become disabled will receive disability benefits on a level with or higher than current benefits. It will also be easier to combine disability benefits with work, and the disabled will be ensured a good retirement pension. The rules for new disability benefits and new retirement pensions for the disabled are scheduled to enter into force in 2015. Vital will focus on establishing good advisory concepts and on adapting its product portfolio.

The company expects the growing interest in pension savings to prevail and provide a sound platform for continued growth.

DnB NOR Asset Management

DnB NOR Asset Management recorded pre-tax operating profits of NOK 61 million in the second quarter of 2011, a reduction of NOK 22 million from the year-earlier period. The reversal of costs and a high level of income resulting from the company's asset management performance in the second quarter of 2010, coupled with rising interest expenses in 2011, contributed to the decline in profits.

Income statement in NOK million	2nd quarter 2011	2nd quarter 2010	Change
Net interest income	(6)	5	(11)
Commission income			
- from retail customers	95	85	11
- from institutional clients	114	132	(17)
Other operating income	2	(1)	3
Total income	205	220	(15)
Operating expenses	144	138	6
Pre-tax operating profit	61	82	(22)
Balances in NOK billion (end of period)			
Assets under management	473.2	454.0	19.2
- retail customers	40.7	42.6	(1.9)
- institutional clients	432.5	411.4	21.2
Key figures in per cent			
Return on risk-adjusted capital [1)]	32.7	47.3	
Cost/income ratio	70.4	62.6	
Number of full-time positions, end period	216	224	

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

Total commission income was reduced by NOK 7 million. Performance-based revenues declined by NOK 24 million, while a rise in assets under management gave a NOK 17 million increase in income.

Market developments during the past 12-month period caused a NOK 29 billion rise in the market value of assets under management, while a further NOK 4 billion increase stemmed from exchange rate movements. Negative net sales gave a NOK 14 billion reduction in assets under management.

DnB NOR Asset Management is one of Norway's leading providers of mutual funds and discretionary asset management and had a market share of 23.7 per cent of the total mutual fund market in Norway at end-May 2011.

As at 30 June 2011, the total number of mutual fund savings schemes in the Norwegian market was approximately 272 000, with annual subscriptions of around NOK 2.8 billion. At end-May 2011, 47.1 per cent of DnB NOR's mutual funds had received four or five stars from the rating company Morningstar. Ten of DnB NOR Asset Management's funds have the highest ranking, with five stars.

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

DnB NOR Skadeforsikring

DnB NOR Skadeforsikring is in an expansion phase. Sales in the January through June period increased by 37 per cent compared with the year-earlier period. Non-life insurance products are sold mainly through the bank's distribution network. A reduced claims frequency and a reassurance programme which to a greater extent neutralises seasonal variations contributed to improved profit performance in the second quarter of 2011.

DnB NORD

DnB NORD recorded a pre-tax operating loss of NOK 49 million in the second quarter of 2011, an improvement of NOK 857 million from the second quarter of 2010. The improved performance was due to a reduction in write-downs on loans and the fact that DnB NORD's financial performance in the second quarter of 2010 was affected by write-downs on intangible assets.

Income statement in NOK million	2nd quarter 2011	2nd quarter 2010	Change
Net interest income	317	385	(68)
Other operating income	165	99	67
Total income	482	483	(1)
Ordinary operating expenses	356	336	20
Impairment losses for goodwill and intangible assets	0	346	(346)
Total operating expenses	356	682	(326)
Pre-tax operating profit before write-downs	126	(198)	325
Net gains on fixed assets	4	(8)	12
Net write-downs on loans	180	699	(520)
Pre-tax operating profit	(49)	(906)	857
Average balance sheet items in NOK billion			
Net lending to customers	59.6	62.9	(3.3)
Deposits from customers	25.0	21.9	3.1
Key figures in per cent			
Lending spread [1)]	1.72	1.86	
Deposit spread [1)]	0.79	0.48	
Return on risk-adjusted capital [2)]	(3.8)	(37.9)	
Ordinary cost/income ratio	73.8	69.5	
Ratio of deposits to lending	41.9	34.8	
Number of full-time positions, end period	3 169	3 136	

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

Average net lending to customers was reduced by 5.2 per cent from the second quarter of 2010 to the corresponding period in 2011. Measured relative to lending at the end of the period, there was a

3.1 per cent reduction from end-June 2010, with a 1.4 per cent decline in lending in the Baltic States and Poland. In spite of an improved macroeconomic situation in the Baltic region, it will take time before this is reflected in rising credit demand. However, the downward trend seems to have slowed, and there was a slight increase in lending in both Latvia and Estonia from end-March 2011. Average customer deposits rose by 14.4 per cent from the second quarter of 2010.

Total income was stable from the second quarter of 2010, while there was a slight increase in ordinary operating expenses.

The level of net write-downs on loans remained high compared with the Group's other operations, though there was a significant reduction from the second quarter of 2010. Relative to average lending, write-downs came to 1.21 per cent on an annual basis in the second quarter of 2011, down from 1.45 per cent in the first quarter of 2011 and 4.46 per cent in the second quarter of 2010.

The operations in DnB NORD are mainly concentrated in the Baltic States and Poland, and will be continued as a separate division in Large Corporates and International. The process of integrating operations more closely with DnB NOR started immediately after the full acquisition of DnB NORD in December 2010. Measures include the downscaling of operations in Copenhagen and the transfer of key functions to Oslo. The future strategy in Poland is being assessed. One of the alternatives under consideration is the sale of these operations.

The new Baltics and Poland division, including administrative expenses in Norway, showed estimated pre-tax operating profits of NOK 22 million in the second quarter of 2011, down NOK 4 million from the first quarter of 2011 and up NOK 39 million from the fourth quarter of 2010.

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

Balance sheet and liquidity

At end-June 2011, total combined assets in the DnB NOR Group were NOK 2 119 billion, a reduction of NOK 134 billion or 6 per cent from a year earlier. Total assets in the Group's balance sheet were NOK 1 854 billion as at 30 June 2011 and NOK 1 993 billion a year earlier. Total assets in Vital were NOK 257 billion and NOK 245 billion, respectively, on the same dates.

Measured in Norwegian kroner, net lending to customers increased by NOK 47.5 billion or 4.1 per cent from end-June 2010. Adjusted for exchange rate movements, there was a NOK 80 billion increase in lending. Customer deposits rose by NOK 26 billion or 4.2 per cent during the corresponding period. After adjusting for exchange rate movements, there was a NOK 42 billion increase in deposits.

At 53.9 per cent, the Group's ratio of deposits to lending was unchanged from end-June 2010. The ratio varied during the period due to, among other things, short-term money-market-related deposits. The ratios of deposits to lending in DnB NOR Bank ASA were 95.1 and 94.1 per cent, respectively, at end-June 2010 and end-June 2011. The ratio of deposits to lending in DnB NOR Bank reflects that loans which are not carried in the books of DnB NOR Boligkreditt or DnB NOR Næringskreditt are mainly financed through customer deposits.

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

In order to keep the Group's long-term liquidity risk at a low level, the majority of loans are financed through customer deposits, long-term securities, subordinated loan capital and equity. The Group has a self-imposed limit whereby such long-term or stable funding must represent minimum 90 per cent of customer lending. At end-June 2011, this share was 103.5 per cent. The bank remained active in the long-term funding markets in the second quarter. Though the market situation during the quarter reflected a higher level of uncertainty among investors due to the unrest concerning Greece's sovereign debt, financially strong banks such as DnB NOR had good access to funding. There was a particularly high level of activity in the covered bonds market. Among other things, the bank's funding activities in the Australian market were well received. Due to the Greek sovereign debt crisis, there were greater differences between covered bonds and ordinary senior bonds, which was reflected in higher prices in the long-term senior bond market. The cost of long-term funding remained considerably higher than was the case for DnB NOR and other banks prior to the financial crisis, but DnB NOR's good ratings and firm roots in a relatively robust Norwegian economy had a positive effect on both prices of and access to funding.

The average remaining term to maturity for the portfolio of senior bond debt and covered bonds in DnB NOR Bank was 4.5 years at end-June 2011, compared with 3.3 years a year earlier.

Risk and capital adequacy

The risk situation in the second quarter reflected Greece's debt problems and the downward adjustment of global growth prospects. This gave a downturn in the stock markets which was followed by a significant upturn a few days before the end of the quarter in connection with the savings measures approved in Greece. The price of oil remained high, and the International Energy Agency, IEA, had to implement extraordinary measures to ensure the supply of crude oil. The Norwegian krone was on a par with its strongest levels in 2003 and 2008. This presented challenges for industries exposed to competition. However, there was a positive trend in the Norwegian economy, and several sectors were approaching their capacity limits. The positive trend in the Baltic economies continued, though the starting point was weak.

The DnB NOR Group quantifies risk by measuring risk-adjusted capital requirements. The net risk-adjusted capital requirement increased by NOK 1.7 billion during the second quarter of 2011, to NOK 61.6 billion. The table below shows developments in the risk-adjusted capital requirement.

Amounts in NOK billion	30 June 2011	31 March 2011	31 Dec. 2010	30 June 2010
Credit risk	46.3	45.9	45.5	48.9
Market risk	6.2	6.4	6.0	5.3
Market risk in life insurance	14.1	12.5	12.5	11.8
Insurance risk	1.9	1.8	1.8	1.6
Operational risk	8.4	8.4	7.7	7.7
Business risk	4.7	4.7	4.5	4.5
Gross risk-adjusted capital requirement	81.6	79.6	78.0	80.0
Diversification effect [1)]	(20.0)	(19.6)	(18.8)	(18.5)
Net risk-adjusted capital requirement	61.6	60.0	59.1	61.5
Diversification effect in per cent of gross risk-adjusted capital requirement [1)]	24.5	24.7	24.2	23.1

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

The risk-adjusted capital requirement for credit showed a slight increase due to rising volumes. Credit quality showed a continued healthy trend in most sectors. Housing prices continued to climb due to a healthy income trend, consistent low interest rates and few new homes for sale in the market. There was a continuing positive value trend, especially for centrally located commercial property.

The volume of non-performing and doubtful commitments declined during the second quarter. Low spot rates in the dry bulk and tanker segments could generate higher risk in the shipping segment if these levels prevail.

Risk-adjusted capital for market risk in Vital increased during the quarter as the company maintained a high equity exposure in spite of the negative market trend during the quarter. The market recovered towards the end of the period. At end-June 2011, the equity exposure in the common portfolio was 21.6 per cent. There was a further reduction in long-term interest rates, which in the longer term could make it more challenging to meet policyholders' guaranteed rate of return. Finanstilsynet has approved a lower calculation rate with effect from 1 January 2012. Higher life expectancy indicates that an increase in reserves may be required. The industry has been in dialogue with the authorities regarding the possible implementation of such an increase.

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

Operational risk, measured in terms of registered loss events, remained stable at a low level. During the Easter holiday, the Group completed a successful conversion of Postbanken's customer accounts to DnB NOR's IT systems. The conversion did not cause any significant operational disruptions and will reduce operational risk in the future. Risk-adjusted capital for operational risk and business risk is updated every six months, to be reported in the first and third quarter, and thus remained unchanged in the second quarter.

Risk-weighted volume included in the calculation of the formal capital adequacy requirement increased by NOK 25 billion during the quarter, to NOK 1 064 billion. According to transitional rules, risk-weighted volume cannot be less than 80 per cent of the Basel I requirement in 2011. Including 50 per cent of interim profits, the Tier 1 capital ratio was 9.8 per cent and the capital adequacy ratio 11.7 per cent.

Calculations have also been made of the effect of full future implementation of the Basel II rules on all of the Group's portfolios, excluding DnB NORD. The calculations showed a potential Tier 1 capital ratio of 11.9 per cent at end-June based on such implementation and on no limitations ensuing from the transitional rules.

Macroeconomic developments

The global economic growth picture was complex in the second quarter of 2011. Growth remained moderate in most of the OECD countries. In Europe, there was a clear tendency that countries in the north did relatively well, while countries in the south faced greater challenges. For example, Germany and Sweden both surpassed their pre-financial crisis GDP records, while GDP remained relatively unchanged in Italy and Spain since the trough in 2009. In Portugal, GDP was declining. The Japanese economy has been set back after the earthquake disaster in March. Unemployment was generally at a very high level in the OECD area, and housing prices continued to fall in some countries. In emerging economies, such as the BRICS countries of Brazil, Russia, India, China and South Africa, growth was high, and capacity problems coupled with high inflation were a growing challenge. These countries have been a key driving force in the world economy after the financial crisis. Since the end of 2010, growth has abated in the US, while the problem of sovereign debt has increased in Southern Europe.

High demand from emerging economies contributed to a steep increase in commodity prices. In addition, the price of oil rose sharply as disturbances in the Middle East and North Africa escalated, but then levelled off towards the end of the quarter.

In Norway, household and public spending have been the most important driving forces behind the economic growth of the past year. In the short term, relatively weak international growth is not likely to provide much impetus from other countries to the Norwegian economy. In recent months, private consumption has showed a weak trend, partly on account of high energy prices. It is likely that rising wage inflation and higher employment rates will contribute to increasing consumption growth. Higher housing prices have greatly stimulated house building and this trend looks set to continue. The labour market is clearly recovering and the lack of skilled labour is increasing in several industry sectors. The future investment plans of Norwegian businesses indicate a return to stronger growth.

New regulatory framework

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

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

Future prospects

DnB NOR has a strong platform and a robust strategy for profitable growth. The Group's position in Norway, a country which has both high GDP growth and high population growth, combined with low unemployment, provides an important basis for future growth ambitions. The Group's international strategy, focusing on high expertise within shipping, energy and seafood, together with its initiatives in the prospective Baltic growth markets, provides a good platform for international growth. In addition, expected higher interest rate levels will contribute to improved profitability in the future.

In the Retail Banking business area, strong growth is expected, but also intense competition and pressure on home mortgage margins in particular. Increasing activity and higher earnings are anticipated in the Large Corporates and International business area. Portfolio quality is expected to remain sound in both business areas. In DnB NOR Markets, it is anticipated that greater market activity will compensate for pressure on margins and ensure a continued high level of income. The Insurance and Asset Management business area is expected to benefit from a greater focus on pensions and financial savings, which will give opportunities for growth and sound profits. An improvement is expected in the markets of DnB NORD, resulting in improved financial performance. In the longer term, it is expected that growth in the Baltic States will again surpass average European levels.

In June, DnB NOR confirmed the financial targets for 2012 and set new targets for the period up until 2015. The targets for 2012 are pre-tax operating profits before write-downs of between NOK 22 and 25 billion, total effects of the cost programme of NOK 2 billion and a costs/income ratio below 46 per cent. The targets for 2015 are a return on equity above 14 per cent, pre-tax operating profits before write-downs of NOK 30 billion, cost reductions of a further NOK 1 billion and a cost/income ratio below 45 per cent.

The turmoil in the financial markets and lower international growth have put a certain damper on optimism and may influence future growth. However, in DnB NOR's opinion, at the end of the second quarter, the Group has a robust and sound platform from which to reach its financial targets.

Oslo, 11 July 2011
The Board of Directors of DnB NOR ASA

Anne Carine Tanum
(chairman)

Bjørn Sund
(vice-chairman)

Jarle Bergo

Bente Brevik

Sverre Finstad

Carl A. Løvvik

Tore Olaf Rimmereid

Ingjerd Skjeldrum

Rune Bjerke
(group chief executive)

Income statement

Amounts in NOK million	Note	2nd quarter 2011	2nd quarter 2010	1st half 2011	1st half 2010	Full year 2010
						DnB NOR Group
Total interest income	5	15 150	13 896	30 052	26 937	56 909
Total interest expenses	5	9 102	8 152	17 986	15 632	33 473
Net interest income	5	**6 048**	**5 744**	**12 066**	**11 305**	**23 436**
Commissions and fees receivable etc.	6	2 366	2 311	4 680	4 473	9 261
Commissions and fees payable etc.	6	553	588	1 084	1 122	2 220
Net gains on financial instruments at fair value	7	1 351	1 754	2 013	3 052	4 961
Net gains on assets in Vital		3 349	754	6 831	4 514	15 074
Guaranteed returns and allocations to policyholders in Vital		2 884	944	5 856	4 297	13 500
Premium income etc. included in the risk result in Vital		1 211	1 173	2 437	2 315	4 721
Insurance claims etc. included in the risk result in Vital		1 355	1 226	2 589	2 534	4 977
Premium income non-life insurance		218	242	513	476	1 009
Insurance claims etc. non-life insurance		164	200	406	463	918
Profit from companies accounted for by the equity method		(28)	(52)	44	9	180
Other income	8	472	1 571	869	1 865	2 565
Net other operating income		**3 984**	**4 795**	**7 451**	**8 288**	**16 156**
Total income		**10 032**	**10 538**	**19 518**	**19 592**	**39 592**
Salaries and other personnel expenses	9, 10	2 614	2 452	5 058	4 402	9 259
Other expenses	9	1 874	1 869	3 804	3 668	6 995
Depreciation and write-downs of fixed and intangible assets	9	444	983	863	1 349	2 256
Total operating expenses	9	**4 931**	**5 304**	**9 725**	**9 419**	**18 511**
Net gains on fixed and intangible assets		9	(1)	13	9	24
Write-downs on loans and guarantees	11	457	878	1 349	1 825	2 997
Pre-tax operating profit		**4 652**	**4 355**	**8 457**	**8 358**	**18 108**
Taxes		1 116	1 524	2 030	2 605	4 121
Profit from operations and non-current assets held for sale, after taxes		11	(8)	(30)	(13)	75
Profit for the period		**3 546**	**2 823**	**6 397**	**5 740**	**14 062**
Profit attributable to shareholders		3 546	3 264	6 397	6 381	14 814
Profit attributable to minority interests		0	(442)	0	(641)	(752)
Earnings/diluted earnings per share (NOK)		2.18	2.01	3.94	3.93	8.66
Earnings per share excluding operations held for sale (NOK)		2.18	2.02	3.96	3.94	8.62

Comprehensive income statement

Amounts in NOK million	2nd quarter 2011	2nd quarter 2010	1st half 2011	1st half 2010	Full year 2010
					DnB NOR Group
Profit for the period	3 546	2 823	6 397	5 740	14 062
Exchange differences arising from the translation of foreign operations	(65)	347	(248)	316	(90)
Comprehensive income for the period	**3 481**	**3 170**	**6 149**	**6 056**	**13 971**
Comprehensive income attributable to shareholders	3 481	3 607	6 149	6 800	14 865
Comprehensive income attributable to minority interests	0	(437)	0	(744)	(894)

Balance sheet

		DnB NOR Group		
		30 June	31 Dec.	30 June
Amounts in NOK million	Note	2011	2010	2010
Assets				
Cash and deposits with central banks		15 828	16 198	9 807
Lending to and deposits with credit institutions		41 096	47 792	213 009
Lending to customers	12, 13	1 201 961	1 170 341	1 154 491
Commercial paper and bonds		187 293	204 204	189 715
Shareholdings	14	79 154	75 179	65 074
Financial assets, customers bearing the risk		23 689	23 506	21 149
Financial derivatives		67 627	78 156	94 829
Commercial paper and bonds, held to maturity	15	165 706	179 461	181 465
Investment property	16	41 134	38 834	34 012
Investments in associated companies		2 157	2 307	1 816
Intangible assets	17	7 071	7 164	6 884
Deferred tax assets		173	915	223
Fixed assets		5 968	5 793	5 608
Operations and non-current assets held for sale		1 172	1 271	1 310
Other assets		13 818	10 499	13 214
Total assets		**1 853 848**	**1 861 620**	**1 992 607**
Liabilities and equity				
Loans and deposits from credit institutions		207 494	257 931	338 678
Deposits from customers		647 880	641 914	621 882
Financial derivatives		51 018	60 871	62 553
Debt securities issued	18	538 314	501 668	575 611
Insurance liabilities, customers bearing the risk		23 689	23 506	21 149
Liabilities to life insurance policyholders		213 390	205 550	198 255
Insurance liabilities, non-life insurance		1 445	1 091	1 042
Payable taxes		2 092	4 865	2 594
Deferred taxes		219	116	629
Other liabilities		25 315	14 738	21 814
Operations held for sale		331	387	376
Provisions		560	946	927
Pension commitments		3 369	3 361	3 658
Subordinated loan capital	18	27 702	33 479	38 941
Total liabilities		**1 742 819**	**1 750 424**	**1 888 108**
Minority interests		0	0	2 011
Share capital		16 253	16 232	16 216
Share premium reserve		22 609	22 609	22 609
Other equity		72 167	72 356	63 663
Total equity		**111 028**	**111 196**	**104 498**
Total liabilities and equity		**1 853 848**	**1 861 620**	**1 992 607**
Off-balance sheet transactions, contingencies and post-balance sheet events	22			

Statement of changes in equity

DnB NOR Group

Amounts in NOK million	Minority interests	Share capital [1)]	Share premium reserve	Other equity [1)]	Total equity [1)]
Balance sheet as at 31 December 2009	**2 755**	**16 231**	**22 609**	**59 808**	**101 403**
Profit for the period	(641)			6 381	5 740
Exchange differences arising from the translation of foreign operations	(103)			419	316
Comprehensive income for the period	(744)			6 800	6 056
Dividends paid for 2009 (NOK 1.75 per share)				(2 850)	(2 850)
Net purchase of treasury shares		(15)		(104)	(119)
Merger Vital Skade/DnB NOR Skadeforsikring				9	9
Balance sheet as at 30 June 2010	**2 011**	**16 216**	**22 609**	**63 663**	**104 498**
Balance sheet as at 31 December 2010	**0**	**16 232**	**22 609**	**72 356**	**111 196**
Profit for the period				6 397	6 397
Exchange differences arising from the translation of foreign operations				(248)	(248)
Comprehensive income for the period				6 149	6 149
Dividends paid for 2010 (NOK 4.00 per share)				(6 515)	(6 515)
Net purchase of treasury shares		21		177	198
Balance sheet as at 30 June 2011	**0**	**16 253**	**22 609**	**72 167**	**111 028**
Of which currency translation reserve:					
Balance sheet as at 31 December 2009	(63)			(359)	(422)
Comprehensive income for the period	(103)			419	316
Balance sheet as at 30 June 2010	(166)			59	(106)
Balance sheet as at 31 December 2010				(513)	(513)
Comprehensive income for the period				(248)	(248)
Balance sheet as at 30 June 2011				(761)	(761)

1) Of which treasury shares, held by DnB NOR Markets for trading purposes:	Share capital	Other equity	Total equity
Balance sheet as at 31 December 2010	*(56)*	*(405)*	*(461)*
Net purchase of treasury shares	*21*	*177*	*198*
Reversal of fair value adjustments through profit and loss		*0*	*0*
Balance sheet as at 30 June 2011	*(35)*	*(228)*	*(263)*

Cash flow statement

Amounts in NOK million	DnB NOR Group 1st half 2011	1st half 2010	Full year 2010
Operating activities			
Net payments on loans to customers	(49 067)	(21 312)	(56 175)
Net receipts on deposits from customers	9 825	19 584	51 286
Interest received from customers	23 584	20 667	43 692
Interest paid to customers	(6 367)	(5 041)	(10 986)
Net receipts on the sale of financial assets for investment or trading	30 819	54 137	3 082
Net receipts on commissions and fees	3 697	3 301	7 122
Payments to operations	(8 756)	(8 749)	(16 931)
Taxes paid	(5 078)	(8 973)	(8 874)
Receipts on premiums	8 428	9 454	15 171
Net receipts on premium reserve transfers	1 741	680	727
Payments of insurance settlements	(6 236)	(6 491)	(12 936)
Other receipts	872	1 906	1 532
Net cash flow relating to operating activities	**3 464**	**59 162**	**16 710**
Investment activities			
Net payments on the acquisition of fixed assets	(985)	(655)	(2 032)
Receipts on the sale of long-term investments in shares	85	200	0
Payments on the acquisition of long-term investments in shares	0	(60)	(1 253)
Dividends received on long-term investments in shares	100	16	438
Net cash flow relating to investment activities	**(800)**	**(498)**	**(2 847)**
Funding activities			
Net payments on loans to credit institutions	(40 601)	(118 114)	(26 829)
Net receipts/payments on other short-term liabilities	5 051	9 325	(3 310)
Receipts on issued bonds and commercial paper	262 214	224 728	277 533
Payments on redeemed bonds and commercial paper	(215 044)	(181 531)	(257 013)
Redemptions of subordinated loan capital	(4 601)	(1 861)	(4 704)
Repurchase/sale of own shares/share issue	198	(119)	(64)
Dividend payments	(6 515)	(2 850)	(2 850)
Interest receipts on funding activities	6 468	1 653	13 250
Interest payments on funding activities	(11 586)	(10 779)	(22 456)
Net cash flow from funding activities	**(4 416)**	**(79 548)**	**(26 442)**
Effects of exchange rate changes on cash and cash equivalents	**(1 602)**	**8**	**(153)**
Net cash flow	**(3 355)**	**(20 877)**	**(12 732)**
Cash as at 1 January	23 726	36 458	36 458
Net payments of cash	(3 355)	(20 877)	(12 732)
Cash at end of period *)	20 371	15 581	23 726
**) Of which: Cash and deposits with central banks*	*15 828*	*9 807*	*16 198*
Deposits with credit institutions with no agreed period of notice 1)	*4 543*	*5 774*	*7 528*

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

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

Note 1 Accounting principles

The second 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. No new or amended accounting standards or interpretations entered into force during the second quarter of 2011.

Note 2 Important accounting estimates and discretionary assessments

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

Note 3 Changes in group structure

On 16 June 2011, DnB NOR Bank ASA took over all the shares in Royston Norway from Propinvest Ltd. as part of the restructuring of the bank's commitment with the company. In addition, a company in Sweden and another in Finland were acquired. The acquired companies are organised into three independent sub-groups and own a total of 62 commercial properties, of which 55 are located in Norway, four in Sweden and three in Finland. The fair value of the properties was estimated at approximately NOK 1.8 billion on the acquisition date. The bank will seek to further develop the properties, aiming for a future sale. The bank is expected to own the properties for a few years, which means that the consolidation requirement must be fulfilled.

The companies were taken over at the price of NOK 1. On the acquisition date, the acquired companies had a total negative equity of NOK 218 million. Prior to the acquisition, DnB NOR Bank ASA had written down the commitment by a corresponding amount.

Note 4 Segments

Business areas

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

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

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

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

Certain customers and transactions of major importance require extensive cooperation within the Group. To stimulate such cooperation, operating income and expenses relating to some of these customers and transactions are recorded in the accounts of all relevant business areas. This refers primarily to income from customer trading in DnB NOR Markets. Double entries are presented gross in the income statement. Income is presented under "Income attributable to product suppliers", appurtenant costs under "Costs attributable to product suppliers" and write-downs under "Write-downs attributable to product suppliers". Double entries also include income from Insurance and Asset Management. Double entries are eliminated in the group accounts.

Income statement, second quarter

DnB NOR Group

	Retail Banking		Large Corporates and International		DnB NOR Markets		Insurance and Asset Management		DnB NORD		Other operations/ eliminations [1]		DnB NOR Group	
	2nd quarter		2nd quarter		2nd quarter		2nd quarter		2nd quarter		2nd quarter		2nd quarter	
Amounts in NOK million	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Net interest income - ordinary operations	3 307	3 452	1 769	1 440	202	214	(90)	(61)	302	377	558	321	6 048	5 744
Interest on allocated capital [2]	148	120	160	152	35	36	116	83	15	8	(474)	(399)	0	0
Net interest income	3 455	3 572	1 929	1 593	237	250	26	22	317	385	84	(78)	6 048	5 744
Other operating income	906	910	315	201	1 332	1 211	1 081	486	165	99	184	1 888	3 984	4 795
Income attributable to product suppliers	319	340	494	458	0	0	0	0	0	0	(813)	(798)	0	0
Net other operating income	1 225	1 250	809	659	1 332	1 211	1 081	486	165	99	(629)	1 090	3 984	4 795
Total income	4 680	4 822	2 739	2 252	1 569	1 462	1 107	508	482	483	(545)	1 011	10 032	10 538
Other operating expenses	2 672	2 785	582	521	500	484	581	532	356	682	239	301	4 931	5 304
Cost attributable to product suppliers	151	187	201	195	0	0	0	0	0	0	(352)	(382)	0	0
Operating expenses	2 824	2 972	783	716	500	484	581	532	356	682	(113)	(81)	4 931	5 304
Pre-tax operating profit before write-downs	1 856	1 850	1 956	1 536	1 069	978	526	(24)	126	(198)	(432)	1 093	5 101	5 234
Net gains on fixed and intangible assets	0	1	0	0	0	0	0	0	4	(8)	4	7	9	(1)
Write-downs on loans and guarantees [3]	100	284	220	63	0	0	0	0	180	699	(43)	(168)	457	878
Write-downs attributable to product suppliers	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Pre-tax operating profit	1 756	1 566	1 735	1 474	1 069	978	526	(24)	(49)	(906)	(385)	1 267	4 652	4 355

Note 4 Segments (continued)

1) *Other operations/eliminations:*

Amounts in NOK million	*Elimination of income/ cost attributable to product suppliers*		*Other eliminations*		*Group Centre *)*		*Total*	
	2nd quarter		*2nd quarter*		*2nd quarter*		*2nd quarter*	
	2011	*2010*	*2011*	*2010*	*2011*	*2010*	*2011*	*2010*
Net interest income - ordinary operations	*0*	*0*	*6*	*(31)*	*552*	*352*	*558*	*321*
Interest on allocated capital [2)]	*0*	*0*	*0*	*0*	*(474)*	*(399)*	*(474)*	*(399)*
Net interest income	*0*	*0*	*6*	*(31)*	*78*	*(48)*	*84*	*(78)*
Other operating income	*0*	*0*	*(312)*	*(218)*	*496*	*2 107*	*184*	*1 888*
Income attributable to product suppliers	*(813)*	*(798)*	*0*	*0*	*0*	*0*	*(813)*	*(798)*
Net other operating income	*(813)*	*(798)*	*(312)*	*(218)*	*496*	*2 107*	*(629)*	*1 090*
Total income	*(813)*	*(798)*	*(306)*	*(249)*	*574*	*2 059*	*(545)*	*1 011*
Other operating expenses	*0*	*0*	*(306)*	*(249)*	*545*	*550*	*239*	*301*
Cost attributable to product suppliers	*(352)*	*(382)*	*0*	*0*	*0*	*0*	*(352)*	*(382)*
Operating expenses	*(352)*	*(382)*	*(306)*	*(249)*	*545*	*550*	*(113)*	*(81)*
Pre-tax operating profit before write-downs	*(461)*	*(417)*	*0*	*0*	*29*	*1 509*	*(432)*	*1 093*
Net gains on fixed and intangible assets	*0*	*0*	*0*	*0*	*4*	*7*	*4*	*7*
Write-downs on loans and guarantees [3)]	*0*	*0*	*0*	*0*	*(43)*	*(168)*	*(43)*	*(168)*
Write-downs attributable to product suppliers	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Pre-tax operating profit	*(460)*	*(417)*	*0*	*0*	*76*	*1 684*	*(385)*	*1 267*

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.

**)*		*2nd quarter*	
	Group Centre - pre-tax operating profit in NOK million	*2011*	*2010*
	+ Gain on Nordito shareholding	*0*	*1 170*
	+ Interest on unallocated equity etc.	*245*	*210*
	+ Income from equities investments	*53*	*(77)*
	+ Mark-to-market adjustments Treasury and fair value on lending	*(12)*	*729*
	+ Eksportfinans AS	*68*	*(40)*
	+ Net interest income DnB NOR ASA	*(28)*	*(22)*
	- Unallocated write-downs on loans and guarantees	*(43)*	*(168)*
	- Ownership-related expenses (costs relating to shareholders, investor relations, strategic planning etc.)	*61*	*53*
	- Unallocated pension expenses	*23*	*31*
	- Impairment losses for intangible assets	*0*	*51*
	- Funding costs on goodwill	*13*	*12*
	Other	*(195)*	*(307)*
	Pre-tax operating profit	*76*	*1 684*

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

3) *As from 1 January 2011, changes in collective write-downs are also included in the accounts of Retail Banking and Large Corporates and International. See note 11 Write-downs on loans and guarantees for an analysis of the gross change in write-downs for the Group.*

Main average balance sheet items

DnB NOR Group

Amounts in NOK billion	Retail Banking		Large Corporates and International		DnB NOR Markets		Insurance and Asset Management		DnB NORD		Other operations/ eliminations		DnB NOR Group	
	2nd quarter		2nd quarter		2nd quarter		2nd quarter		2nd quarter		2nd quarter		2nd quarter	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Net lending to customers [1)]	772.7	732.7	352.8	338.9	3.3	1.0	1.0	3.2	59.6	62.9	(2.2)	(4.9)	1 187.3	1 133.9
Deposits from customers [1)]	394.0	370.3	230.9	202.9	26.4	18.5			25.0	21.9	(1.3)	(3.1)	675.0	610.5
Assets under management [2)]							532.5	504.1					532.5	504.1
Allocated capital [3)]	21.9	19.6	23.8	24.9	5.2	6.0	17.3	13.6	4.2	4.7				

Note 4 Segments (continued)

Key figures

DnB NOR Group

Per cent	Retail Banking 2nd quarter 2011	Retail Banking 2nd quarter 2010	Large Corporates and International 2nd quarter 2011	Large Corporates and International 2nd quarter 2010	DnB NOR Markets 2nd quarter 2011	DnB NOR Markets 2nd quarter 2010	Insurance and Asset Management 2nd quarter 2011	Insurance and Asset Management 2nd quarter 2010	DnB NORD 2nd quarter 2011	DnB NORD 2nd quarter 2010	Other operations 2nd quarter 2011	Other operations 2nd quarter 2010	DnB NOR Group 2nd quarter 2011	DnB NOR Group 2nd quarter 2010
Cost/income ratio 4)	60.3	57.6	28.6	31.8	31.9	33.1	52.5	104.8	73.8	69.5			49.2	50.3
Ratio of deposits to lending 1) 5)	51.0	50.5	65.4	59.9					41.9	34.8			56.9	53.8
Return on allocated capital, annualised 3)	23.1	23.1	21.1	17.1	59.1	47.4	11.9	(4.1)	(3.8)	(37.9)			21.9	20.5
Number of full-time positions as at 30 June 6)	4 928	4 938	1 117	1 080	688	676	1 047	1 062	3 169	3 136	2 264	2 232	13 212	13 125

1) *Lending to customers includes accrued interest, write-downs and value adjustments. Lending to credit institutions are not included. Correspondingly, deposits from customers include accrued interest and value adjustments. Deposits from credit institutions are not included.*
2) *The figures include total assets in Vital.*
3) *The allocated capital and return on allocated capital for the business areas are calculated on the basis of internal measurement of risk-adjusted capital requirement. Recorded return on capital is used for the Group.*
4) *Total operating expenses relative to total income. In 2010 expenses exclude impairment losses for goodwill and intangible assets and income exclude a gain from the merger between the payment services company Nordito and the Danish PBS Holding.*
5) *Deposits from customers relative to net lending to customers.*
6) *In the second quarter of 2011, 65 full-time positions were transferred to Market and Communications from other parts of the Group, of which 36 full-time positions were transferred from Retail Banking.*

Comments to the income statement, second quarter

Retail Banking

Pre-tax operating profits totalled NOK 1 756 million in the second quarter of 2011, an increase of NOK 190 million from the year-earlier period. There was a positive development in volumes and a satisfactory trend in non-performing commitments and write-downs. Average net lending increased by 5.5 per cent from the second quarter of 2010 to the corresponding period in 2011. Adjusted for the sale of DnB NOR's home mortgage portfolio in Sweden at end-March 2011, lending rose by 6.2 per cent. The growth rate for home mortgages increased in the second quarter of 2011. In addition, lending to small and medium-sized businesses showed a positive volume trend. Compared with the year-earlier period, average deposits rose by 6.4 per cent, while the average ratio of deposits to lending was 51 per cent for the quarter. Along with customer deposits, covered bonds based on residential mortgages in DnB NOR Boligkreditt were key sources of funding. At end-June 2011, 91 per cent of lending volume in Retail Banking was funded by deposits and covered bonds. Adjusted for the discontinuation of guarantee fund levies, net interest income declined by NOK 231 million compared with the year-earlier period. The reduction reflected rising funding costs and lag effects related to the implementation of interest rate adjustments. The weighted interest rate spread, defined as total margin income on loans and deposits relative to total loans and deposits, was 1.15 per cent in the second quarter of 2011, down from 1.26 per cent in the year-earlier period. Retail Banking has competitive products and wishes to offer attractive prices in both the retail and corporate markets. Rising income from real estate broking in Norway contributed to increasing other operating income, while a negative trend in the value of shares held by partially-owned companies had a negative effect on income compared with the second quarter of 2010. Ordinary operating expenses, adjusted for impairment losses for goodwill, were up NOK 81 million in the second quarter of 2011 compared with the year-earlier period. The increase reflected a rise in depreciation on operational leasing in DnB NOR Finans and higher marketing expenses due to an increase in market activities. In addition, IT systems recorded in the balance sheet were written down in consequence of the conversion of Postbanken's customer accounts to DnB NOR's IT systems. The merging of the DnB NOR and Postbanken brands will give customers access to a wider distribution network and product range. This is also a step towards improved future cost efficiency. The number of full-time positions was 4 928 at end-June 2011, of whom 4 607 worked in the business area's units in Norway. The quality of the loan portfolio was sound, with relatively low net write-downs in both the retail and corporate markets. On an annual basis, net write-downs represented 0.05 per cent of lending in the second quarter of 2011, compared with 0.16 per cent in the year-earlier period. Net impaired commitments amounted to NOK 5.0 billion at end-June 2011, up NOK 0.2 billion from end-June 2011.

Large Corporates and International

Pre-tax operating profits came to NOK 1 735 million, up NOK 261 million from the year-earlier period. The Norwegian krone appreciated by 11 per cent relative to the US dollar from the second quarter of 2010 to the corresponding period in 2011, which had a negative effect on the business area's lending and deposit volumes measured in Norwegian kroner. The underlying level of activity showed a positive trend. Lending increased by 4.1 per cent from the second quarter of 2010. Adjusted for exchange rate movements, there was an 8.9 per cent rise. There was a positive trend from the first to the second quarter of 2011, with increases in lending of NOK 3 billion and NOK 13 billion, respectively, adjusted for exchange rate movements. Deposits rose by 13.8 per cent from the second quarter of 2010, while the ratio of deposits to lending increased by 5.6 percentage points. Deposit volumes were virtually unchanged from the first quarter of 2011. Measured against the 3-month money market rate, lending spreads widened by 0.22 percentage points from the second quarter of 2010 and by 0.06 percentage points from the first quarter of 2011, to 1.62 per cent. The widening spreads helped compensate for higher long-term funding costs. There was strong competition for deposits, and deposit spreads were relatively stable at a low level over the past three quarters. Competition for deposits intensified compared with the second quarter of 2010, and deposit spreads in the second quarter of 2011 were 0.08 percentage points lower than in the year-earlier period. The increase in other operating income was mainly attributable to a positive development in the value of repossessed assets in the form of equities. Operating expenses rose by 9.4 per cent from the second quarter of 2010, mainly due to a rise in staff numbers in strategic priority areas and increased IT development activity. There was a 2.9 per cent reduction in costs compared with the first quarter of 2011. At end-June 2011, staff in the business area represented 1 117 full-time positions, including 648 positions outside Norway. Net write-downs on loans represented 0.25 per cent of net lending to customers on an annual basis, of which individual write-downs represented 0.15 per cent. In the second quarter of 2010, net individual write-downs came to 0.07 per cent of net lending. Net impaired commitments totalled NOK 1.6 billion at end-June 2011, down NOK 2.2 billion from end-March 2011. The corresponding figure at end-June 2010 was NOK 5.6 billion.

Note 4 Segments (continued)

DnB NOR Markets

Pre-tax operating profits totalled NOK 1 069 million, up NOK 91 million compared with the year-earlier period. Unrest in the so-called PIGS countries and fear of lower global growth resulted in a decline in market and customer activity. On the other hand, the volatile markets gave higher income from proprietary trading and thus an increase in total income. Operating expenses rose by 3.5 per cent from the second quarter of 2010, while the cost/income ratio declined by 1.2 percentage points. Customer-related income from foreign exchange and interest rate and commodity derivatives declined, mainly due to less currency and commodity hedging activity. There was greater demand for interest rate hedging towards the end of the quarter. Customer-related income from the sale of securities and other investment products was reduced compared with the second quarter of 2010. Stock market developments reflected the uncertain macroeconomic situation and lack of risk willingness among investors, resulting in lower activity levels. There was rising interest in investing in property projects. Customer-related revenues from corporate finance services increased by 14.4 per cent from the second quarter of 2010. Due to the weak stock market, there was reduced activity within equity issues and initial public offerings. However, there was a high level of activity in the debt capital markets, especially at the start of the quarter. During the second quarter, DnB NOR Markets established a debt capital markets unit in Singapore with responsibility for Asia. There was a rise in customer-related revenues from custodial and other securities services from the second quarter of 2010, in spite of reduced stock market activity. There was seasonally high activity within securities services. Income from market making and other proprietary trading increased by 15.3 per cent from the second quarter of 2010, to NOK 851 million. There was a rise in income from trading in fixed income instruments, while income from foreign exchange trading was somewhat lower than the previous year.

Revenues within various segments

	DnB NOR Markets	
Amounts in NOK million	2nd quarter 2011	2nd quarter 2010
FX, interest rate and commodity derivatives	309	331
Investment products	82	99
Corporate finance	230	201
Securities services	62	57
Total customer revenues	683	687
Net income liquidity portfolio	262	265
Other market making/trading revenues	589	474
Total trading revenues	851	738
Interest income on allocated capital	35	36
Total income	1 569	1 462

Insurance and Asset Management

Vital:

Vital recorded pre-tax operating profits of NOK 434 million in the second quarter of 2011, an increase of NOK 537 million from the year-earlier period. Vital achieved a recorded return of 1.8 per cent and a value-adjusted return of 0.8 per cent on the common portfolio in the second quarter of 2011, excluding changes in the value on bonds held to maturity. A return of 0.9 per cent was generated in the corporate portfolio. Premium income totalled NOK 3.8 billion in the second quarter of 2011, up 39.1 per cent compared with the year-earlier period. The risk result for the second quarter of 2011 was negative at NOK 137 million, compared with a negative result of NOK 46 million in the year-earlier period. Allocations of NOK 97 million were made in the second quarter of 2011 to cover the required increase in reserves for higher life expectancy for individual annuity and pension insurance and group association insurance, of which NOK 33 million was charged to the owner. See Vital's income statement, balance sheets and key figures on the next pages.

DnB NOR Asset Management:

DnB NOR Asset Management recorded pre-tax operating profits of NOK 61 million in the second quarter of 2011, a reduction of NOK 22 million from the year-earlier period. The reversal of costs and a high level of income resulting from the company's asset management performance in the second quarter of 2010, coupled with rising interest expenses in 2011, contributed to the decline in profits. Total commission income was reduced by NOK 7 million. Performance-based revenues declined by NOK 24 million, while a rise in assets under management gave a NOK 17 million increase in income.

DnB NORD

DnB NORD recorded a pre-tax operating loss of NOK 49 million in the second quarter of 2011, an improvement of NOK 857 million from the second quarter of 2010. The improved performance was due to a reduction in write-downs on loans and the fact that DnB NORD's financial performance in the second quarter of 2010 was affected by write-downs on intangible assets. Average net lending to customers was reduced by 5.2 per cent from the second quarter of 2010 to the corresponding period in 2011. Measured relative to lending at the end of the period, there was a 3.1 per cent reduction from end-June 2010, with a 1.4 per cent decline in lending in the Baltic States and Poland. In spite of an improved macroeconomic situation in the Baltic region, it will take time before this is reflected in rising credit demand. However, the down-ward trend seems to have slowed, and there was a slight increase in lending in both Latvia and Estonia from end-March 2011. Average customer deposits rose by 14.4 per cent from the second quarter of 2010. Total income was stable from the second quarter of 2010, while there was a slight increase in ordinary operating expenses. The level of net write-downs on loans remained high compared with the Group's other operations, though there was a significant reduction from the second quarter of 2010. Relative to average lending, write-downs came to 1.21 per cent on an annual basis in the second quarter of 2011, down from 1.45 per cent in the first quarter of 2011 and 4.46 per cent in the second quarter of 2010. The operations in DnB NORD are mainly concentrated in the Baltic States and Poland, and will be continued as a separate division in Large Corporates and International. The process of integrating operations more closely with DnB NOR started immediately after the full acquisition of DnB NORD in December 2010. Measures include the downscaling of operations in Copenhagen and the transfer of key functions to Oslo. The future strategy in Poland is being assessed. One of the alternatives under consideration is the sale of the Polish operation. The new Baltics and Poland division, including administrative expenses in Norway, showed estimated pre-tax operating profits of NOK 22 million in the second quarter of 2011, down NOK 4 million from the first quarter of 2011 and up NOK 39 million from the fourth quarter of 2010.

Note 4 Segments (continued)

Group Centre

The Group Centre recorded a pre-tax operating profit of NOK 76 million in the second quarter of 2011, compared with a profit of NOK 1 684 million in the year-earlier period. Gains from the merger between the payment services company Nordito and the Danish PBS Holding in the second quarter of 2010 were NOK 1 170 million. Profits attributable to the Group from the associated company Eksportfinans totalled NOK 68 million in the second quarter of 2011, including the share of the portfolio guarantee issued for the liquidity portfolio, compared with a loss of NOK 40 million in the second quarter of 2010. Income from equity investments totalled NOK 53 million in the second quarter of 2011, a increase of NOK 130 million from the previous year. There was a negative profit contribution of NOK 41 million from own debt, loans carried at fair value and related derivatives in the second quarter of 2011, compared with a profit contribution of NOK 707 million in the corresponding period in 2010. The value of the Postbanken brand was impaired by NOK 51 million during the second quarter of 2010. There was a reduction of NOK 43 million in collective write-downs in the second quarter of 2011, compared with a reduction of NOK 168 million in the second quarter of 2010. The reduction was partly attributable to the fact that collective write-downs relating to the loan portfolios in Retail Banking and Large Corporates and International are included in the respective business areas' accounts with effect from 2011.

Income statement, first half

DnB NOR Group

	Retail Banking		Large Corporates and International		DnB NOR Markets		Insurance and Asset Management		DnB NORD		Other operations/ eliminations		DnB NOR Group	
	1st half		1st half		1st half		1st half		1st half		1st half		1st half	
Amounts in NOK million	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Net interest income - ordinary operations	6 780	6 777	3 443	2 776	411	475	(176)	(113)	601	705	1 007	686	12 066	11 305
Interest on allocated capital [1)]	285	227	310	288	70	67	212	154	26	17	(903)	(754)	0	0
Net interest income	7 065	7 004	3 753	3 064	481	542	36	41	627	721	104	(68)	12 066	11 305
Other operating income	1 793	1 764	590	450	2 732	2 233	2 338	1 335	340	285	(341)	2 221	7 451	8 288
Income attributable to product suppliers	608	651	1 004	820	0	0	0	0	0	0	(1 612)	(1 471)	0	0
Net other operating income	2 401	2 415	1 594	1 270	2 732	2 233	2 338	1 335	340	285	(1 954)	750	7 451	8 288
Total income	9 466	9 419	5 347	4 334	3 213	2 775	2 374	1 376	967	1 006	(1 850)	683	19 518	19 592
Other operating expenses	5 226	5 297	1 170	1 068	1 029	900	1 182	1 103	701	1 030	416	20	9 725	9 419
Cost attributable to product suppliers	304	362	420	346	0	0	0	0	0	0	(724)	(709)	0	0
Operating expenses	5 530	5 660	1 589	1 415	1 029	900	1 182	1 103	701	1 030	(308)	(689)	9 725	9 419
Pre-tax operating profit before write-downs	3 936	3 759	3 758	2 919	2 184	1 874	1 192	273	266	(24)	(1 542)	1 372	9 793	10 174
Net gains on fixed and intangible assets	1	1	0	0	0	0	0	0	7	(14)	5	23	13	9
Write-downs on loans and guarantees [2)]	353	491	605	312	0	0	0	0	393	1 255	(1)	(233)	1 349	1 825
Write-downs attributable to product suppliers	0	0	2	2	0	0	0	0	0	0	(2)	(2)	0	0
Pre-tax operating profit	3 584	3 270	3 150	2 605	2 184	1 874	1 192	273	(120)	(1 294)	(1 534)	1 629	8 457	8 358

Comments to the income statement, first half

DnB NOR recorded a profit for the periode of NOK 6 397 million in the first half of 2011, an increase from NOK 5 740 million in the first half of 2010. The rise in profits reflected higher interest income, lower write-downs and lower taxes. Pre-tax operating profits before write-downs were NOK 9 793 million, down from NOK 10 174 million in the first half of 2010. There was a NOK 47.5 billion increase in lending from end-June 2010. Lending spreads were stable measured against the 3-month money market rate. Net interest income increased by NOK 761 million during the period, mainly due to rising volumes. Other operating income declined by NOK 836 million from the first half of 2010. The reduction must be viewed in light of the NOK 1 170 million gain recorded by the Group in the first half of 2010 in connection with the merger between the payment services company Nordito and the Danish PBS Holding. Adjusted for the gains from the merger and a reduction in income from mark-to-market adjustments of liabilities and associated instruments of NOK 1 061 million, other operating income rose by NOK 1 395 million or 20.9 per cent. There was a very healthy underlying income trend during the period. Operating expenses rose by NOK 306 million from the first half of 2010. However, the comparison is affected by a number of items of a non-recurring nature. In 2010, costs for contractual pension agreements (CPA) of NOK 367 million were reversed in the first quarter, while impairment losses for goodwill and intangible assets totalled NOK 591 million in the second quarter. Adjusted for these items, the underlying rise in costs represented NOK 530 million. The cost increase must be seen in association with the rise in income and higher activity levels. Among other things, DnB NOR has escalated its IT initiatives over the past year parallel to a strong increase in market activities, also outside Norway, for example in the energy sector. Risk developments in the Group's loan portfolio were well under control, and individual write-downs mainly related to a few commitments. There was a significant reduction in write-downs in DnB NORD compared with the first half of 2010. Return on equity was 11.5 per cent, down from 12.6 per cent in the first half of 2010. Earnings per share were NOK 3.94 in the first half of 2011 and NOK 3.93 in the first half of 2010. DnB NOR's General Meeting has decided to change the name of the Group from DnB NOR to DNB and to include the Group's products and services under this brand name. The name change is scheduled to be implemented in November 2011. In June, the Group's new DNB logo was made public. Uniting operations under one brand name will offer opportunities to further strengthen initiatives targeted at the Group's customers. As part of the process to establish a common brand, all of Postbanken's customer accounts were transferred to DnB NOR's IT systems during the Easter of 2011. This step will give the Group a less complex portfolio of IT systems and thus reduce risk and costs

Note 4 Segments (continued)

Vital

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

Income statement 1)					**Vital**
	2nd quarter	2nd quarter	1st half	1st half	Full year
Amounts in NOK million	2011	2010	2011	2010	2010
Commissions and fees receivable etc.	589	584	1 168	1 140	2 303
Commissions and fees payable etc.	84	88	163	180	358
Net gains on assets in Vital	3 342	755	6 815	4 503	15 068
Guaranteed returns and allocations to policyholders in Vital	2 884	944	5 856	4 297	13 500
Premium income etc. included in the risk result in Vital	1 211	1 173	2 437	2 315	4 721
Insurance claims etc. included in the risk result in Vital	1 355	1 226	2 589	2 534	4 977
Other income	7		14	0	0
Net other operating income	**826**	**254**	**1 827**	**946**	**3 258**
Total income	**826**	**254**	**1 827**	**946**	**3 258**
Salaries and other personnel expenses	167	153	360	328	637
Other expenses	198	176	383	349	779
Depreciation and impairment of fixed and intangible assets	27	29	54	56	118
Total operating expenses	**392**	**357**	**797**	**733**	**1 534**
Net gains on fixed and intangible assets	0	2	0	1	1
Pre-tax operating profit	**434**	**(102)**	**1 030**	**214**	**1 724**
Taxes	(9)	97	(253)	75	(672)
Profit for the period 2)	**443**	**(199)**	**1 283**	**139**	**2 396**

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

2) Breakdown of income statement					***Vital***
	2nd quarter	*2nd quarter*	*1st half*	*1st half*	*Full year*
Amounts in NOK million	*2011*	*2010*	*2011*	*2010*	*2010*
Interest result	*2 149*	*(667)*	*3 896*	*741*	*6 033*
Application of/(transferred to) additional allocations	*0*	*38*	*0*	*38*	*(407)*
Risk result	*(137)*	*(46)*	*(135)*	*(211)*	*(242)*
Administration result	*(4)*	*8*	*(21)*	*(31)*	*(104)*
Upfront pricing of risk and guaranteed rate of return	*133*	*138*	*263*	*275*	*552*
Transferred from security reserve	*(7)*	*4*	*(17)*	*(8)*	*(14)*
Funds transferred to policyholders	*1 700*	*(423)*	*2 955*	*590*	*4 093*
Pre-tax operating profit in Vital	*434*	*(102)*	*1 030*	*214*	*1 724*
Taxes	*(9)*	*97*	*(253)*	*75*	*(672)*
Profit for the period in Vital	*443*	*(199)*	*1 283*	*139*	*2 396*

Note 4 Segments (continued)

Balance sheets [1)]

Amounts in NOK million	30 June 2011	31 Dec. 2010	Vital 30 June 2010
Assets			
Lending to and deposits with credit institutions	6 476	4 730	13 609
Lending to customers	972	2 833	3 285
Commercial paper and bonds	50 002	46 574	53 238
Shareholdings [2)]	64 697	60 443	49 175
Financial assets, customers bearing the risk	23 689	23 506	21 149
Financial derivatives	2 291	2 445	1 139
Commercial paper and bonds, held to maturity	69 285	68 038	66 707
Investment property [3)]	36 143	35 961	33 327
Investments in associated companies	17	16	17
Intangible assets	248	256	287
Deferred tax assets	0	629	15
Fixed assets	17	21	31
Other assets	3 052	1 654	2 769
Total assets	**256 889**	**247 107**	**244 745**
Liabilities and equity			
Financial derivatives	928	1 299	2 214
Insurance liabilities, customers bearing the risk	23 689	23 506	21 149
Liabilities to life insurance policyholders	213 390	205 550	198 255
Payable taxes	263	27	51
Deferred taxes	243	0	0
Other liabilities	3 178	1 591	10 152
Pension commitments	224	224	222
Subordinated loan capital	2 477	2 497	2 545
Total liabilities	**244 392**	**234 693**	**234 588**
Share capital	1 321	1 321	1 321
Share premium reserve	1 175	1 175	1 175
Other equity	10 001	9 918	7 661
Total equity	**12 497**	**12 413**	**10 157**
Total liabilities and equity	**256 889**	**247 107**	**244 745**

1) *The figures encompass Vital Forsikring ASA including subsidiaries as included in the DnB NOR Group accounts before eliminations for intra-group transactions and balances.*
2) *Investments in Private Equity, PE, totalled NOK 3.1 billion at end-June 2011. See note 14 Investments in shares.*
3) *See note 16 Investment property.*

Key figures

Per cent	2nd quarter 2011	2nd quarter 2010	1st half 2011	1st half 2010	Vital Full year 2010
Recorded return, excluding unrealised gains on financial instruments [1)]	1.8	0.5	3.3	2.1	6.2
Value-adjusted return, excluding unrealised gains on commercial paper and bonds, held to maturity [1)]	0.8	(0.4)	2.1	1.4	6.8
Value-adjusted return, including unrealised gains on commercial paper and bonds, held to maturity, and unrealised gains on current assets [1)]	1.3	(0.1)	2.1	2.0	6.9
Capital adequacy ratio at end of period [2)]	9.6	10.3	9.6	10.3	11.0
Core capital ratio at end of period [2)]	8.5	8.7	8.5	8.7	9.7
Solvency margin capital in per cent of requirement at end of period [2) 3)]	161	160	161	160	179

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

Note 5 Net interest income

					DnB NOR Group
Amounts in NOK million	2nd quarter 2011	2nd quarter 2010	1st half 2011	1st half 2010	Full year 2010
Interest on loans to and deposits with credit institutions	295	283	592	508	1 061
Interest on loans to customers	11 952	10 605	23 461	20 532	43 411
Interest on impaired commitments	64	65	124	101	247
Interest on commercial paper and bonds	2 180	2 358	4 577	4 651	9 568
Front-end fees etc.	80	69	140	132	287
Other interest income	580	517	1 160	1 012	2 334
Total interest income	**15 150**	**13 896**	**30 052**	**26 937**	**56 909**
Interest on loans and deposits from credit institutions	1 149	1 294	2 353	2 485	5 008
Interest on deposits from customers	3 278	2 641	6 369	5 043	10 986
Interest on debt securities issued	3 622	2 926	7 105	5 537	12 239
Interest on subordinated loan capital	156	167	310	333	667
Other interest expenses [1)]	897	1 124	1 849	2 236	4 573
Total interest expenses	**9 102**	**8 152**	**17 986**	**15 632**	**33 473**
Net interest income	**6 048**	**5 744**	**12 066**	**11 305**	**23 436**

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

Note 6 Net commissions and fees receivable

					DnB NOR Group
Amounts in NOK million	2nd quarter 2011	2nd quarter 2010	1st half 2011	1st half 2010	Full year 2010
Money transfer fees receivable	733	743	1 441	1 433	2 957
Fees on asset management services	282	297	578	581	1 096
Fees on custodial services	83	78	168	152	295
Fees on securities broking	69	78	158	159	303
Corporate finance	107	147	224	244	608
Interbank fees	24	25	45	48	97
Credit broking commissions	139	86	265	162	474
Sales commissions on insurance products	681	652	1 318	1 272	2 579
Sundry commissions and fees receivable on banking services	248	205	482	423	851
Total commissions and fees receivable etc.	**2 366**	**2 311**	**4 680**	**4 473**	**9 261**
Money transfer fees payable	252	259	494	502	1 112
Commissions payable on fund management services	33	29	69	61	121
Fees on custodial services payable	35	31	67	60	112
Interbank fees	34	36	64	70	140
Credit broking commissions	23	35	42	56	48
Commissions payable on the sale of insurance products	34	44	67	80	137
Sundry commissions and fees payable on banking services	142	154	281	294	550
Total commissions and fees payable etc.	**553**	**588**	**1 084**	**1 122**	**2 220**
Net commissions and fees receivable	**1 813**	**1 723**	**3 595**	**3 350**	**7 040**

Note 7 Net gains on financial instruments at fair value

				DnB NOR Group	
	2nd quarter	2nd quarter	1st half	1st half	Full year
Amounts in NOK million	2011	2010	2011	2010	2010
Dividends	280	194	353	236	387
Net gains on commercial paper and bonds	190	209	103	566	539
Net gains on shareholdings	(133)	(267)	(53)	(146)	582
Net gains on other financial instruments	1 015	1 618	1 611	2 396	3 453
Net gains on financial instruments at fair value	**1 351**	**1 754**	**2 013**	**3 052**	**4 961**

Note 8 Other income

				DnB NOR Group	
	2nd quarter	2nd quarter	1st half	1st half	Full year
Amounts in NOK million	2011	2010	2011	2010	2010
Fees on real estate broking	301	238	500	418	860
Miscellaneous operating income 1)	171	1 333	369	1 447	1 704
Total other income	**472**	**1 571**	**869**	**1 865**	**2 565**

1) *The merger between the payment services company Nordito and the Danish PBS Holding during the second quarter of 2010, generated a gain of NOK 1 170 million.*

Note 9 Operating expenses

				DnB NOR Group	
	2nd quarter	2nd quarter	1st half	1st half	Full year
Amounts in NOK million	2011	2010	2011	2010	2010
Salaries	1 920	1 784	3 677	3 469	7 071
Employer's national insurance contributions	265	256	528	510	1 025
Pension expenses 1)	257	224	510	70	448
Restructuring expenses	1	30	3	42	36
Other personnel expenses	171	157	340	311	680
Total salaries and other personnel expenses	**2 614**	**2 452**	**5 058**	**4 402**	**9 259**
Fees 2)	408	406	815	750	1 437
IT expenses 2)	401	390	835	869	1 635
Postage and telecommunications	91	95	186	194	377
Office supplies	23	25	46	50	99
Marketing and public relations	252	230	490	421	812
Travel expenses	70	58	129	108	244
Reimbursement to Norway Post for transactions executed	44	42	85	64	151
Training expenses	18	14	39	36	75
Operating expenses on properties and premises	349	330	701	658	1 280
Operating expenses on machinery, vehicles and office equipment	37	36	73	73	151
Other operating expenses	181	243	405	445	735
Other expenses	**1 874**	**1 869**	**3 804**	**3 668**	**6 995**
Impairment losses for goodwill 3)	0	194	0	194	194
Depreciation and write-downs of fixed and intangible assets 4)	444	789	863	1 155	2 063
Total depreciation and write-downs of fixed and intangible assets	**444**	**983**	**863**	**1 349**	**2 256**
Total operating expenses	**4 931**	**5 304**	**9 725**	**9 419**	**18 511**

1) *Pension expenses were reduced by NOK 367 million for the first quarter of 2010 due to the reversal of provisions for contractual early retirement pensions.*
2) *Fees also include system development fees and must be viewed relative to IT expenses.*
3) *Impairment losses for goodwill of NOK 194 million relating to Svensk Fastighetsförmedling were recorded in the second quarter of 2010.*
4) *See note 17 Intangible assets.*

Note 10 Number of employees/full-time positions

	2nd quarter 2011	2nd quarter 2010	1st half 2011	1st half 2010	Full year 2010
					DnB NOR Group
Number of employees at end of period	13 592	13 495	13 592	13 495	13 365
- of which number of employees abroad	4 450	4 462	4 450	4 462	4 391
Number of employees calculated on a full-time basis at end of period	13 212	13 125	13 212	13 125	13 021
- of which number of employees calculated on a full-time basis abroad	4 383	4 375	4 383	4 375	4 338
Average number of employees	13 472	13 492	13 431	13 516	13 485
Average number of employees calculated on a full-time basis	13 093	13 127	13 059	13 154	13 131

Note 11 Write-downs on loans and guarantees

Amounts in NOK million	2nd quarter 2011	2nd quarter 2010	1st half 2011	1st half 2010	Full year 2010
					DnB NOR Group
Write-offs [1]	351	145	394	170	459
New individual write-downs	429	1 187	1 737	2 824	5 141
Total new individual write-downs	780	1 332	2 131	2 994	5 600
Reassessed individual write-downs	273	253	630	484	1 109
Recoveries on commitments previously written off	100	79	223	173	418
Net individual write-downs	408	1 000	1 278	2 337	4 074
Change in collective write-downs on loans	50	(122)	71	(512)	(1 077)
Write-downs on loans and guarantees *)	**457**	**878**	**1 349**	**1 825**	**2 997**
Write-offs covered by individual write-downs made in previous years	983	406	1 498	698	2 217
**) Of which individual write-downs on guarantees*	*(6)*	*29*	*2*	*37*	*(3)*

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

Write-downs on loans and guarantees totalled NOK 457 million for the quarter, down NOK 421 million from the second quarter of 2010. There was a continued decline in the level of individual write-downs, which was lower than normalised losses for the Group as a whole. Individual write-downs in DnB NORD totalled NOK 184 million, close to a 72 per cent reduction from NOK 653 million in the second quarter of 2010.

Note 12 Lending to customers

Amounts in NOK million	30 June 2011	31 Dec. 2010	30 June 2010
			DnB NOR Group
Lending to customers, nominal amount	1 111 382	1 057 383	1 021 679
Individual write-downs	8 731	9 207	9 198
Lending to customers, after individual write-downs	1 102 651	1 048 177	1 012 481
+ Accrued interest and amortisation	2 021	1 952	1 761
- Individual write-downs of accrued interest and amortisation	693	658	636
- Collective write-downs	1 893	1 872	2 494
Lending to customers, at amortised cost	1 102 087	1 047 598	1 011 113
Lending to customers, nominal amount	99 289	121 834	141 668
+ Accrued interest	436	549	930
+ Adjustment to fair value	149	359	780
Lending to customers, at fair value [1]	99 875	122 742	143 379
Lending to customers	**1 201 961**	**1 170 341**	**1 154 491**

1) The fair value of loans in Norwegian kroner was reduced by NOK 21 million from 31 December 2010 due to widening margin requirement.

Note 13 Net impaired loans and guarantees for principal customer groups [1)]

Amounts in NOK million	DnB NOR Group 30 June 2011	31 Dec. 2010	30 June 2010
Private individuals [2)]	4 205	4 481	3 996
Transportation by sea and pipelines, vessel construction	390	810	3 108
Real estate	2 416	2 503	2 418
Manufacturing	2 785	3 165	4 033
Services	1 139	1 521	1 335
Trade	613	698	706
Oil and gas	0	0	306
Transportation and communication	432	490	408
Building and construction	727	1 710	1 015
Power and water supply	1	25	100
Seafood	12	10	17
Hotels and restaurants	327	351	264
Agriculture and forestry	272	279	265
Central and local government	0	0	0
Other sectors	17	53	51
Total customers	13 338	16 097	18 021
Credit institutions	129	0	0
Total net impaired loans and guarantees	13 467	16 097	18 021
Non-performing loans and guarantees not subject to write-downs	2 586	2 313	3 344
Total net non-performing and doubtful loans and guarantees	16 053	18 409	21 365

1) *Includes loans and guarantees subject to individual write-downs and total non-performing loans and guarantees not subject to write-downs. The breakdown into principal customer groups is based on standardised sector and industry categories set up by Statistics Norway.*

2) *Including a NOK 98 million adjustment for commitments previously written down in the fourth quarter of 2010.*

Note 14 Investments in shares

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

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

Private Equity investments

Amounts in NOK million	DnB NOR Group 30 June 2011	31 Dec. 2010	30 June 2010
Private Equity and Management Buyout Funds in DnB NOR Bank Group	432	459	456
Private Equity investments in Vital	3 090	2 816	2 435
Total Private Equity investments	3 522	3 275	2 891

Note 15 Commercial paper and bonds, held to maturity

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

Measurement

The reclassification in accordance with IAS 39 Financial Instruments: Recognition and Measurements requires that the value of the liquidity portfolio based on the principles applied before the reclassification must be reported. In a normal market situation, the liquidity portfolio would have been recorded at external observable prices before the reclassification. Due to the financial turmoil, there were no such observable prices in the market in 2008. The markets normalised through 2009, but there were still no observable prices for large parts of the portfolio at end-June 2011. In order to meet the disclosure requirement at end-June 2011, the liquidity portfolio has been measured at fair value according to models used for financial instruments not traded in an active market. The model applied is based on a regression analysis whereby historical market data (explanatory variables) which have been observable even during the financial turmoil are used to explain historical changes in value in the liquidity portfolio. During the period from the fourth quarter of 2006 up to and including the second quarter of 2008, the model shows a high level of correlation between changes in given market data and changes in value in the liquidity portfolio, which at the time was priced in an active market or through broker quotes which were believed to be fairly reliable. If the model had been applied to the liquidity portfolio in the first half of 2011, there would have been a NOK 72 million increase in profits.

Effects of the reclassifications of the liquidity portfolio

By measuring the portfolio at amortised cost, the value of the portfolio as at 30 June 2011 was NOK 562 million higher than if the previous valuation principle had been retained. On the reclassification date, the book value of the portfolio was NOK 88.0 billion, compared with NOK 44.5 billion at end-June 2011. The average term to maturity of the portfolio is 3.6 years, and the change in value resulting from an interest rate adjustment of one basis point was NOK 13 million at end-June 2011.

Effects of the reclassification of the liquidity portfolio

DnB NOR Group

Amounts in NOK million	2nd quarter 2011	2nd quarter 2010	1st half 2011	1st half 2010	Full year 2010
Effects on profits					
Recorded amortisation effect	76	98	156	235	429
Net gain if valued at fair value	134	(349)	228	(118)	536
Effects of reclassification on profits	(58)	448	(72)	352	(107)
Effects on the balance sheet					
Recorded, unrealised losses	1 078	1 428	1 078	1 428	1 234
Unrealised losses, if valued at fair value	1 640	2 521	1 640	2 521	1 868
Effects of reclassification on the balance sheet	562	1 094	562	1 094	634

Development in the liquidity portfolio after the reclassification

DnB NOR Group

Amounts in NOK million	30 June 2011	31 Dec. 2010	30 June 2010
Liquidity portfolio, recorded value	44 490	54 087	61 887
Liquidity portfolio, if valued at fair value	43 928	53 453	60 793
Effects of reclassification on the balance sheet	562	634	1 094

Note 15 Commercial paper and bonds, held to maturity (continued)

DnB NOR Markets' liquidity portfolio

After the reclassification date, DnB NOR Markets has chosen to increase its investments in held-to-maturity securities. As at 30 June 2011 DnB NOR Markets' portfolio represented NOK 98.2 billion. 92.7 per cent of the securities in the portfolio had an AAA rating, while 4.1 per cent were rated AA. There were no synthetic securities in the portfolio and no investments in US sub-prime bonds or Collateralised Debt Obligations, CDOs. Nor were any investments made in Treasury bills in Portugal, Italy, Ireland, Greece or Spain. According to new proposed liquidity requirements for banks, in order for the securities to be classified as liquid funds, they must qualify for immediate sale. New investments in covered bonds in the second quarter of 2011 are included in the trading portfolio and are recorded at fair value. The structure of DnB NOR Markets' liquidity portfolio is shown below.

	DnB NOR Group	
	Per cent 30 June 2011	NOK million 30 June 2011
Asset class		
Consumer credit	1	1 392
Residential mortgages	58	64 199
Corporate loans [1)]	1	1 610
Government related	29	32 896
Covered bonds	10	1 478
Total liquidity portfolio DnB NOR Markets, nominal values	100	111 586
Accrued interest, amortisation effects and fair value adjustments		(1 226)
Total liquidity portfolio DnB NOR Markets	100	110 359
Total liquidity portfolio DnB NOR Markets, held to maturity		98 173
Of which reclassified portfolio		44 490

1) *The exposure to the insurance sector represented only 0.01 per cent of the total portfolio at end-June 2011.*

The average term to maturity of DnB NOR Markets' liquidity portfolio is 3.3 years, and the change in value resulting from an interest rate adjustment of one basis point was NOK 21 million at end-June 2011.

Commercial paper and bonds, held to maturity	**DnB NOR Group**		
Amounts in NOK million	30 June 2011	31 Dec. 2010	30 June 2010
DnB NOR Markets	98 173	112 567	115 949
Vital	69 285	68 038	66 707
Other units [1)]	(1 752)	(1 144)	(1 190)
Commercial paper and bonds, held to maturity	**165 706**	**179 461**	**181 465**

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

Vital Forsikring

Vital Forsikring's portfolio of held-to-maturity bonds represents bonds issued by highly creditworthy borrowers. At end-June 2011, bonds with government guarantees represented approximately 24 per cent of the portfolio. The remaining bonds are generally issued by municipalities/county municipalities and finance companies with sound creditworthiness. All investments in bonds issued by finance companies represent senior debt, which has the highest ranking in the capital structure and first priority if the issuer goes bankrupt. Only in exceptional cases does Vital invest in bonds issued by traditional manufacturing companies.

Note 16 Investment property

Investment properties in the Group are principally owned by Vital Forsikring. Vital's portfolio totalled NOK 36 143 million as at 30 June 2011.

At end-June, a review was made of the investment properties, based on Vital's valuation model. As a supplement to the values in the internal model, appraisals were obtained from independent, external appraisers for properties representing 32 per cent of the values in the property portfolio in Norway. Calculations in the model and balance sheet values were 1.8 per cent below the average of the external appraisals. The Group's valuations are based on the best available information regarding the properties' characteristics and values. Increased levels of activity in both the rental and transaction market ensure greater access to market information, which makes both internal and external valuations less uncertain.

There were no changes in the market or the portfolio during the second quarter of 2011 which had any material impact on key parameters used in the internal valuation. The required rates of return for office premises were unchanged at 6.25 per cent during the contract period and 9.25 per cent thereafter.

Valuations are particularly sensitive to changes in required rates of return and assumptions regarding future income flows. Based on the current portfolio and contract structure, and other things equal, a 0.25 percentage point reduction in the required rate of return will increase the value of the property portfolio by 3.4 per cent or NOK 824 million. Correspondingly, a 5 per cent change in future market rents will change the value of the property portfolio by 3.9 per cent or NOK 928 million.

In line with established practice, the valuation of properties in Sweden, the portfolio in Vital Eiendomsfond and other partially owned properties is based on an external valuation.

The value of investment property was adjusted upwards by NOK 227 million from end-March 2011 to end-June 2011. The value increased by NOK 316 million from year-end 2010.

Changes in the value of investment properties

Amounts in NOK million	**DnB NOR Group** Investment property
Recorded value as at 31 December 2009	**33 381**
Additions, purchases of new properties	71
Additions, capitalised investments	498
Additions, acquired companies	0
Net gains resulting from adjustment to fair value	43
Net gains resulting from adjustment to fair value of projects	(10)
Disposals	183
Exchange rate movements etc.	212
Recorded value as at 30 June 2010 [1]	**34 012**
Recorded value as at 31 December 2010	**38 834**
Additions, purchases of new properties	286
Additions, capitalised investments	386
Additions, acquired companies [2]	1 775
Net gains resulting from adjustment to fair value	290
Net gains resulting from adjustment to fair value of projects	32
Disposals	336
Exchange rate movements etc.	(133)
Recorded value as at 30 June 2011 [1]	**41 134**

1) *The value of investment properties in Vital was NOK 36 143 million as at 30 June 2011 and NOK 33 327 million as at 30 June 2010.*
2) *See note 3 Changes in group structure for information about acquired companies.*

Note 17 Intangible assets

	DnB NOR Group		
Amounts in NOK million	30 June 2011	31 Dec. 2010	30 June 2010
Goodwill	5 312	5 378	5 275
IT systems development [1]	1 433	1 416	1 179
Other intangible assets	327	370	430
Total intangible assets	**7 071**	**7 164**	**6 884**

1) *IT systems were written down by NOK 22 million in the second quarter of 2011 in consequence of the conversion of Postbanken's customer accounts to DnB NOR's IT systems.*

Note 18 Debt securities issued and subordinated loan capital

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

Debt securities issued

	DnB NOR Group		
	30 June	31 Dec.	30 June
Amounts in NOK million	2011	2010	2010
Commercial paper issued, nominal amount	170 266	153 934	219 651
Bond debt, nominal amount [1)]	362 805	336 912	339 046
Adjustments	5 243	10 823	16 914
Total debt securities issued	**538 314**	**501 668**	**575 611**

Changes in debt securities issued

	DnB NOR Group					
	Balance sheet		Matured/	Exchange rate	Other	Balance sheet
	30 June	Issued	redeemed	movements	adjustments	31 Dec.
Amounts in NOK million	2011	2011	2011	2011	2011	2010
Commercial paper issued, nominal amount	170 266	152 901	135 053	(1 515)		153 934
Bond debt, nominal amount [1)]	362 805	109 314	79 991	(3 430)		336 912
Adjustments	5 243				(5 580)	10 823
Total debt securities issued	**538 314**	**262 214**	**215 044**	**(4 945)**	**(5 580)**	**501 668**

Changes in subordinated loan capital and perpetual subordinated loan capital securities

	DnB NOR Group					
	Balance sheet		Matured/	Exchange rate	Other	Balance sheet
	30 June	Issued	redeemed	movements	adjustments	31 Dec.
Amounts in NOK million	2011	2011	2011	2011	2011	2010
Term subordinated loan capital, nominal amount	16 539			(628)		17 167
Perpetual subordinated loan capital, nominal amount	4 368		2 263	(373)		7 005
Perpetual subordinated loan capital securities, nominal amount [2)]	5 731		2 338	(172)		8 241
Adjustments	1 064				(2)	1 065
Total subordinated loan capital and perpetual subordinated loan capital securities	**27 702**	**0**	**4 601**	**(1 174)**	**(2)**	**33 479**

1) *Minus own bonds. Outstanding covered bonds in DnB NOR Boligkreditt totalled NOK 325.2 billion as at 30 June 2011. The cover pool represented NOK 425.4 billion.*

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

Note 19 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. The figures as at 30 June 2011 are partially based on estimates.

Primary capital	**DnB NOR Bank ASA**		**DnB NOR Bank Group**		**DnB NOR Group**	
Amounts in NOK million	30 June 2011	31 Dec. 2010	30 June 2011	31 Dec. 2010	30 June 2011	31 Dec. 2010
Share capital	17 514	17 514	17 514	17 514	16 253	16 232
Other equity	61 368	61 582	66 117	72 344	88 378	94 964
Total equity	78 883	79 096	83 631	89 859	104 631	111 196
Deductions						
Pension funds above pension commitments	0	0	(29)	(16)	(177)	(119)
Goodwill	(2 408)	(2 419)	(3 882)	(3 472)	(5 752)	(5 378)
Deferred tax assets	(516)	(481)	(389)	(324)	(206)	(977)
Other intangible assets	(1 044)	(1 159)	(1 976)	(1 963)	(2 227)	(2 219)
Dividends payable etc.	0	0	0	(6 000)	0	(6 515)
Unrealised gains on fixed assets	0	0	(30)	(30)	(30)	(30)
50 per cent of investments in other financial institutions	(992)	(1 024)	(992)	(1 024)	0	0
50 per cent of expected losses exceeding actual losses, IRB portfolios	(932)	(515)	(939)	(666)	(939)	(666)
Adjustments for urealised losses/(gains) on liabilities recorded at fair value	93	94	(175)	(346)	(175)	(346)
Equity Tier 1 capital	73 084	73 592	75 221	76 018	95 126	94 946
Perpetual subordinated loan capital securities [1) 2)]	5 731	8 241	5 903	8 423	5 903	8 423
Tier 1 capital	78 815	81 833	81 124	84 441	101 029	103 368
Perpetual subordinated loan capital	4 368	7 004	4 368	7 004	4 368	7 004
Term subordinated loan capital [2)]	16 457	17 085	16 941	17 775	16 941	17 775
Deductions						
50 per cent of investments in other financial institutions	(992)	(1 024)	(992)	(1 024)	0	0
50 per cent of expected losses exceeding actual losses, IRB portfolios	(932)	(515)	(939)	(666)	(939)	(666)
Additions						
45 per cent of unrealised gains on fixed assets	0	0	18	18	18	18
Tier 2 capital	18 901	22 549	19 396	23 108	20 389	24 132
Total eligible primary capital [3)]	97 716	104 382	100 520	107 548	121 418	127 500
Risk-weighted volume	775 796	738 194	946 454	918 659	1 064 474	1 028 404
Minimum capital requirement	62 064	59 056	75 716	73 493	85 158	82 272
Equity Tier 1 capital ratio (%)	9.4	10.0	7.9	8.3	8.9	9.2
Tier 1 capital ratio (%)	10.2	11.1	8.6	9.2	9.5	10.1
Capital ratio (%)	12.6	14.1	10.6	11.7	11.4	12.4
Equity Tier 1 capital ratio including 50 per cent of profit for the period (%)	9.8	-	8.2	-	9.2	-
Tier 1 capital ratio including 50 per cent of profit for the period (%)	10.5	-	8.8	-	9.8	-
Capital ratio including 50 per cent of profit for the period (%)	12.9	-	10.9	-	11.7	-

1) *Perpetual subordinated loan capital securities can represent up to 15 per cent of Tier 1 capital. The excess will qualify as Tier 2 capital.*

2) *As at 30 June 2011, calculations of capital adequacy for the banking group and DnB NOR Group included a total of NOK 575 million in subordinated loan capital in associated companies.*

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

Note 19 Capital adequacy (continued)

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

Amounts in NOK million	Nominal exposure 30 June 2011	EAD 1) 30 June 2011	Risk-weighted volume 30 June 2011	Capital requirements 30 June 2011	Capital requirements 31 Dec. 2010
IRB approach					
Corporate	681 434	590 354	318 802	25 504	25 103
Specialised Lending (SL)	3 332	3 274	1 659	133	117
Retail - mortgage loans	511 572	511 572	62 257	4 981	4 533
Retail - other exposures	84 835	69 719	22 668	1 813	1 778
Securitisation	98 173	98 173	9 726	778	735
Total credit risk, IRB approach	1 379 346	1 273 092	415 111	33 209	32 266
Standardised approach					
Central government	82 226	95 624	49	4	146
Institutions	110 188	101 457	22 267	1 781	1 783
Corporate	370 092	273 183	264 172	21 134	19 607
Specialised Lending (SL)	0	0	0	0	476
Retail - mortgage loans	46 256	45 171	18 839	1 507	1 294
Retail - credit card exposures (QRRE)	499	139	104	8	0
Retail - other exposures	61 601	42 001	31 518	2 521	2 474
Equity positions	3 029	3 029	3 109	249	372
Securitisation	5 788	5 788	1 112	89	117
Other assets	10 923	10 923	10 923	874	688
Total credit risk, standardised approach	690 603	577 316	352 094	28 168	26 957
Total credit risk	2 069 948	1 850 409	767 205	61 376	59 224
Market risk, standardised approach			42 948	3 436	2 466
Of which: Position risk, equity-and debt instruments			40 922	3 274	2 466
Currency risk			2 026	162	0
Operational risk			61 944	4 956	4 956
Net insurance, after eliminations			121 295	9 704	9 008
Deductions			(481)	(38)	(39)
Total risk-weighted volume and capital requirements before transitional rule			992 912	79 433	75 614
Additional capital requirements according to transitional rules 2)			71 562	5 725	6 658
Total risk-weighted volume and capital requirements			1 064 474	85 158	82 272

1) *EAD, exposure at default.*

2) *Due to transitional rules, the minimum capital adequacy requirements for 2010 and 2011 cannot be reduced below 80 per cent relative to the Basel I requirements.*

Note 19 Capital adequacy (continued)

Basel II implementation

Further progress

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

	Reporting methods for credit risk in capital adequacy calculations	
Portfolios	30 June 2011	31 Dec. 2011
Retail:		
- mortgage loans, DnB NOR Bank and DnB NOR Boligkreditt	IRB [1)]	IRB [1)]
- qualifying revolving retail exposures, DnB NOR Bank [2)]	IRB [1)]	IRB [1)]
- mortgage loans, Nordlandsbanken	Standardised	IRB [1)]
- loans in Norway, DnB NOR Finans, DnB NOR Bank	IRB [1)]	IRB [1)]
Corporates:		
- small and medium-sized corporates, DnB NOR Bank	Advanced IRB	Advanced IRB
- large corporate clients (scorecard models), DnB NOR Bank	Advanced IRB	Advanced IRB
- large corporate clients (simulation models), DnB NOR Bank	Standardised	Advanced IRB
- corporate clients, Nordlandsbanken	Standardised	Advanced IRB
- leasing DnB NOR Bank	Advanced IRB	Advanced IRB
- corporate clients, DnB NOR Næringskreditt	Standardised	Advanced IRB
Securitisation positions:		
- DnB NOR Markets' liquidity portfolio	IRB [1)]	IRB [1)]
Institutions:		
- banks and financial institutions, DnB NOR Bank	Standardised	Advanced IRB
Exceptions:		
- approved exceptions: government and municipalities, equity positions	Standardised	Standardised
- temporary exceptions: DnB NORD, DnB NOR Luxembourg, Monchebank and various other portfolios	Standardised	Standardised

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

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

Note 20 Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligations. The Board of Directors in DnB NOR Banks ASA has established internal limits which restrict the short-term maturity of the banking group's liabilities during various time periods. In addition, limits have been approved for structural liquidity risk, which implies that lending to customers should largely be financed through customer deposits, subordinated capital and long-term funding. The Group's ratio of deposits to lending was 53.9 per cent at end-June 2011, unchanged from end-June 2010. During the same period, the ratio of deposits to lending in DnB NOR Bank ASA decreased from 95.1 to 94.1 per cent.

The short-term funding markets were stable for banks with good credit ratings during the second quarter of 2011. The Group maintained a high level of activity in the long-term funding markets in the second quarter. Financially strong banks had good access to funding, though unrest over the Greek national debt boosted interest in covered bonds. Combined with moderate lending growth, this helped ensure a sound liquidity position.

As at 30 June 2011, the average remaining term to maturity for the portfolio of bond debt was 4.5 years, compared with 3.3 years a year earlier. DnB NOR aims to achieve a sound and stable maturity structure for funding over the next five years.

Note 21 Information on related parties

Major transactions and agreements with related parties:

Eksportfinans

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

- A share issue of NOK 1.2 billion aimed at the company's owners was implemented, and all owners participated based on their proportional shares.
- A portfolio hedge agreement was entered into, and the owners were invited to participate. DnB NOR Bank ASA's share of the agreement corresponded to 40 per cent. The agreement secures Eksportfinans against further decreases in portfolio values of up to NOK 5 billion effective from 29 February 2008. Any recovery of values relative to nominal values will accrue to the participants in the portfolio hedge agreement as payment for their hedging commitment.
- During the first quarter of 2008, Eksportfinans' largest owner banks, DnB NOR Bank ASA, Nordea Bank AB and Danske Bank A/S, approved a committed credit line giving the company access to a liquidity reserve of up to USD 4 billion. The agreement was renewed in June 2009, June 2010 and June 2011. The renewal in 2010 resulted in a reduction in the limit for the liquidity reserve to USD 2 billion. DnB NOR Bank ASA's share of this agreement represents approximately USD 1.1 billion. Eksportfinans has not availed itself of this credit line.

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

Stimulus packages

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

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

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

In practice, the swap agreements imply that the bank purchases Treasury bills from Norges Bank. These are initially recorded as investments in Treasury bills. The obligation to repurchase the bonds at a price corresponding to the value of the Treasury bills is recorded as funding from Norges Bank. At end-June 2011, this funding represented NOK 85.8 billion. At end-June 2011, the bank's investments in Treasury bills used in the swap agreements represented NOK 70.1 billion.

Note 22 Off-balance sheet transactions, contingencies and post-balance sheet events

Off-balance sheet transactions and additional information				**DnB NOR Group**
		30 June	31 Dec.	30 June
Amounts in NOK million		2011	2010	2010
Performance guarantees 1)		37 637	36 323	40 229
Payment guarantees		21 995	22 111	19 691
Loan guarantees 2)		12 413	9 690	12 774
Guarantee to the Norwegian Banks' Guarantee Fund		0	498	498
Guarantees for taxes etc.		5 150	4 547	4 638
Other guarantee commitments		2 343	3 052	4 614
Total guarantee commitments		79 537	76 221	82 444
Support agreements		10 038	7 695	8 206
Total guarantee commitments etc. *)		89 575	83 916	90 649
Unutilised credit lines and loan offers		412 140	412 653	492 336
Documentary credit commitments 1)		2 495	3 196	3 136
Other commitments		1 568	1 947	2 828
Total commitments		416 203	417 796	498 300
Total guarantee and off-balance commitments		505 778	501 712	588 949
Securities		101 233	169 664	209 011
- are pledged as security for:	Loans 3)	101 109	169 539	208 884
	Other activities	124	125	127
**) Of which counter-guaranteed by financial institutions*		*19*	*15*	*199*

1) With effect from the fourth quarter of 2010, documentary credit commitments which are not related to deliveries of goods have been reclassified from documentary credit commitments to performance guarantees. Figures for previous periods have been adjusted accordingly.

2) DnB NOR Bank carries loans in its balance sheet that subject to legal agreement have been transferred to Eksportfinans and for which the bank has issued guarantees. According to the agreement, DnB NOR Bank still carries interest rate risk and credit risk for the transferred portfolio. Customer loans in the portfolio totalling NOK 10 509 million were recorded in the balance sheet as at 30 June 2011. These loans are not included under guarantees in the table.

3) As at 30 June 2011, NOK 80 273 million in securities was pledged as collateral for credit facilities with Norges Bank (the Norwegian central bank). According to regulations, these loans must be fully collateralised by a mortgage on interest-bearing securities and/or the bank's deposits with Norges Bank.

Contingencies

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

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

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

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

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

KLP Kreditt AS has instituted legal proceedings against DnB NOR Bank ASA, claiming repayment of too high guarantee commissions paid and has contended that the bank is not entitled to regulate guarantee commission rates for a loan portfolio of just under NOK 2 billion in excess of an alleged agreed fixed rate. The Oslo District Court found in favour of the bank on 2 June 2011. The judgment is not final.

Post-balance sheet events

No information has come to light about important circumstances which had occurred on the balance sheet date on 30 June 2011 and up till the Board of Directors' final consideration of the accounts on 11 July 2011.

DnB NOR ASA

Income statement

DnB NOR ASA

Amounts in NOK million	2nd quarter 2011	2nd quarter 2010	1st half 2011	1st half 2010	Full year 2010
Total interest income	118	119	228	219	471
Total interest expenses	91	94	182	186	396
Net interest income	**26**	**25**	**46**	**33**	**74**
Commissions and fees payable etc.	2	2	4	3	6
Other income [1)]	0	0	0	0	9 533
Net other operating income	**(2)**	**(2)**	**(4)**	**(3)**	**9 527**
Total income	**24**	**23**	**42**	**30**	**9 602**
Salaries and other personnel expenses	2	1	3	3	6
Other expenses	59	52	120	104	213
Depreciation and write-downs of fixed and intangible assets	0	0	0	0	0
Total operating expenses	**61**	**53**	**123**	**107**	**219**
Pre-tax operating profit	**(37)**	**(30)**	**(81)**	**(77)**	**9 383**
Taxes	(10)	(8)	(23)	(22)	2 292
Profit for the period	**(27)**	**(22)**	**(58)**	**(55)**	**7 092**
Earnings/diluted earnings per share (NOK)	(0.02)	(0.01)	(0.04)	(0.03)	4.35
Earnings per share excluding operations held for sale (NOK)	(0.02)	(0.01)	(0.04)	(0.03)	4.35

1) *Dividends from group companies/group contributions.*

Balance sheet

DnB NOR ASA

Amounts in NOK million	30 June 2011	31 Dec. 2010	30 June 2010
Assets			
Deposits with DnB NOR Bank ASA	18 171	25 981	18 607
Lending to other group companies	225	225	225
Investments in group companies	51 216	51 216	51 126
Receivables due from Vital	0	4 833	0
Other assets	23	0	22
Total assets	**69 634**	**82 255**	**69 980**
Liabilities and equity			
Loans from and outstandings to DnB NOR Bank ASA	10 085	10 240	11 110
Outstandings to other group companies	119	5 171	0
Other liabilities and provisions	4	7 360	18
Paid-in capital	38 844	38 844	38 844
Retained earnings	20 582	20 640	20 008
Total liabilities and equity	**69 634**	**82 255**	**69 980**

Statement of changes in equity

DnB NOR ASA

Amounts in NOK million	Share capital	Share premium reserve	Other equity	Total equity
Balance sheet as at 31 December 2009	**16 288**	**22 556**	**20 064**	**58 908**
Profit for the period			(55)	(55)
Balance sheet as at 30 June 2010	**16 288**	**22 556**	**20 008**	**58 853**
Balance sheet as at 31 December 2010	**16 288**	**22 556**	**20 640**	**59 484**
Profit for the period			(58)	(58)
Balance sheet as at 30 June 2011	**16 288**	**22 556**	**20 582**	**59 426**

Accounting principles

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

Statement pursuant to Section 5-6 of the Securities Trading Act

We hereby confirm that the half-yearly financial statements for the Group and the company for the period 1 January through 30 June 2011 to the best of our knowledge have been prepared in accordance with IAS 34 Interim Financial Reporting, and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the company taken as a whole.

To the best of our knowledge, the half-yearly report gives a true and fair:

- overview of important events that occurred during the accounting period and their impact on the half-yearly financial statements
- description of the principal risks and uncertainties facing the Group over the next accounting period
- description of major transactions with related parties.

Oslo, 11 July 2011
The Board of Directors of DnB NOR ASA

Anne Carine Tanum
(chairman)

Bjørn Sund
(vice-chairman)

Jarle Bergo

Bente Brevik

Sverre Finstad

Carl A. Løvvik

Tore Olaf Rimmereid

Ingjerd Skjeldrum

Rune Bjerke
(group chief executive)

Bjørn Erik Næss
(chief financial officer)

Key figures

	2nd quarter 2011	2nd quarter 2010	1st half 2011	1st half 2010	Full year 2010
					DnB NOR Group
Interest rate analysis					
1. Combined weighted total average spread for lending and deposits (%)	1.10	1.15	1.11	1.14	1.15
2. Spread for ordinary lending to customers (%)	1.55	1.60	1.58	1.59	1.61
3. Spread for deposits from customers (%)	0.31	0.32	0.30	0.31	0.32
Rate of return / profitability					
4. Net other operating income, per cent of total income	39.7	45.5	38.2	42.3	40.8
5. Cost/income ratio (%)	49.2	50.3	49.8	49.9	47.6
6. Return on equity, annualised (%)	12.6	12.8	11.5	12.6	13.6
7. RARORAC, annualised (%)	18.9	17.6	19.7	18.0	19.0
8. RORAC, annualised (%)	21.9	20.5	20.0	20.2	25.2
9. Average equity including allocated dividend (NOK million)	112 536	102 011	112 660	101 039	103 292
10. Return on average risk-weighted volume, annualised (%)	1.36	1.05	1.24	0.87	1.17
Financial strength					
11. Tier 1 capital ratio at end of period (%)	9.5	9.0	9.5	9.0	10.1
12. Tier 1 capital ratio incl. 50 per cent of profit for the period (%)	9.8	9.3	9.8	9.3	-
13. Capital ratio at end of period (%)	11.4	11.6	11.4	11.6	12.4
14. Capital ratio incl. 50 per cent of profit for the period (%)	11.7	11.9	11.7	11.9	-
15. Tier 1 capital at end of period (NOK million)	101 029	99 491	101 029	99 491	103 368
16. Risk-weighted volume at end of period (NOK million)	1 064 474	1 104 417	1 064 474	1 104 417	1 028 404
Loan portfolio and write-downs					
17. Individual write-downs relative to average net lending to customers, annualised	0.14	0.35	0.22	0.42	0.36
18. Write-downs relative to average net lending to customers, annualised	0.15	0.31	0.23	0.33	0.26
19. Net non-performing and net doubtful commitments, per cent of net lending	1.31	1.81	1.31	1.81	1.55
20. Net non-performing and net doubtful commitments at end of period (NOK million)	16 053	21 365	16 053	21 365	18 409
Liquidity					
21. Ratio of customer deposits to net lending to customers at end of period (%)	53.9	53.9	53.9	53.9	54.8
Total assets owned or managed by DnB NOR					
22. Customer assets under management at end of period (NOK billion)	504	481	504	481	509
23. Total combined assets at end of period (NOK billion)	2 119	2 253	2 119	2 253	2 141
24. Average total assets (NOK billion)	2 166	1 953	2 128	1 948	1 970
25. Customer savings at end of period (NOK billion)	1 152	1 103	1 152	1 103	1 151
Staff					
26. Number of full-time positions at end of period	13 212	13 125	13 212	13 125	13 021
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
28. Average number of shares (1 000)	1 628 799	1 628 799	1 628 799	1 628 799	1 628 799
29. Earnings per share (NOK)	2.18	2.01	3.94	3.93	8.66
30. Earnings per share excluding operations held for sale (NOK)	2.18	2.02	3.96	3.94	8.62
31. Dividend per share (NOK)	-	-	-	-	4.00
32. Total shareholders' return (%)	(7.2)	(4.6)	(3.9)	3.3	33.9
33. Dividend yield (%)	-	-	-	-	4.88
34. Equity per share including allocated dividend at end of period (NOK)	68.17	62.92	68.17	62.92	68.27
35. Share price at end of period (NOK)	75.20	63.15	75.20	63.15	81.90
36. Price/earnings ratio	8.64	7.83	9.50	8.01	9.50
37. Price/book value	1.10	1.00	1.10	1.00	1.20
38. Market capitalisation (NOK billion)	122.5	102.9	122.5	102.9	133.4

For definitions of selected key figures, see next page.

Key figures (continued)

Definitions

1, 2, 3	Based on nominal values excluding impaired loans, measured against the 3-month money market rate.
5	Total operating expenses relative to total income. Expenses exclude impairment losses for goodwill and other intangible assets and reversals of provisions for contractual early retirement pensions. Total income excludes a gain resulting from the merger between the payment services company Nordito and the Danish PBS Holding in the second quarter of 2010.
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 earnings per share.
30	Excluding operations held for sale and profits attributable to minority interests. Holdings of own shares are not included in calculations of the number of shares.
32	Closing price at end of period less closing price at beginning of period, including dividends reinvested in DnB NOR shares on the dividend payment date, relative to closing price at beginning of period.
34	Equity at end of period excluding minority interests relative to number of shares at end of period.
36	Closing price at end of period relative to annualised earnings per share.
37	Closing price at end of period relative to recorded equity at end of period.
38	Number of shares multiplied by the closing share price at end of period.

Profit and balance sheet trends

Income statement					**DnB NOR Group**
	2nd quarter	1st quarter	4th quarter	3rd quarter	2nd quarter
Amounts in NOK million	2011	2011	2010	2010	2010
Total interest income	15 150	14 902	15 168	14 803	13 896
Total interest expenses	9 102	8 884	9 015	8 825	8 152
Net interest income	**6 048**	**6 018**	**6 153**	**5 978**	**5 744**
Commissions and fees receivable etc.	2 366	2 314	2 420	2 367	2 311
Commissions and fees payable etc.	553	532	511	587	588
Net gains on financial instruments at fair value	1 351	662	1 684	225	1 754
Net gains on assets in Vital	3 349	3 481	6 404	4 156	754
Guaranteed returns and allocations to policyholders in Vital	2 884	2 972	5 879	3 324	944
Premium income etc. included in the risk result in Vital	1 211	1 226	1 242	1 164	1 173
Insurance claims etc. included in the risk result in Vital	1 355	1 234	1 248	1 195	1 226
Premium income non-life insurance	218	295	273	260	242
Insurance claims etc. non-life insurance	164	242	249	206	200
Profit from companies accounted for by the equity method	(28)	72	72	99	(52)
Other income	472	397	343	356	1 571
Net other operating income	**3 984**	**3 467**	**4 553**	**3 315**	**4 795**
Total income	**10 032**	**9 485**	**10 706**	**9 294**	**10 538**
Salaries and other personnel expenses	2 614	2 444	2 438	2 419	2 452
Other expenses	1 874	1 930	1 685	1 641	1 869
Depreciation and write-downs of fixed and intangible assets	444	419	487	421	983
Total operating expenses	**4 931**	**4 793**	**4 610**	**4 482**	**5 304**
Net gains on fixed and intangible assets	9	5	26	(11)	(1)
Write-downs on loans and guarantees	457	892	529	643	878
Pre-tax operating profit	**4 652**	**3 805**	**5 593**	**4 157**	**4 355**
Taxes	1 116	913	367	1 149	1 524
Profit from operations and non-current assets held for sale, after taxes	11	(41)	57	30	(8)
Profit for the period	**3 546**	**2 851**	**5 284**	**3 038**	**2 823**
Earnings/diluted earnings per share (NOK)	2.18	1.76	3.25	1.90	2.01

Profit and balance sheet trends (continued)

Balance sheet					DnB NOR Group
Amounts in NOK million	30 June 2011	31 March 2011	31 Dec. 2010	30 Sept. 2010	30 June 2010
Assets					
Cash and deposits with central banks	15 828	242 242	16 198	16 049	9 807
Lending to and deposits with credit institutions	41 096	72 781	47 792	50 369	213 009
Lending to customers	1 201 961	1 173 213	1 170 341	1 152 001	1 154 491
Commercial paper and bonds	187 293	195 390	204 204	213 326	189 715
Shareholdings	79 154	75 602	75 179	66 534	65 074
Financial assets, customers bearing the risk	23 689	23 875	23 506	21 903	21 149
Financial derivatives	67 627	71 282	78 156	99 179	94 829
Commercial paper and bonds, held to maturity	165 706	173 167	179 461	180 015	181 465
Investment property	41 134	38 997	38 834	34 498	34 012
Investments in associated companies	2 157	2 346	2 307	1 912	1 816
Intangible assets	7 071	7 174	7 164	7 000	6 884
Deferred tax assets	173	1 262	915	227	223
Fixed assets	5 968	5 842	5 793	5 673	5 608
Operations and non-current assets held for sale	1 172	1 326	1 271	1 304	1 310
Other assets	13 818	12 571	10 499	13 467	13 214
Total assets	**1 853 848**	**2 097 070**	**1 861 620**	**1 863 457**	**1 992 607**
Liabilities and equity					
Loans and deposits from credit institutions	207 494	384 704	257 931	258 063	338 678
Deposits from customers	647 880	678 402	641 914	606 502	621 882
Financial derivatives	51 018	59 165	60 871	69 256	62 553
Debt securities issued	538 314	566 214	501 668	533 313	575 611
Insurance liabilities, customers bearing the risk	23 689	23 875	23 506	21 903	21 149
Liabilities to life insurance policyholders	213 390	212 773	205 550	202 226	198 255
Insurance liabilities, non-life insurance	1 445	900	1 091	1 051	1 042
Payable taxes	2 092	4 577	4 865	3 687	2 594
Deferred taxes	219	185	116	510	629
Other liabilities	25 315	17 437	14 738	18 900	21 814
Operations held for sale	331	350	387	373	376
Provisions	560	586	946	890	927
Pension commitments	3 369	3 365	3 361	3 668	3 658
Subordinated loan capital	27 702	30 503	33 479	35 857	38 941
Total liabilities	**1 742 819**	**1 983 037**	**1 750 424**	**1 756 200**	**1 888 108**
Minority interests	0	0	0	1 965	2 011
Share capital	16 253	16 251	16 232	16 233	16 216
Share premium reserve	22 609	22 609	22 609	22 609	22 609
Other equity	72 167	75 173	72 356	66 450	63 663
Total equity	**111 028**	**114 033**	**111 196**	**107 257**	**104 498**
Total liabilities and equity	**1 853 848**	**2 097 070**	**1 861 620**	**1 863 457**	**1 992 607**

Information about the DnB NOR Group

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Board of Directors in DnB NOR ASA

Anne Carine Tanum, chairman
Bjørn Sund, vice-chairman
Jarle Bergo
Bente Brevik
Sverre Finstad
Carl A. Løvvik
Tore Olaf Rimmereid
Ingjerd Skjeldrum

Group management

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

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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
Distribution of dividends	as of 10 May
First quarter 2011	6 May
Capital Markets Day, Oslo	15 June
Second quarter 2011	12 July
Third quarter 2011	27 October

Other sources of information

Annual reports

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

Quarterly publications

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

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

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