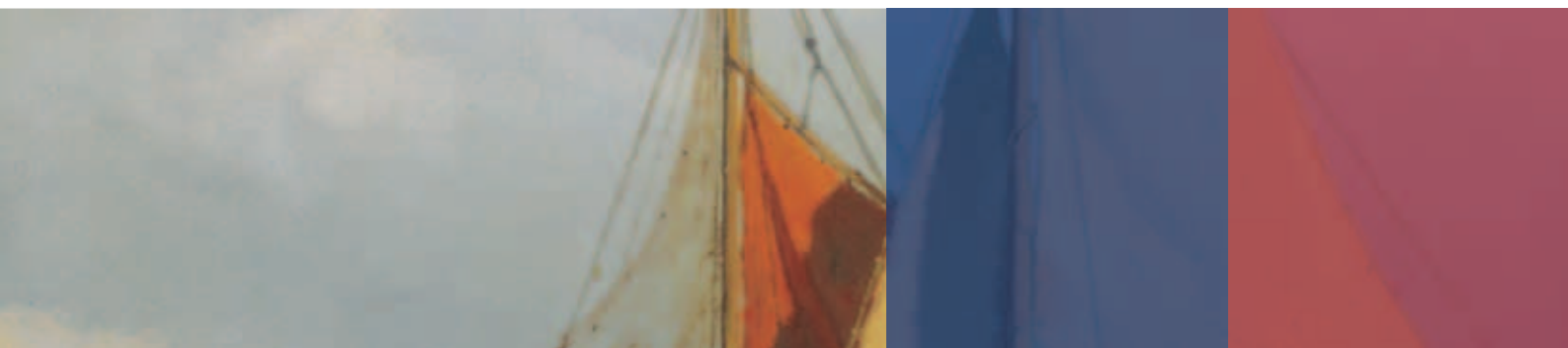




## Supplementary Information for Investors and Analysts

### **2005 First Quarter Results**

(Unaudited)



Hans Gude. *Fishermen on the Shore* 1889.  
The painting is part of DnB NOR's art collection.

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|                              |                                                    |
|------------------------------|----------------------------------------------------|
| DnB NOR's Investor Relations | <a href="http://www.dnbnor.com">www.dnbnor.com</a> |
| DnB NOR's home page          | <a href="http://www.dnbnor.no">www.dnbnor.no</a>   |

### **Financial Calendar 2005**

|                        |                |
|------------------------|----------------|
| Full year results 2004 | 24 February    |
| Annual general meeting | 21 April       |
| Ex-dividend date       | 22 April       |
| Payment of dividend    | As from 10 May |
| First quarter          | 3 May          |
| Second quarter         | 10 August      |
| Third quarter          | 27 October     |

According to a resolution passed by the EU, all listed companies are required to prepare consolidated accounts for 2005 in accordance with IFRS, International Financial Reporting Standards (previously IAS, International Accounting Standards). Due to the EEA agreement, this also applies to Norwegian listed companies.

Financial information in section 1 and 2 refers to the consolidated accounts for DnB NOR ASA and has been prepared on the basis of consolidated accounts according to IFRS principles. Changes in principles are described in section 1.

Financial information in section 3 refers to operations in DnB NOR Bank ASA and its subsidiaries and business areas. Information in section 4 refers to operations in Vital Forsikring ASA with subsidiaries and Vital Link AS. Financial information in section 5 refers to operations in DnB NOR Kapitalforvaltning Holding AS and subsidiaries and DnB NOR Asset Management Holding (Sweden) AB. The application of IFRS is for the time being not allowed when preparing the statutory accounts. Sections 3, 4 and 5 therefore have been prepared on the basis of accounting principles used by the DnB NOR Group up till 31 December 2004 (NGAAP). These principles are described in more detail in the annual report for 2004.

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## **Section 1**

# **DnB NOR- an overview**

## Financial highlights

### 1Q05 Results

- based on new accounting standards (IFRS)

- Ordinary operating profits up 18 per cent to NOK 2.8 billion (2.3)
- Expenses cut back to 53.8 per cent of income (59.8)
- Return on equity <sup>1)</sup> was 15.3 per cent (16.4)
- Earnings per share were NOK 1.48 (1.43)

1) According to IFRS, allocations to dividends are included in equity.

Pro forma figures for 1st quarter 2004 in parentheses, excluding discontinued operations.

### 1Q05 Results

- based on previous principles (NGAAP)

- Pre-tax operating profit before losses and goodwill amortization up 21 per cent to NOK 2.7 billion (2.2)
- Profits up 22 per cent to NOK 1.8 billion (1.5)
- Ordinary expenses cut back to 51.7 per cent of income (58.5)
- Return on equity rose to 16.2 per cent (15.0)
- Earnings per share rose to NOK 1.45 (1.23)

Figures for 1st quarter 2004 in parentheses.

Figures do not include discontinued operations and goodwill amortisation.

## DnB NOR – Norway's leading financial services group

### DnB NOR Group (IFRS)

- Total combined assets
- Total balance sheet
- Net lending
- Customer deposits

### As at 31 March 2005

|     |               |
|-----|---------------|
| NOK | 1 298 billion |
| NOK | 960 billion   |
| NOK | 601 billion   |
| NOK | 368 billion   |

### Banking group operations (NGAAP)

- Total assets
- Net lending
- Customer deposits

### As at 31 March 2005

|     |             |
|-----|-------------|
| NOK | 758 billion |
| NOK | 597 billion |
| NOK | 376 billion |

### Asset management (NGAAP)

- Mutual funds
- Discretionary management
- Total assets under management

### As at 31 March 2005

|     |             |
|-----|-------------|
| NOK | 85 billion  |
| NOK | 253 billion |
| NOK | 338 billion |

### Life Insurance and Pensions (NGAAP)

- Total assets
- of which unit linked

### As at 31 March 2005

|     |             |
|-----|-------------|
| NOK | 182 billion |
| NOK | 11 billion  |

### Customer base

- Serving more than 2.2 million retail customers throughout Norway with various levels of activity
- More than 165 000 corporate customers
- Some 940 000 individuals insured
- Asset Management has more than 696 000 mutual fund customers in Norway and around 470 institutional clients in Norway and Sweden

### Market shares

See business areas

- Corporate Banking pp. 58-65
- Retail Banking pp. 66-70
- DnB NOR Markets pp. 71-75
- Life Insurance and Pensions pp. 77-84
- Asset Management pp. 85-90

### Distribution network

- 208 domestic DnB NOR branches
- 17 Nordlandsbanken branches
- 7 international branches
- 5 international representative offices
- 41 Postbanken sales outlets
- Internet banking
- Electronic banking
- Telephone banking
- Online equities trading in 13 markets
- Online mutual funds trading
- About 300 post office counters <sup>1)</sup>
- About 1 200 in-store postal outlets <sup>1)</sup>
- About 2 000 rural postmen <sup>1)</sup>
- 73 DnB NOR Eiendom sales offices
- 25 Vital sales offices
- 25 Vital agent agreements

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

### Credit ratings from international rating agencies

|                  | Moody's   |            | Standard & Poor's |            |
|------------------|-----------|------------|-------------------|------------|
|                  | Long-term | Short-term | Long-term         | Short-term |
| DnB NOR Bank ASA | Aa3       | P-1        | A <sup>1)</sup>   | A-1        |

1) Positive outlook

## Group strategy

DnB NOR's strategy was further developed in early 2004 in a process involving more than 500 managers throughout the Group. A strategic platform was established, providing important guidelines for business choices.

DnB NOR has Norway's largest customer base and is a leader in most Norwegian market segments. This market position provides a sound basis for generating further growth by developing and strengthening customer relationships. The business idea reflects DnB NOR's ambitions:

A local presence and a full range of services are our strengths

DnB NOR will be customers' best financial partner and will meet their needs for financial solutions throughout Norway and in selected areas in the international arena.

In the corporate and retail customer segments, the process of further developing service concepts and a product range closely adapted to individual customer needs is well under way. Improved advisory services and decision-making as close as possible to the customer are important aspects of the strategy. DnB NOR's various business areas cooperate closely to be able to offer customers good solutions at all times. DnB NOR must develop new products and services in step with the market. It is essential to offer solutions that bring convenience to the everyday lives of customers. Both internal and external communication should be open, honest and easy to understand.

The Group will base growth in the international arena on comparative advantages in the form of competence within various customer segments and industries, special product expertise or established relationships where it is logical to follow the customer outside Norway. DnB NOR has a strong position within asset management in the Nordic region and a leading position in international shipping. In certain other sectors, such as energy and fisheries, the Group has strong expertise and an international presence. DnB NOR is the preferred partner for international customers doing business in Norway.

A common value base and culture are prerequisites for creating a uniform DnB NOR image in the market. The Group's shared values, team spirit, simplicity and value creation, describe what should distinguish the organisation and work processes both internally and in relation to customers. The process of creating a DnB NOR culture will take several years, but is off to a good start through the work on the Group's strategic platform. Under the heading "This is the way we do things", units throughout the Group have defined what the Group's business idea and values mean for individual units and staff members. These values are also reflected in the leadership principles and in how the Group's brands will be projected in the market.

The Group has specified targets with respect to different stakeholder groups: customers, employees, shareholders and society at large. DnB NOR wishes to deliver products and services that are easily understood and adapted to meet the financial needs of customers. The Group seeks to offer a diversified and challenging workplace and to be the preferred alternative for investors giving priority to long-term value creation. At the same time DnB NOR wishes to be perceived as a financial services institution showing social responsibility.

The financial targets reflect the aim to create shareholder value. The Group seeks to achieve a return on equity and share price increases that are competitive in a Nordic context. The current specific long-term targets are<sup>1</sup>:

- A return on equity of over 15 per cent after tax but before goodwill amortisation
- A cost/income ratio under 50 per cent before goodwill amortisation
- A core capital ratio of minimum 7 per cent
- Around 50 per cent of annual profits should be distributed as dividends, provided that capital adequacy remains at a satisfactory level
- DnB NOR Bank ASA's ratings for ordinary long-term debt should be maintained at an Aa level

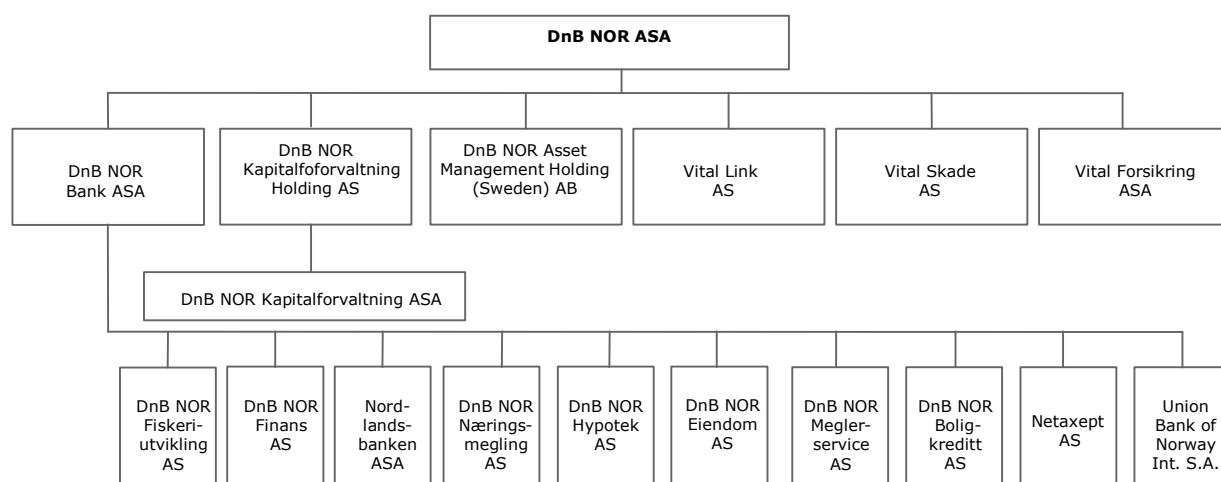
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<sup>1</sup> These targets reflect previous accounting principles (NGAAP) and will be revised due to the introduction of IFRS

## Legal structure

In accordance with the requirements of the Norwegian regulatory authorities, the banking, asset management and life insurance activities of the DnB NOR Group are organised in separate limited companies under the holding company DnB NOR ASA. Banking activities are organised in DnB NOR Bank ASA, while asset management activities are organised in two companies: DnB NOR Kapitalforvaltning Holding AS and DnB NOR Asset Management Holding (Sweden) AB. Life insurance activities in the form of traditional life and pension products are carried out by Vital Forsikring ASA, while unit linked products are offered through Vital Link AS. Vital Skade AS offers non-life insurance as part of a total product package for retail and corporate clients and operates as an agent for domestic and foreign insurance underwriters. The chart below shows the legal structure of the DnB NOR Group at end march 2005.

### DnB NOR Group - legal structure at end-March 2005



### Changes in group structure

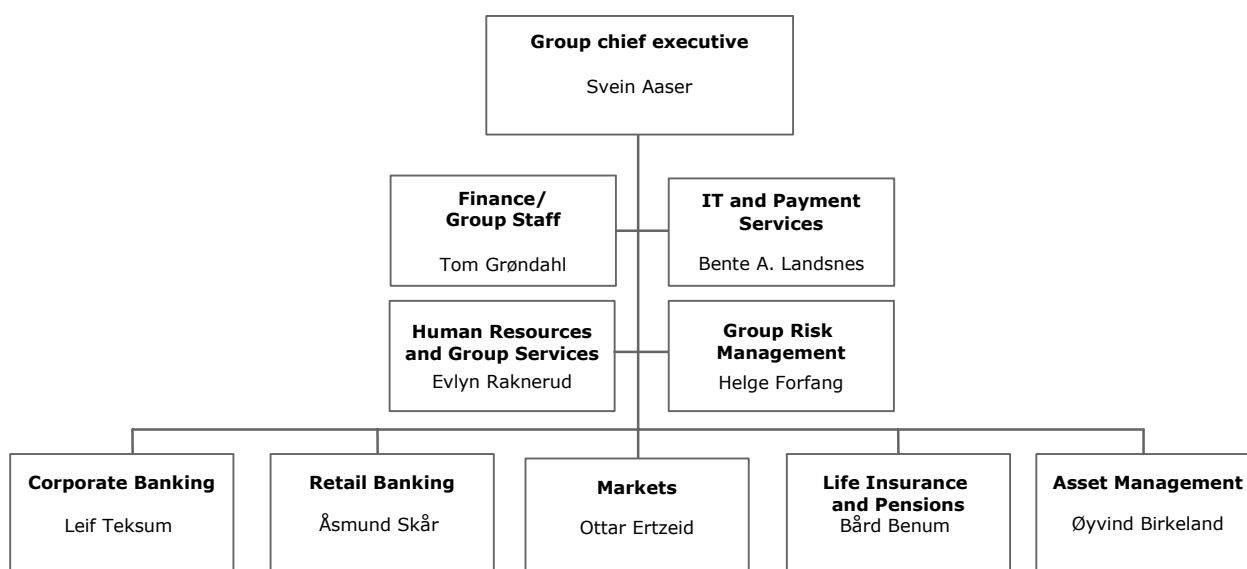
#### Sale of Postbanken Eiendomsmegling AS

In June 2004, DnB NOR Bank ASA signed an agreement on the sale of the real estate brokerages Postbanken Eiendomsmegling AS and Aktiv Eiendomsmegling AS. The sale was part of the concession terms for the DnB NOR merger. The agreement was approved by the purchaser in August 2004. The actual takeover took place on 3 January 2005, and the sale generated gains of NOK 16 million recorded in the first quarter accounts.

## Group business structure

The activities of DnB NOR are organised into five operational business areas and four staff and support units. As independent profit centres, the business areas carry responsibility for customer segments served by the Group, as well as the products offered. The operational structure of DnB NOR deviates from its legal structure as activities in subsidiaries fall in under the business area relevant to the company's operations.

### DnB NOR Group - organisation chart at end March 2005



The business areas carry responsibility for specific customer segments and key distribution channels, including sales of customer products, marketing, customer service, distribution and risk assessment in addition to product development, production and product pricing. The business areas are also responsible for the most business-critical support functions and have the opportunity to influence other staff and support units in the Group.

Cooperation between the business areas is an important element in DnB NOR's strategy. A wide range of products, services and distribution channels enables the Group to offer customer solutions across business areas.

#### Financial targets

Differentiated financial requirements have been set for the business areas, which in combination will help the DnB NOR Group reach its financial targets.

Return on equity is the key ratio for the business areas, representing each area's profits after taxes relative to financial capital requirements. The need for financial capital is based on the risk involved in operations in accordance with DnB NOR's risk management model. In addition, differentiated financial and non-financial targets have been set for the business areas.

#### Internal pricing

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

Services provided by staff and support units will as far as possible be scaled and priced according to use. Joint expenses incurred by group staff units and other group expenditures that cannot be

debited according to use, are charged to the business areas' accounts on the basis of special distribution formulas. Goodwill amortisation and costs relating to the Group's equity transactions, including strategic investments, are not charged to the business areas. Nor are the business areas charged with direct shareholder-related expenses and costs concerning the Group's governing bodies.

Certain customers and transactions of major importance require extensive cooperation within the Group. To stimulate such cooperation, net income relating to some of these transactions is recorded in the accounts of all relevant business areas. This refers primarily to income from customer trading in Markets. In the first quarter of 2005, such income totalled NOK 222 million. Double entries are eliminated in the group accounts. The effect of internal transactions between the Group's trading portfolio and banking portfolio are not eliminated.

**Sale of companies**

In accordance with the terms of the authorities' concession for the merger, the DnB NOR Group was required to sell certain legal entities. This applied to Elcon Finans, Postbanken Eiendomsmegling, Aktiv Eiendomsmegling and Gjensidige NOR Fondsforsikring. All of these companies had been sold at the end of the first quarter of 2005.

The description of the business areas, including financial information, has been prepared as though these companies are no longer part of the Group. In the accounts for the business areas, pro forma accounts for the companies are combined under the item "Discontinue operations".

The terms of the merger also require the sale of a total of 53 banking outlets. This process is under way, and the accounts and descriptions for the business areas include operations in branch offices that have not been sold.

## Synergies (IFRS)

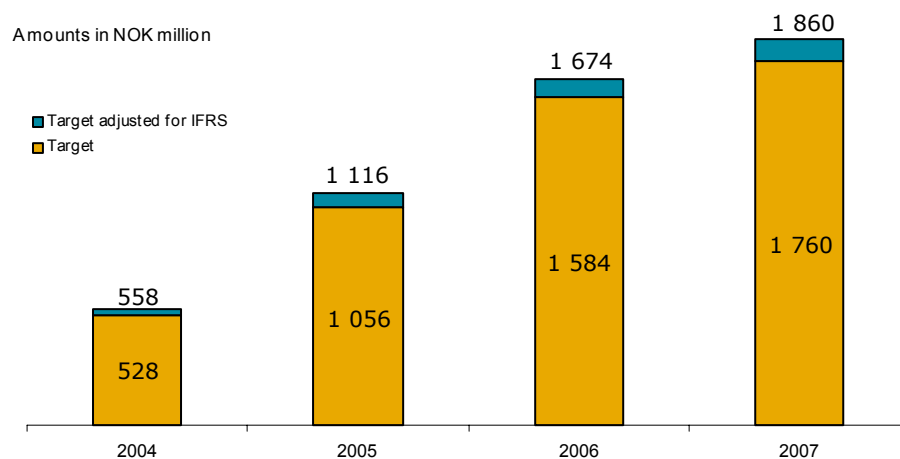
### Cost synergies resulting from the DnB NOR merger

#### Planned annual cost synergies following full implementation in 2007

| <i>Amounts in NOK million</i>                      | Cost synergies | Staff reductions (full-time positions) | Restructuring costs |
|----------------------------------------------------|----------------|----------------------------------------|---------------------|
| Retail Banking                                     | 745            | 740                                    | 365                 |
| Corporate Banking                                  | 150            | 200                                    | 145                 |
| DnB NOR Markets                                    | 105            | 100                                    | 120                 |
| Asset Management <sup>1)</sup>                     | 110            | 70                                     | 175                 |
| IT and Payment Services                            | 235            | 85                                     | 560                 |
| Human Resources and Group Services                 | 160            | 110                                    | 160                 |
| Staff units/other <sup>2) 3)</sup>                 | 355            | 325                                    | 335                 |
| <b>Total including Life Insurance and Pensions</b> | <b>1 860</b>   | <b>1 630</b>                           | <b>1 860</b>        |

- 1) Asset Management and Life Insurance and Pensions include synergies related to IT and office space. With respect to other units, these synergies appear under staff units/other operations (IT and Group Services).
- 2) Includes IT and Payment services, Human Resources, Group Services and Treasury. Some synergies have an overall impact and apply to all business areas. Such synergies are not allocated to specific units.
- 3) Based on IFRS principles, total cost synergy targets for Life Insurance and Pensions are included.

#### DnB NOR's cost synergy targets

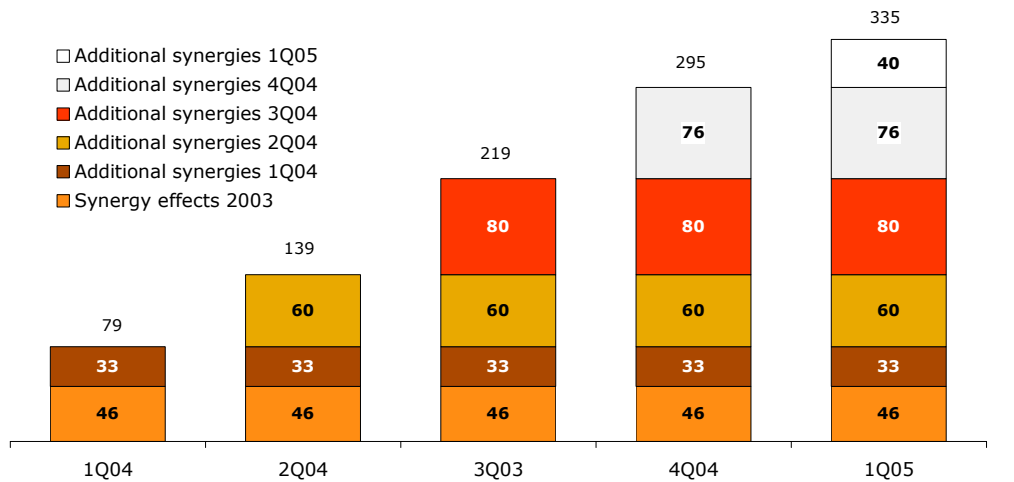


(Pro forma accounting figures prior to 2005)

**Accumulated cost synergies per quarter <sup>1)</sup>**

- Profit and loss effect 2003: NOK 93 million
- Profit and loss effect 2004: NOK 732 million
- Profit and loss effect first quarter 2005: NOK 335 million

Amounts in NOK million



1) Costs include synergy effects accruing to policyholders in Vital. When incorporating profits from Life Insurance and Pensions, policyholders' share will be deducted under the item "net gains on financial assets in life insurance and profits from insurance operations".

## Transition to IFRS and accounting principles

### TRANSITION TO IFRS FOR THE DnB NOR GROUP

#### Transitional effects

##### Accounting principles

The first quarter accounts have been prepared according to IFRS, including IAS 34. Up till 31 December 2004, the DnB NOR Group's consolidated accounts were based on Norwegian accounting legislation, accounting regulations issued by Kredittilsynet (the Financial Supervisory Authority of Norway) and Norwegian generally accepted accounting principles. Below is a description of the most important changes in accounting principles resulting from the transition to IFRS.

The DnB NOR Group's annual accounts for 2005 will be presented according to IFRS principles in force as at 31 December 2005. The version of IAS 39 which allows the recording of the institution's issued debt securities not included in the trading portfolio at fair value has yet to be approved by the EU. Also, the EU has not yet approved stipulations in IAS 39 that open up for using core deposits in portfolio hedging of interest rate risk. The accounts for the first quarter of 2005 have been prepared within the scope of prevailing IFRSs without using the options not yet approved by the EU. However, see description of Eksportfinans ASA below. By employing approved methods for portfolio hedging and assessing fixed-rate loans at fair value, DnB NOR's overall presentation of the accounts will generally be consistent with the Group's interest rate management and actual financial performance.

The fair value option in IAS 39 is expected to be revised, whereby the EU will also accept that the institution's debt is recorded at fair value. IFRS is under revision, and there may be changes during 2005 based on new interpretations of existing standards, amendments to existing or the introduction of new standards as well as in the way the standards are implemented. In consequence of the factors mentioned above, the accounting principles used by the DnB NOR Group in preparing consolidated accounts later in 2005 may deviate from those described below.

The accounting principles will also be applied consistently when consolidating holdings in subsidiaries and associated companies. When incorporating equity from the investment in Eksportfinans ASA, however, the version of IAS 39 - Financial Instruments not yet approved by the EU has been used. Consequently, financial assets and liabilities in Eksportfinans have been recorded at fair value, reflecting the actual underlying financial situation of the company.

##### Application of IFRS 1 – First-time Adoption of IFRS

The Group has implemented IFRS as of 1 January 2005. Comparable figures will be prepared for 2004, which implies that the formal opening balance sheet is per 1 January 2004. The DnB NOR Group has applied IFRS 1 when preparing the opening balance sheet. The accounting effect of changes in accounting principles will be charged directly to equity.

The Group has made the following exceptions from the duty to restate the opening balance sheet retrospectively, as outlined in IFRS 1:

- Business combinations recorded prior to 1 January 2004 have not been restated. The values recorded in the balance sheet prepared according to Norwegian accounting principles as at 31 December 2003 have been carried forward.
- Properties for own use have been recorded at fair value as at 1 January 2004.
- Pension commitments that were unrecorded as at 1 January 2004 in compliance with previous accounting rules, have been charged to equity. New parameter values have been used.
- Exchange differences arising when incorporating figures from foreign subsidiaries and branches as at 1 January 2004 are deemed to be zero.
- IAS 39 - Measurement of Financial Instruments has been implemented as of 1 January 2005. In consequence, transitional effects due to deviations between Norwegian accounting principles and IFRS will be recorded as at 1 January 2005. The Group has chosen to reclassify financial assets and liabilities according to IFRS 39 as of the same date.

(Pro forma accounting figures prior to 2005)

- Subscription rights issued prior to 7 November 2002 and vested as at 1 January 2005 have not been restated according to IFRS 2 - Share-based Payments. The DnB NOR Group has not issued subscription rights or established option schemes after 7 November 2002.
- IFRS 4 - Insurance Contracts has been implemented as of 1 January 2005.

In accordance with IFRS 1, the Group has made no retrospective restatement for:

- Financial assets and liabilities that according to previous accounting principles were not recorded in the balance sheet prior to 1 January 2005.
- Hedge accounting according to previous principles prior to 1 January 2005. Hedge accounting will be applied in the accounts as of 1 January 2005 to the extent this satisfies criteria stipulated in IAS 39.
- Estimates based on Norwegian accounting principles as of 1 January 2004.
- Operations held for sale. As from 1 January 2005, such operations are recorded in compliance with IFRS 5 - Discontinuing Operations.

## Pro forma accounting figures

As stated above, the DnB NOR Group will implement IAS 39 - Financial Instruments, IFRS 2 - Share-based Payments, IFRS 4 - Insurance Contracts and IFRS 5 - Discontinuing Operations as of 1 January 2005. However, the accounts include pro forma figures for 2004 prepared as if the DnB NOR Group had implemented these standards as of 1 January 2004. Still, the pro forma figures will not be fully documented according to requirements in the respective standards. Official comparable figures based on principles in force at any given time will be included in the annual accounts. Due to varying principles, however, they will be of limited information value.

## ACCOUNTING PRINCIPLES

### Consolidation

The consolidated accounts for DnB NOR ASA ("DnB NOR") include DnB NOR Bank ASA, Vital Forsikring ASA, Vital Link AS, DnB NOR Kapitalforvaltning Holding AS, DnB NOR Asset Management Holding AB and Vital Skade AS including subsidiaries and associated companies.

### Insurance operations

As of 1 January 2005, Vital Forsikring ASA including subsidiaries and Vital Link AS are fully consolidated in the DnB NOR Group's accounts. Note 5 shows the profit and loss accounts and balance sheets for the companies as included in the Group's accounts according to IFRS.

Profit sharing between policyholders and the owner in life insurance companies is based on special accounting regulations for such operations stipulated by Kredittilsynet. Life insurance operations are incorporated in the DnB NOR Group's accounts according to the same principles that apply to the rest of the Group. Any deviations resulting from differences between the special accounting regulations for profit sharing and IFRS are charged directly to the DnB NOR Group's equity when preparing pro forma figures. When preparing accounts for the first quarter of 2005, such effects have been netted against profits.

### Other subsidiaries and associated companies

Subsidiaries are defined as companies in which DnB NOR has control, directly or indirectly, through ownership interests or a holding of more than 50 per cent of the voting share capital or primary capital and a decisive influence on the company's operations. Subsidiaries are consolidated from the time DnB NOR takes over control of the company, including financial risk.

Associated companies in which DnB NOR has a long-term holding of between 20 and 50 per cent and a significant influence on operations, are carried in the group accounts according to the equity method.

According to previous accounting principles, holdings of a short-term nature were carried at cost. Holdings taken over in connection with non-performing commitments were classified as repossessed assets and measured as lending.

Norwegian kroner serves as the functional and reporting currency for the DnB NOR Group. Balance sheet items of foreign branches and subsidiaries are translated into Norwegian kroner according to exchange rates prevailing on the balance sheet date, while profit and loss items are translated according to exchange rates on the transaction date. Changes in net assets resulting from exchange rate movements are charged directly to equity.

Upon transition to IFRS, all exchange differences calculated according to previous accounting principles are deemed to be zero. Exchange differences calculated as of 1 January 2004 are presented as a separate element of other equity.

When preparing consolidated accounts, intra-group transactions and balances along with unrealised gains on these transactions between group units are eliminated.

### **Business combinations**

The DnB NOR Group has not recorded any new business combinations after 1 January 2004. New business combinations will be recorded according to IFRS 3 - Business Combinations. The purchase method is applied for acquisitions of subsidiaries. Cost is measured at fair value of the consideration, taking account of any equity instruments issued in addition to any direct costs relating to the transaction. Repossessed identifiable assets and liabilities are measured at fair value. If cost exceeds the value of identifiable assets and liabilities, the excess will be recorded as goodwill. If cost is lower than the value of identifiable assets and liabilities, the difference will be recognised in the profit and loss account.

### **Recognition of assets and liabilities**

Assets and liabilities are recorded in the balance sheet of the DnB NOR Group at the time the Group assumes actual control of the rights to the assets and takes on a real commitment. Assets and liabilities are derecognised at the time actual control of the rights to the assets is annulled or expires. Liabilities are derecognised at the time the commitment is annulled or expired. According to IFRS, DnB NOR will recognise loans transferred to Eksportfinans, for which DnB NOR has issued guarantees, in the balance sheet.

### **Measurement and classification of financial assets and liabilities**

In compliance with IAS 39, financial assets as at 1 January 2005 are classified as either part of the trading portfolio, other financial instruments at fair value, available-for-sale financial assets, held-to-maturity financial assets or loans and receivables. Financial liabilities are classified as either part of the trading portfolio or as issued debt securities in the banking portfolio. The classification is based on the purpose of the investment.

### **Measurement and classification of financial instruments at fair value**

#### **Instruments traded in an active market**

Financial instruments traded in an active market are valued at quoted prices at the time of the transaction. The prices used in the valuation are the bid price for financial assets and the asking price for financial liabilities. Mid-market prices should be used for instruments with offsetting market risks, while net positions are valued at bid or asking prices respectively. When establishing fair value, the instrument's accumulated credit risk margin is calculated and recorded in the balance sheet. The instruments are valued at current market prices on the balance sheet date.

#### **Instruments not traded in an active market**

Financial instruments not traded in an active market are valued according to valuation techniques based on externally observable parameter values. Valuation techniques include using prices from recent transactions between independent parties, references to instruments that are substantially the same or discounted cash flows.

When one of the Group's products consists of a main product, e.g. a bond, and an embedded financial derivative, e.g. an equity index option, the product is split into the underlying elements, which are valued separately. Such combined products are called structured products and include equity-linked bank deposits and equity-linked bonds. Upon initial recognition of structured products, the derivative is recorded at fair value and the host contract at amortised cost. The

residual value is assigned to the host contract. In subsequent periods, the derivative is recorded at fair value and the host contract at amortised cost.

**Financial assets carried at fair value**

Financial assets carried at fair value include the trading portfolio, other financial instruments at fair value, financial assets for which the customer carries the risk, available-for-sale instruments as well as current financial assets within life insurance. In addition, the portfolio of fixed-rate loans is recorded at fair value. Assets in the trading portfolio, other financial instruments at fair value and available-for-sale instruments represent the trading and banking portfolios according to the classification in the annual report for 2004. Financial derivatives giving DnB NOR a right were classified as financial derivatives in the trading portfolio, with the exception of derivatives used in portfolio hedging. Financial assets for which the customer carries the risk represent financial assets within unit linked. Available-for-sale assets represent securities DnB NOR intends to sell.

**Loans recorded at fair value**

Fixed-rate loans in the DnB NOR Group are carried at fair value. Fair value is estimated as the contractual cash flow discounted by the market rate on the balance sheet date

**Financial liabilities carried at fair value**

Financial derivatives involving an obligation for the DnB NOR Group are classified as either financial derivatives in the trading portfolio or as derivatives used in hedge accounting.

**Presentation in the profit and loss accounts and balance sheets**

Changes in the value of instruments recorded at fair value are presented under "net gains on financial instruments at fair value" in the profit and loss accounts. Income from trading in interest rate positions in the trading portfolio is presented under "net gains on financial instruments at fair value". Changes in the value of instruments within life insurance are presented under "net gains on financial assets in life insurance and profits from insurance operations". Unrealised changes in value of the available-for-sale portfolio are recognised to equity. Once such gains or losses are realised, they are recorded under "net realised gains on investment securities".

**Measurement and classification of financial instruments at amortised cost****Amortised cost**

Financial instruments not recorded at fair value are recorded at amortised cost and measured using the effective interest method. Amortised cost is historic cost less direct expenses and discounts or premiums resulting from amortisation according to the effective interest method and after any impairment losses. When using the effective interest method, the internal rate of return for the commitment is calculated. The internal rate of return is set by discounting contractual cash flows within the expected life of the financial instrument. Cash flows include front-end fees and direct marginal transaction costs not covered by the customer.

**Financial assets recorded at amortised cost**

In the DnB NOR Group, securities held to maturity are recorded at amortised cost. The portfolio represents long-term securities within life insurance. Other financial assets not recorded at fair value are classified as lending and other amounts due and recorded at amortised cost. Fixed assets and properties for rent (leasing) are classified as lending.

All loans in the Group's balance sheet, with the exception of fixed-rate loans, are carried at amortised cost. Evaluations are based on all contractual and expected cash flows and include any residual value of leasing contracts and impaired commitments.

**Financial liabilities recorded at amortised cost**

Financial liabilities not included in the trading portfolio are classified as securities issued in the banking portfolio and recorded at amortised cost. See paragraph on hedge accounting below.

**Write-downs of financial assets recorded at amortised cost****Individual write-downs**

If objective evidence of a decrease in value can be found, losses on loans are calculated as the difference between the value of the loan in the balance sheet and the net present value of expected future cash flows discounted by the original effective rate of interest. The assessment

initially includes all loan commitments, regardless of the probability of impairment. Write-down estimates only take account of conditions existing on the balance sheet date.

Objective evidence of a decrease in value of a loan or loan portfolio includes serious financial problems on the part of the debtor, non-payment or other serious breaches of contract, the probability that the debtor will enter into debt negotiations or other special circumstances that have occurred.

Individual write-downs reduce the value of commitments in the balance sheet, and changes during the period are recorded under "write-downs on loans and guarantees".

**Group write-downs**

Loans which have not been individually evaluated for impairment are evaluated collectively in groups. Loans are grouped on the basis of similar risk and value characteristics. The need for write-downs is estimated per customer group based on risk classification and includes estimates of future economic developments and loss experience for the respective customer groups. Calculations only take account of weaker solvency caused by conditions existing on the balance sheet date.

Group write-downs reduce the value of commitments in the balance sheet, and changes during the period are recorded under "write-downs on loans and guarantees".

**Hedge accounting**

Hedge accounting will be applied for recording certain liabilities involving interest rate risk. Hedge accounting will be used for individual items or on a portfolio basis.

**Individual hedging**

Individual hedging is applied to borrowing in foreign currency representing interest rate risk. In such cases, there is a clear, direct and documented correlation between changes in the value of the currency loan (hedged item) and changes in the value of the financial derivative (hedging instrument). This correlation is verified by assessing hedge effectiveness at the start and end of the relevant period. Hedging instruments are recorded at fair value and included under "net gains on financial instruments at fair value" in the profit and loss accounts. In cases where adequate effectiveness between the hedged item and the hedging instrument is documented, the change in fair value attributable to interest rate risk will be recorded as an addition to or deduction from securities issued. The change in value will be included under "net gains on financial instruments at fair value" in the profit and loss accounts.

**Portfolio hedging**

Loans and deposits in Norwegian kroner representing interest rate risk are hedged on a portfolio basis. Loans and deposits (the hedged items) are grouped in portfolios on the basis of future repricing time periods. Financial derivatives are designated as hedging instruments and assigned to the respective repricing time periods. Hedging instruments are recorded at fair value and included under "net gains on financial instruments at fair value" in the profit and loss accounts and under "financial derivatives used for hedging" in the balance sheet. If adequate hedge effectiveness is recognised, changes in fair value attributable to interest rate risk for the portfolio of loans and deposits are recorded under "securities issued" and "deposits from customers" respectively in the balance sheet. If the ratio of changes in the value of the hedged item and the hedging instrument is between 80 and 125 per cent, adequate hedge effectiveness is documented.

**Investment property and other fixed assets****Investment property**

Buildings acquired for rental to tenants outside the Group are classified as investment property. Investment property is recorded at market value and changes in value recognised in the profit and loss accounts. The owner's share of value changes is recorded under "Other income".

**Buildings for own use**

Buildings acquired for own use are classified as fixed assets. In the opening balance sheet, the DnB NOR Group has applied approximate market values for properties in compliance with the option offered in IFRS 1. In consequence, properties have been revalued by a total of around

NOK 700 million. Upon transition to IFRS, the revalued market price represents the new cost of these assets. After transition to IFRS, properties will be recorded at the new cost price less accumulated depreciation and write-downs.

**Other fixed assets**

Other fixed assets are recorded at cost and depreciated over their expected useful life.

**Assessment of the need for write-downs**

The need to write down fixed assets is considered when there are indications that the amount by which they are recognised in the balance sheet (carrying amount) exceeds the recoverable amount. The recoverable amount represents the higher of a property's fair value less costs to sell and its value in use.

**Intangible assets**

Intangible assets with indefinite lives, including goodwill, are not amortised. Other intangible assets with finite lives are amortised over their expected useful life.

An assessment for impairment of intangible assets will be made on each reporting date. Assets generating joint cash flows are considered collectively. Future cash flows are estimated on the basis of the market situation for comparable assets, taking account of expected price developments, growth prospects, return requirements and the duration of cash flows. Any decrease in value which is not considered to be temporary is written down in the accounts. Goodwill from the acquisition of companies generating cash flows in foreign currencies is recorded in the balance sheet in the same currency and translated at rates of exchange ruling on the balance sheet date.

**Pensions**

Pension commitments are calculated on the basis of economic assumptions on the balance sheet date. Expenses related to accrued pension entitlements are recorded as personnel expenses in the accounts. Pension expenses and pension commitments include employer's national insurance contributions.

Upon transition to IFRS, the DnB NOR Group has chosen to charge deviations in estimates and plan changes not recorded according to previous accounting principles to equity. Deviations in estimates arising after the transition to IFRS will be recorded in the profit and loss accounts when the difference exceeds the greater of 10 per cent of pension funds and 10 per cent of pension commitments.

Pension funds and pension commitments administered through the Group's life insurance company Vital Forsikring ASA are recorded as net assets in the balance sheet if the scheme is overfunded and as net liabilities if the scheme is underfunded. Net overfunding is not eliminated.

**Taxes**

Taxes for the year are amortised on the basis of estimated annual tax charges. The DnB NOR Group anticipates an average tax charge of 25 per cent of the Group's pre-tax operating profits. Upon transition to IFRS, taxes for insurance operations will be included in taxes for the DnB NOR Group. In the formal annual accounts for 2004, the DnB NOR Group incorporated profits from life insurance operations net after taxes.

**Insurance liabilities**

Insurance liabilities are recorded according to IFRS 4 – Insurance Contracts. The implementation of IFRS 4 has not resulted in any special changes in the recording of insurance contracts. As from 2007, IFRS 4 is expected to require that insurance contracts be recorded at fair value.

Upon transition to IFRS, certain provisions that are unique to Norway, e.g. the security reserve, additional allocations and the securities adjustment reserve, will be classified as insurance liabilities in the group accounts.

A loss test was carried out on the balance sheet date in accordance with IFRS 4 to document that returns on assets invested in insurance operations adequately cover obligations. Any negative difference must be charged to equity.

Changes in insurance liabilities are included under "net gains on financial assets in life insurance and profits from insurance operations". Income from the administration of customers' insurance schemes and respective distribution costs are presented under "commissions and fees receivable etc." and "commissions and fees payable etc." respectively.

## **Amortisation**

### **Recording of interest**

Interest income is recorded using the effective interest method. Interest taken to income on impaired commitments will correspond to the internal rate of return on the written-down value.

### **Restructuring**

If restructuring plans that change the scope of operations or the way operations are carried out are approved, the need for restructuring provisions will be considered. If restructuring expenses cannot be shown to help generate income in subsequent periods and future expenses represent actual obligations on the balance sheet date, the net present value of future cash flows will be charged to the accounts and recorded as liabilities in the balance sheet. The provisions will be reversed as expenses are incurred.

### **Premiums and discounts on bonds issued**

Upon the repurchase of issued bonds, premiums and discounts are settled on the purchase date.

## **Equity and capital adequacy**

### **Allocations to dividends**

Dividends are classified as part of equity until distributed. Allocations to dividends are not included in capital adequacy calculations.

### **Minority interests**

Minority interests are presented as a separate part of equity.

### **Capital adequacy**

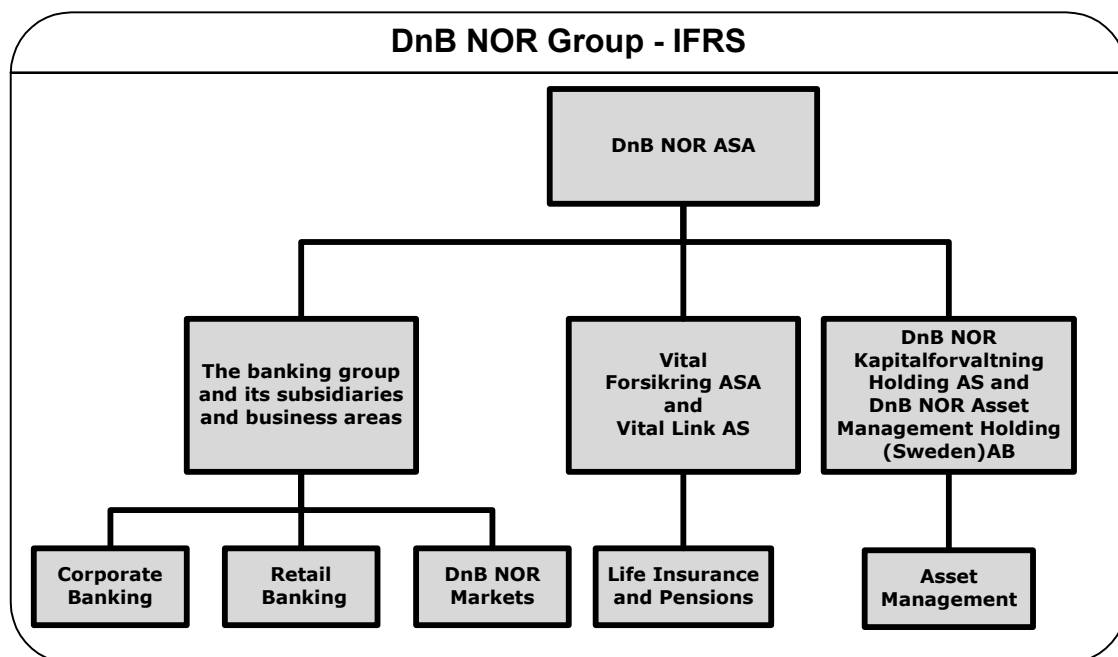
Capital adequacy regulations are not adapted to account presentations according to IFRS. For the time being, capital adequacy calculations are based on special consolidation rules for statutory accounts, which thus far are not allowed to be restated according to IFRS.

New capital adequacy regulations adapted to IFRS are expected to be introduced during 2005. The regulations, which will be based on a recommendation from CEBS, are expected to introduce certain exceptions with respect to which capital elements can be included, along with some transitional rules.

## Section 2

# Financial results DnB NOR Group according to IFRS

(Unless otherwise specified,  
figures are based on IFRS)



**Financial results – IFRS****Financial highlights – IFRS**

| <i>Amounts in NOK million</i>                                | 1Q05  | 4Q04  | 3Q04  | 2Q04  | 1Q04 <sup>2)</sup> |
|--------------------------------------------------------------|-------|-------|-------|-------|--------------------|
| Ordinary operating profit <sup>1)</sup>                      | 2 752 | 2 991 | 2 490 | 2 645 | 2 334              |
| Pre-tax operating profit before write-downs                  | 2 752 | 2 852 | 2 490 | 2 645 | 1 404              |
| Pre-tax operating profit                                     | 2 633 | 2 798 | 2 657 | 2 596 | 2 432              |
| Profit for the period                                        | 1 974 | 2 475 | 1 943 | 1 876 | 1 867              |
| Cost/income ratio (per cent) <sup>1)</sup>                   | 53.8  | 53.2  | 56.5  | 55.7  | 59.8               |
| Return on equity (per cent)                                  | 15.3  | 20.5  | 16.7  | 16.4  | 16.4               |
| Earnings per share (NOK)                                     | 1.48  | 1.89  | 1.47  | 1.42  | 1.43               |
| Total combined assets at end of period (NOK billion)         | 1 298 | 1 246 | 1 261 | 1 277 | 1 261              |
| Core capital ratio at end of period (per cent) <sup>3)</sup> | 7.6   | 7.6   | 7.3   | 7.2   | 7.1                |

1) Excluding restructuring provisions in 1Q04 and allocation to DnB NOR employee fund in 4Q04.

2) Excluding discontinuing operations.

3) Including 50 per cent of profit for the period, except for year-end figures.

**Profit and loss accounts - condensed – IFRS**

| <i>Amounts in NOK million</i>                    | 1Q05         | 4Q04         | 3Q04         | 2Q04         | 1Q04         |
|--------------------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Net interest income and credit commissions       | 3 350        | 3 436        | 3 401        | 3 401        | 3 142        |
| Net other operating income                       | 2 605        | 2 960        | 2 320        | 2 575        | 2 660        |
| Total operating expenses                         | 3 203        | 3 545        | 3 231        | 3 331        | 4 398        |
| Pre-tax operating profit before write-downs      | 2 752        | 2 852        | 2 490        | 2 645        | 1 404        |
| Net gains on fixed and intangible assets         | 17           | (33)         | 3            | (10)         | 953          |
| Write-downs on loans and guarantees              | 136          | 21           | (164)        | 39           | (75)         |
| Pre-tax operating profit                         | 2 633        | 2 798        | 2 657        | 2 596        | 2 432        |
| Taxes                                            | 658          | 323          | 714          | 719          | 565          |
| Profit from discontinuing operations after taxes | 0            | 0            | 0            | 0            | 79           |
| <b>Profit for the period</b>                     | <b>1 974</b> | <b>2 475</b> | <b>1 943</b> | <b>1 876</b> | <b>1 946</b> |

**Balance sheets – condensed – IFRS**

| <i>Amounts in NOK billion</i>                         | 31 March<br>2005 | 1 Jan.<br>2005 | 30 Sept.<br>2004 | 30 June<br>2004 | 31 March<br>2004 | 1 Jan.<br>2004 |
|-------------------------------------------------------|------------------|----------------|------------------|-----------------|------------------|----------------|
| Cash and lending to/deposits with credit institutions | 56.7             | 34.2           | 43.2             | 76.1            | 70.7             | 63.1           |
| Net lending to customers                              | 600.8            | 583.2          | 576.5            | 568.4           | 558.0            | 545.4          |
| Commercial paper, bonds, etc.                         | 182.5            | 172.1          | 173.0            | 174.1           | 163.2            | 159.2          |
| Shareholdings, etc.                                   | 32.3             | 31.0           | 28.7             | 28.3            | 27.8             | 24.9           |
| Fixed and intangible assets                           | 31.2             | 31.1           | 29.7             | 29.8            | 30.6             | 29.6           |
| Financial assets - customers bearing the risk         | 10.4             | 9.7            | 9.2              | 8.9             | 8.7              | 7.3            |
| Other assets                                          | 45.9             | 51.5           | 55.2             | 46.1            | 52.1             | 53.7           |
| <b>Total assets</b>                                   | <b>959.8</b>     | <b>912.8</b>   | <b>915.5</b>     | <b>931.8</b>    | <b>911.1</b>     | <b>883.1</b>   |
| Loans and deposits from credit institutions           | 87.2             | 59.2           | 73.7             | 109.2           | 85.7             | 89.3           |
| Deposits from customers                               | 368.4            | 354.0          | 350.1            | 352.2           | 341.0            | 330.6          |
| Borrowings through the issue of securities            | 200.0            | 192.8          | 191.9            | 191.6           | 192.7            | 181.8          |
| Financial liabilities - customers bearing the risk    | 10.4             | 9.7            | 9.2              | 8.9             | 8.7              | 7.3            |
| Liabilities to life insurance policyholders           | 158.0            | 153.5          | 149.7            | 147.1           | 144.6            | 137.7          |
| Other liabilities and provisions                      | 57.9             | 68.2           | 68.3             | 51.4            | 65.9             | 67.5           |
| Primary capital                                       | 78.0             | 75.4           | 72.6             | 71.4            | 72.5             | 68.8           |
| <b>Total liabilities and equity</b>                   | <b>959.8</b>     | <b>912.8</b>   | <b>915.5</b>     | <b>931.8</b>    | <b>911.1</b>     | <b>883.1</b>   |

For full profit and loss accounts and balance sheets, see pages 33-34.

## Financial results – NGAAP

### Financial highlights - NGAAP

| <i>Amounts in NOK million</i>                                | 1Q05  | 4Q04  | 3Q04  | 2Q04  | 1Q04 <sup>1)</sup> |
|--------------------------------------------------------------|-------|-------|-------|-------|--------------------|
| Pre-tax operating profit before losses and goodwill          | 2 698 | 2 910 | 2 476 | 2 583 | 2 222              |
| Pre-tax operating profit before losses                       | 2 580 | 2 787 | 2 353 | 2 460 | 2 082              |
| Pre-tax operating profit                                     | 2 440 | 2 772 | 2 498 | 2 390 | 1 993              |
| Profit for the period                                        | 1 782 | 2 303 | 1 823 | 1 745 | 1 458              |
| Ordinary cost/income ratio excl. goodwill (per cent)         | 51.7  | 49.3  | 53.5  | 53.1  | 58.5               |
| Return on equity excl. goodwill (per cent)                   | 16.2  | 20.1  | 16.8  | 16.8  | 15.0               |
| Return on equity (per cent)                                  | 15.0  | 18.9  | 15.6  | 15.5  | 13.5               |
| Earnings per share excl. goodwill (NOK)                      | 1.45  | 1.85  | 1.49  | 1.43  | 1.23               |
| Earnings per share (NOK)                                     | 1.34  | 1.74  | 1.38  | 1.32  | 1.11               |
| Total combined assets at end of period (NOK billion)         | 1 250 | 1 204 | 1 222 | 1 239 | 1 226              |
| Core capital ratio at end of period (per cent) <sup>2)</sup> | 7.6   | 7.6   | 7.3   | 7.2   | 7.1                |

### Profit and loss accounts - NGAAP

| <i>Amounts in NOK million</i>          | 1Q05         | 4Q04         | 3Q04         | 2Q04         | 1Q04 <sup>1)</sup> |
|----------------------------------------|--------------|--------------|--------------|--------------|--------------------|
| Net interest income                    | 3 216        | 3 314        | 3 308        | 3 293        | 3 061              |
| Net other ordinary operating income    | 2 338        | 2 742        | 1 996        | 2 214        | 2 199              |
| Ordinary operating expenses            | 3 004        | 3 124        | 2 974        | 3 062        | 3 226              |
| Ordinary operating profit              | 2 550        | 2 932        | 2 330        | 2 446        | 2 033              |
| Gains on the sale of fixed assets      | 31           | (6)          | 28           | 20           | 979                |
| Other expenses                         | 2            | 139          | 5            | 6            | 931                |
| Pre-tax operating profit before losses | 2 580        | 2 787        | 2 353        | 2 460        | 2 082              |
| Net losses on loans etc.               | 134          | 70           | (121)        | 82           | 103                |
| Net gain on long-term securities       | (5)          | 55           | 24           | 13           | 15                 |
| Pre-tax operating profit               | 2 440        | 2 772        | 2 498        | 2 390        | 1 993              |
| Taxes                                  | 659          | 469          | 675          | 645          | 535                |
| <b>Profit for the period</b>           | <b>1 782</b> | <b>2 303</b> | <b>1 823</b> | <b>1 745</b> | <b>1 458</b>       |

### Balance sheets - NGAAP

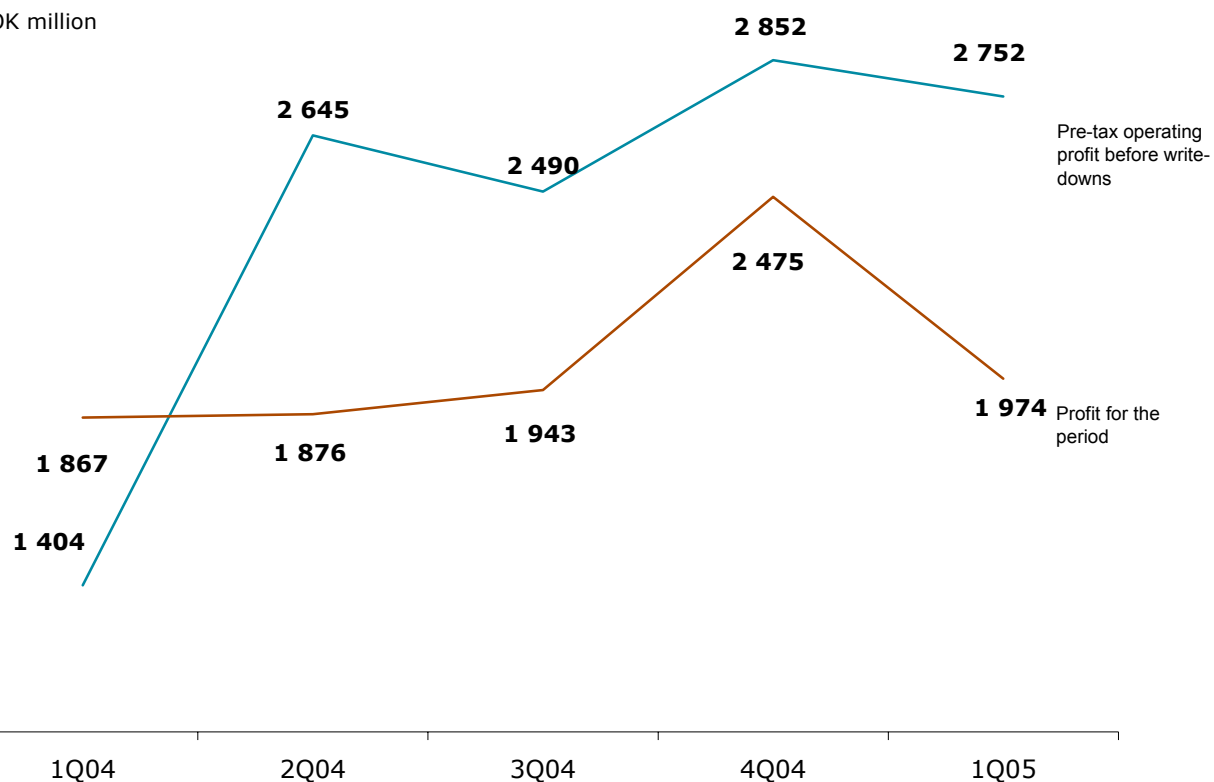
| <i>Amounts in NOK billion</i>                         | 31 March<br>2005 | 31 Dec.<br>2004 | 30 Sept.<br>2004 | 30 June<br>2004 | 31 March<br>2004 <sup>1)</sup> | 31 Dec.<br>2003 <sup>1)</sup> |
|-------------------------------------------------------|------------------|-----------------|------------------|-----------------|--------------------------------|-------------------------------|
| Cash and lending to/deposits with credit institutions | 51.4             | 30.7            | 37.1             | 71.2            | 63.6                           | 61.6                          |
| Net lending to customers                              | 589.0            | 569.4           | 562.6            | 554.1           | 544.4                          | 530.3                         |
| Commercial paper, bonds, etc.                         | 68.4             | 63.0            | 65.4             | 68.2            | 60.1                           | 59.4                          |
| Shareholdings, etc.                                   | 14.0             | 13.5            | 12.4             | 12.1            | 11.7                           | 11.4                          |
| Fixed and intangible assets                           | 9.6              | 9.7             | 10.2             | 10.4            | 10.7                           | 10.6                          |
| Other assets                                          | 28.2             | 28.4            | 31.0             | 22.8            | 31.0                           | 31.2                          |
| <b>Total assets</b>                                   | <b>760.5</b>     | <b>714.7</b>    | <b>718.7</b>     | <b>738.9</b>    | <b>721.6</b>                   | <b>704.6</b>                  |
| Loans and deposits from credit institutions           | 77.2             | 48.9            | 63.5             | 99.0            | 75.5                           | 78.7                          |
| Deposits from customers                               | 370.0            | 355.3           | 349.7            | 351.7           | 341.5                          | 335.3                         |
| Borrowings through the issue of securities            | 199.6            | 192.4           | 192.3            | 192.1           | 192.4                          | 181.6                         |
| Other liabilities and provisions                      | 40.7             | 47.4            | 41.9             | 25.9            | 43.9                           | 43.1                          |
| Primary capital                                       | 73.0             | 70.6            | 71.4             | 70.2            | 68.4                           | 65.8                          |
| <b>Total liabilities and equity</b>                   | <b>760.5</b>     | <b>714.7</b>    | <b>718.7</b>     | <b>738.9</b>    | <b>721.6</b>                   | <b>704.6</b>                  |
| Average total assets for the year to date             | 749.0            | 741.3           | 740.4            | 736.8           | 727.7                          | 696.3                         |

1) Excluding discontinuing operations.

2) Including 50 per cent of profit for the period, except for year-end figures.

**Financial results – IFRS (continued)****Profits - IFRS**

NOK million



Excluding discontinuing operations.

## Business areas <sup>1)</sup> – extracts from profit and loss accounts - IFRS

### Segments

The activities of the DnB NOR Group are organised into five functional business areas and four staff and support units. The business areas are set up according to the customer segments served by the Group, as well as the products offered.

Selected profit and loss figures for the business areas have been prepared on the basis of internal financial reporting for the functional organisation of the DnB NOR Group. The figures are based on a number of assumptions, estimates and discretionary distribution and are pro forma.

The new regulations have no impact on the Group's strategy or the business and operative management of the DnB NOR Group.

|                               | Net income |       | Operating expenses |       | Of which: group overhead |      | Pre-tax operating profit before write-downs |       | Write-downs on loans and net losses on assets |         | Pre-tax operating profit |       |
|-------------------------------|------------|-------|--------------------|-------|--------------------------|------|---------------------------------------------|-------|-----------------------------------------------|---------|--------------------------|-------|
|                               | 1Q05       | 1Q04  | 1Q05               | 1Q04  | 1Q05                     | 1Q04 | 1Q05                                        | 1Q04  | 1Q05                                          | 1Q04    | 1Q05                     | 1Q04  |
| <i>Amounts in NOK million</i> |            |       |                    |       |                          |      |                                             |       |                                               |         |                          |       |
| Corporate Banking             | 2 072      | 2 010 | 809                | 858   | 15                       | 17   | 1 263                                       | 1 152 | 112                                           | (31)    | 1 151                    | 1 184 |
| Retail Banking                | 2 488      | 2 364 | 1 507              | 1 616 | 8                        | 8    | 980                                         | 748   | 70                                            | 32      | 910                      | 716   |
| DnB NOR Markets               | 707        | 640   | 297                | 308   | 3                        | 4    | 410                                         | 332   | 0                                             | 0       | 410                      | 332   |
| Life Insurance and Pensions   | 604        | 542   | 287                | 297   | 2                        | 3    | 317                                         | 245   | 0                                             | 0       | 317                      | 245   |
| Asset Management              | 250        | 220   | 169                | 181   | 1                        | 1    | 81                                          | 39    | 0                                             | 0       | 81                       | 39    |
| Double entries, eliminations  | (222)      | (178) | 0                  | 0     |                          |      | (222)                                       | (178) | 0                                             | 0       | (222)                    | (178) |
| Group Centre <sup>2)</sup>    | 153        | 273   | 228                | 1 184 | (29)                     | (33) | (75)                                        | (911) | (63)                                          | (1 030) | (12)                     | 119   |
| Eliminations                  | (97)       | (69)  | (95)               | (45)  |                          |      | (2)                                         | (24)  | 0                                             | 0       | (2)                      | (24)  |
| DnB NOR Group                 | 5 955      | 5 802 | 3 203              | 4 398 | 0                        | 0    | 2 752                                       | 1 404 | 119                                           | (1 029) | 2 633                    | 2 432 |

1) The DnB NOR Group's income, expenses and balance sheet volumes are allocated to the business areas. In the table above some of the income generated in DnB NOR Markets related to foreign exchange/treasury instruments, sales of securities in the primary market, as well as custodial services, is also included in the net other operating income of Retail Banking and Corporate Banking.

2) "Group Centre" can be split into the following components:

| <i>Group Centre - pre-tax operating profit in NOK million</i>                                              | 1Q05 | 1Q04  |
|------------------------------------------------------------------------------------------------------------|------|-------|
| Unallocated expenses, real estate                                                                          | (64) | (7)   |
| Ownership - related expenses (costs relating to shareholders, investor relations, strategic planning etc.) | (61) | (49)  |
| Portfolio hedging, Treasury                                                                                | (22) | (5)   |
| Unallocated income from associated companies                                                               | (11) | 18    |
| Restructuring provisions, DnB NOR merger                                                                   | 0    | (930) |
| Goodwill write-downs                                                                                       | 0    | (53)  |
| Unallocated pension expenses                                                                               | 0    | (18)  |
| Net gains on fixed and intangible assets                                                                   | 27   | 978   |
| Group write-downs                                                                                          | 50   | 46    |
| Income on equities                                                                                         | 79   | 152   |
| Other                                                                                                      | (10) | (13)  |
| Pre-tax operating profit                                                                                   | (12) | 119   |

The Group Centre comprises Human Resources and Group Services, Finance/Group Staff, IT and Payment Services, Group Risk Management and Corporate Communications, investments in IT infrastructure and shareholder-related expenses. The Group Centre also holds the part of the Group's equity which is not allocated to the business areas.

Figures for the business areas are also presented according to NGAAP, see sections 3, 4 and 5.

**Net interest income – IFRS**

| Amounts in NOK million     | 1Q05         | 4Q04         | 3Q04         | 2Q04         | 1Q04         |
|----------------------------|--------------|--------------|--------------|--------------|--------------|
| Interest income            | 7 057        | 7 262        | 7 229        | 7 180        | 7 381        |
| Interest expenses          | 3 707        | 3 825        | 3 829        | 3 779        | 4 239        |
| <b>Net interest income</b> | <b>3 350</b> | <b>3 436</b> | <b>3 401</b> | <b>3 401</b> | <b>3 142</b> |

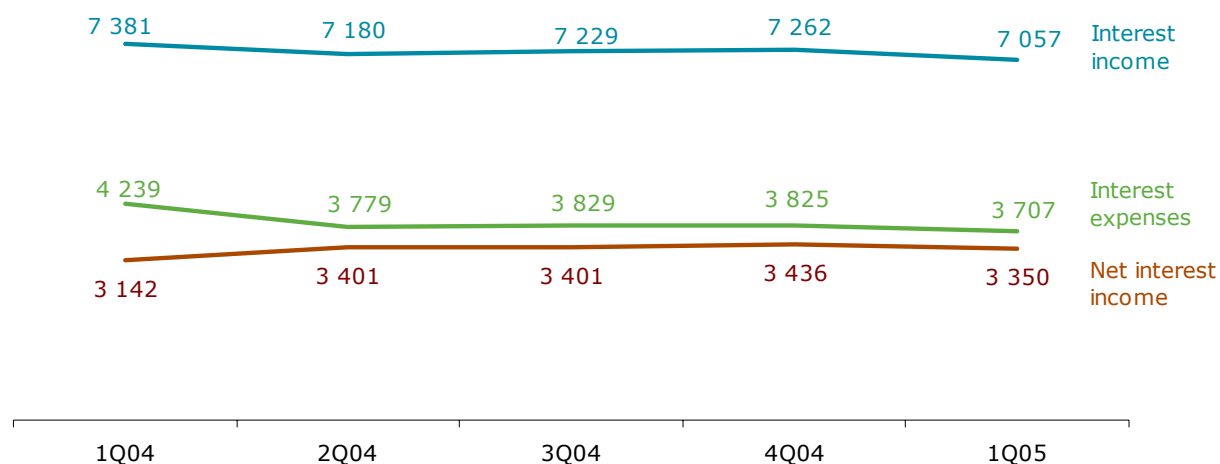
**Changes in net interest income – IFRS**

| Amounts in NOK million                          | 1Q05         | Change     | 1Q04         |
|-------------------------------------------------|--------------|------------|--------------|
| Net interest income (NGAAP)                     | 3 216        | (82)       | 3 298        |
| Discontinued operations                         | -            | (238)      | 238          |
| Net adjusted interest income (NGAAP)            | 3 216        | 156        | 3 060        |
| IFRS effects                                    | 134          | 52         | 82           |
| <b>Net adjusted interest income (IFRS)</b>      | <b>3 350</b> | <b>208</b> | <b>3 142</b> |
| Of which:                                       |              |            |              |
| Lending and deposit volumes                     |              | 195        |              |
| Lending and deposit spreads                     |              | (41)       |              |
| Interbank funding and interest rate instruments |              | (36)       |              |
| Interest day                                    |              | (25)       |              |
| Levies to the banks' guarantee fund             |              | 111        |              |
| Other                                           |              | 4          |              |

See section 3 for details on margin and volume development in the banking business. The margin and volume development analyses are the same both in IFRS and NGAAP.

**Net interest income – IFRS**

NOK million



## Net other operating income – IFRS

| <i>Amounts in NOK million</i>                                                                 | 1Q05         | 4Q04         | 3Q04         | 2Q04         | 1Q04         |
|-----------------------------------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Commissions and fees receivable etc.                                                          | 2 026        | 2 015        | 1 923        | 1 963        | 1 956        |
| Commissions and fees payable etc.                                                             | 587          | 563          | 564          | 585          | 555          |
| Net gains on financial instruments at fair value                                              | 453          | 563          | 354          | 484          | 609          |
| Net gains on financial instruments in life insurance<br>and profits from insurance operations | 337          | 539          | 240          | 292          | 259          |
| Net realised gains on investment securities (AFS)                                             | 0            | 26           | 25           | 1            | 7            |
| Profit from companies accounted for by the equity method                                      | 61           | 2            | 13           | 51           | 28           |
| Other income                                                                                  | 316          | 379          | 329          | 369          | 355          |
| <b>Net other operating income</b>                                                             | <b>2 605</b> | <b>2 960</b> | <b>2 320</b> | <b>2 575</b> | <b>2 660</b> |

## Changes in net other operating income – IFRS

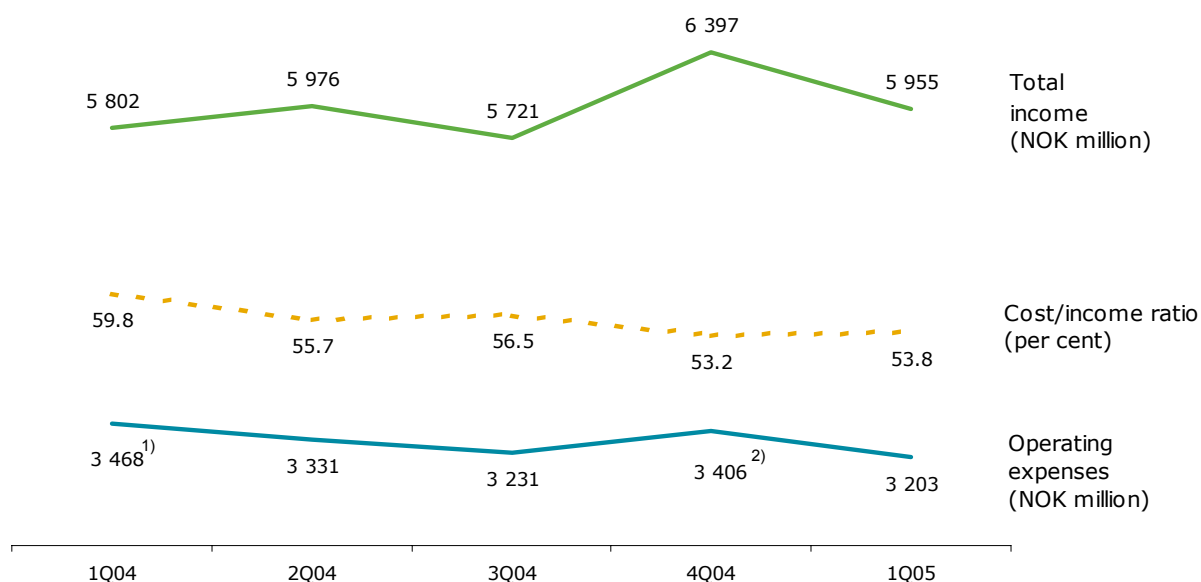
| <i>Amounts in NOK million</i>                         | 1Q05         | Change      | 1Q04         |
|-------------------------------------------------------|--------------|-------------|--------------|
| Net other operating income (NGAAP)                    | 2 369        | (809)       | 3 178        |
| Discontinued operations                               | 0            | (977)       | 977          |
| Net adjusted other operating income (NGAAP)           | 2 369        | 168         | 2 201        |
| IFRS effects                                          | 236          | (223)       | 459          |
| <b>Net other operating income (IFRS)</b>              | <b>2 605</b> | <b>(54)</b> | <b>2 660</b> |
| Of which:                                             |              |             |              |
| Net income from life and pension insurance operations |              | 62          |              |
| Commissions income on banking services                |              | 72          |              |
| Net gains on financial instruments at fair value      |              | (156)       |              |
| Other income                                          |              | (32)        |              |

**Operating expenses – IFRS**

| Amounts in NOK million                                          | 1Q05         | 4Q04         | 3Q04         | 2Q04         | 1Q04         |
|-----------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Staff costs                                                     | 1 706        | 1 711        | 1 695        | 1 691        | 1 776        |
| Other costs                                                     | 1 337        | 1 597        | 1 306        | 1 403        | 2 364        |
| Depreciation, impairment changes on fixed and intangible assets | 161          | 238          | 230          | 237          | 257          |
| <b>Total operating expenses</b>                                 | <b>3 203</b> | <b>3 545</b> | <b>3 231</b> | <b>3 331</b> | <b>4 398</b> |

**Changes in total operating expenses – IFRS**

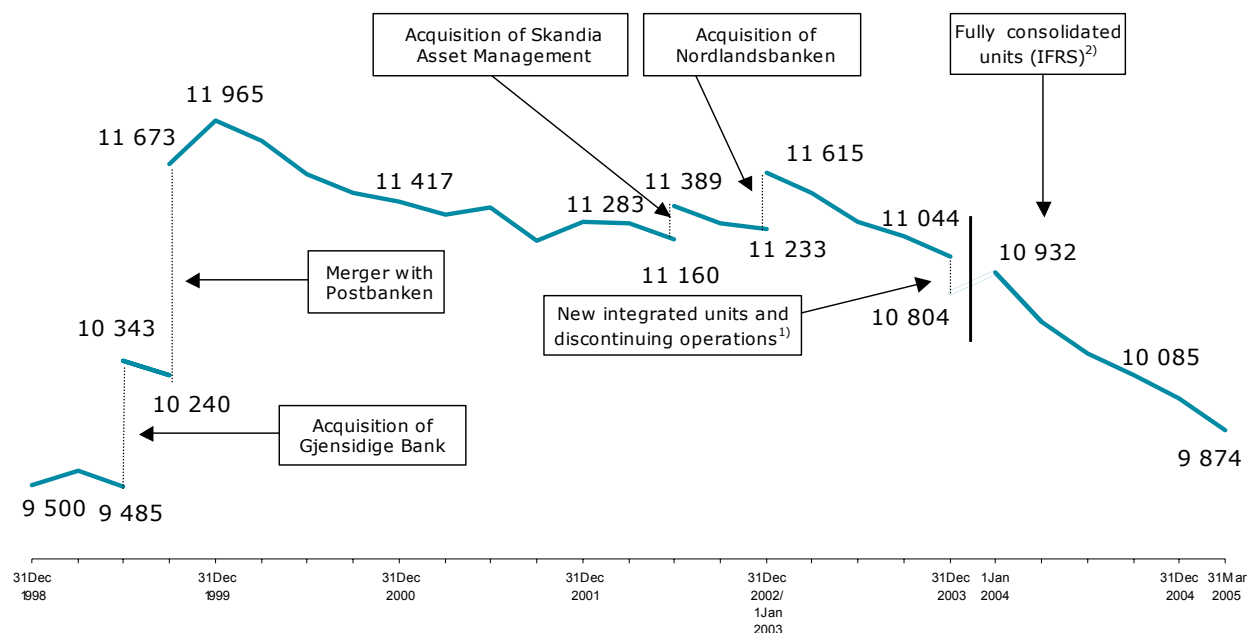
| Amounts in NOK million                          | 1Q05         | Change       | 1Q04         |
|-------------------------------------------------|--------------|--------------|--------------|
| Total operating expenses (NGAAP)                | 3 005        | (1 273)      | 4 278        |
| Discontinued operations                         | -            | (120)        | 120          |
| Total adjusted operating expenses (NGAAP)       | 3 005        | (1 153)      | 4 158        |
| IFRS effects                                    | 198          | (42)         | 240          |
| Total operating expenses (IFRS)                 | 3 203        | (1 195)      | 4 398        |
| Restructuring expenses                          | -            | (930)        | 930          |
| <b>Total ordinary operating expenses (IFRS)</b> | <b>3 203</b> | <b>(265)</b> | <b>3 468</b> |
| Of which:                                       |              |              |              |
| Performance-related personnel expenses          |              | 21           |              |
| Salaries and pension expenses                   |              | 17           |              |
| Other                                           |              | (27)         |              |
| Merger synergies                                |              | (256)        |              |
| Streamlining of operations                      |              | (20)         |              |
|                                                 |              |              | (276)        |

**Cost/income ratio – IFRS**

1) Excluding provisions for restructuring measures

2) Excluding allocations to employee funds

(Pro forma accounting figures prior to 2005)

**Employees - full-time positions – IFRS**

- 1) As at 31 December 2003 the number of full-time positions was reduced by 441 through the sale of Elcon, implemented on 30 March 2004, while the sale of Gjensidige NOR Fondsforsikring resulted in staff cuts of eight full-time positions, implemented in the second quarter of 2004. On the other hand, 209 full-time positions from the former jointly controlled companies Gjensidige NOR Driftspartner and Gjensidige NOR Markedsstøtte were transferred to the Group as from 1 January 2004. The net effect of these changes was a reduction of 240 full-time positions.
- 2) As at 1 January 2004 the number of full-time positions increased by 128 as a result of the transition to IFRS.

**Number of employees - full-time positions – IFRS <sup>1)</sup>**

| Full-time positions                    | 31 March 2005 | Other changes | Changes in group structure resulting from the merger | 31 Dec. 2004  |
|----------------------------------------|---------------|---------------|------------------------------------------------------|---------------|
| Corporate Banking                      | 1 783         | (48)          |                                                      | 1 831         |
| Retail Banking                         | 4 191         | (98)          |                                                      | 4 288         |
| DnB NOR Markets                        | 522           | (9)           |                                                      | 531           |
| Life Insurance and Pensions            | 894           | (32)          |                                                      | 926           |
| Asset Management                       | 302           | (7)           |                                                      | 310           |
| Discontinuing operations <sup>2)</sup> | 0             | 0             | (5)                                                  | 5             |
| Staff and support units                | 2 062         | (11)          |                                                      | 2 073         |
| New subsidiaries according to IFRS     | 121           | (1)           |                                                      | 122           |
| <b>Total</b>                           | <b>9 874</b>  | <b>(206)</b>  | <b>(5)</b>                                           | <b>10 085</b> |

- 1) IFRS figures include employees in subsidiaries which have been subject to consolidation according to IFRS, but were not consolidated according to NGAAP. Figures do not include seasonal employees. For information on synergies, see page 12.
- 2) A reduction of five full-time positions resulted from the sale of Postbanken Eiendomsmedling on 3 January 2005.

**IT expenses – IFRS**

| <i>Amounts in NOK million</i>          | 1Q05       | 4Q04       | 3Q04       | 2Q04       | 1Q04       |
|----------------------------------------|------------|------------|------------|------------|------------|
| IT operating expenses                  | 399        | 379        | 417        | 430        | 456        |
| Systems development expenses           | 142        | 143        | 143        | 134        | 163        |
| Life Insurance and Pensions            | 98         | 122        | 110        | 118        | 113        |
| <b>Total IT expenses <sup>1)</sup></b> | <b>639</b> | <b>644</b> | <b>669</b> | <b>682</b> | <b>733</b> |

1) Including salaries and indirect costs.

**Restructuring provisions – IFRS <sup>1)</sup>**

| <i>Amounts in NOK million</i>  | Provisions as at<br>31 March 2005 | Expenses          | Provisions as at<br>1 Jan. 2005 |
|--------------------------------|-----------------------------------|-------------------|---------------------------------|
| DnB NOR merger                 | 730                               | 228 <sup>*)</sup> | 958                             |
| Other restructuring provisions | 30                                | 10                | 40                              |
| <b>Total</b>                   | <b>761</b>                        | <b>238</b>        | <b>998</b>                      |
| <b>*) Of which:</b>            |                                   |                   |                                 |
| IT                             |                                   | 99                |                                 |
| Staff cuts                     |                                   | 81                |                                 |
| Real estate                    |                                   | 41                |                                 |
| Other                          |                                   | 7                 |                                 |

1) For information on synergies, see page 12.

**Economic assumptions applied in calculating pension expenses and commitments – IFRS**

| <i>Economic assumptions (per cent)</i> | Balances 31 March |      | Expenses |      |
|----------------------------------------|-------------------|------|----------|------|
|                                        | 2005              | 2004 | 1Q05     | 1Q04 |
| Discount rate                          | 4.7               | 5.4  | 4.7      | 5.4  |
| Anticipated return                     | 5.7               | 6.4  | 5.7      | 6.4  |
| Anticipated rise in salaries           | 3.5               | 3.5  | 3.5      | 3.5  |
| Anticipated rise in base rate          | 3.0               | 3.0  | 3.0      | 3.0  |
| Anticipated rise in pensions           | 3.0               | 3.0  | 3.0      | 3.0  |

## Write-downs on loans and guarantees – IFRS

### Write-downs – IFRS

Amounts in NOK million

|                        | 1Q05       | 4Q04      | 3Q04         | 2Q04      | 1Q04        |
|------------------------|------------|-----------|--------------|-----------|-------------|
| Individual write-downs | 186        | 90        | (95)         | 108       | (6)         |
| Group write-downs      | (50)       | (69)      | (69)         | (69)      | (69)        |
| <b>Write-downs</b>     | <b>136</b> | <b>21</b> | <b>(164)</b> | <b>39</b> | <b>(75)</b> |

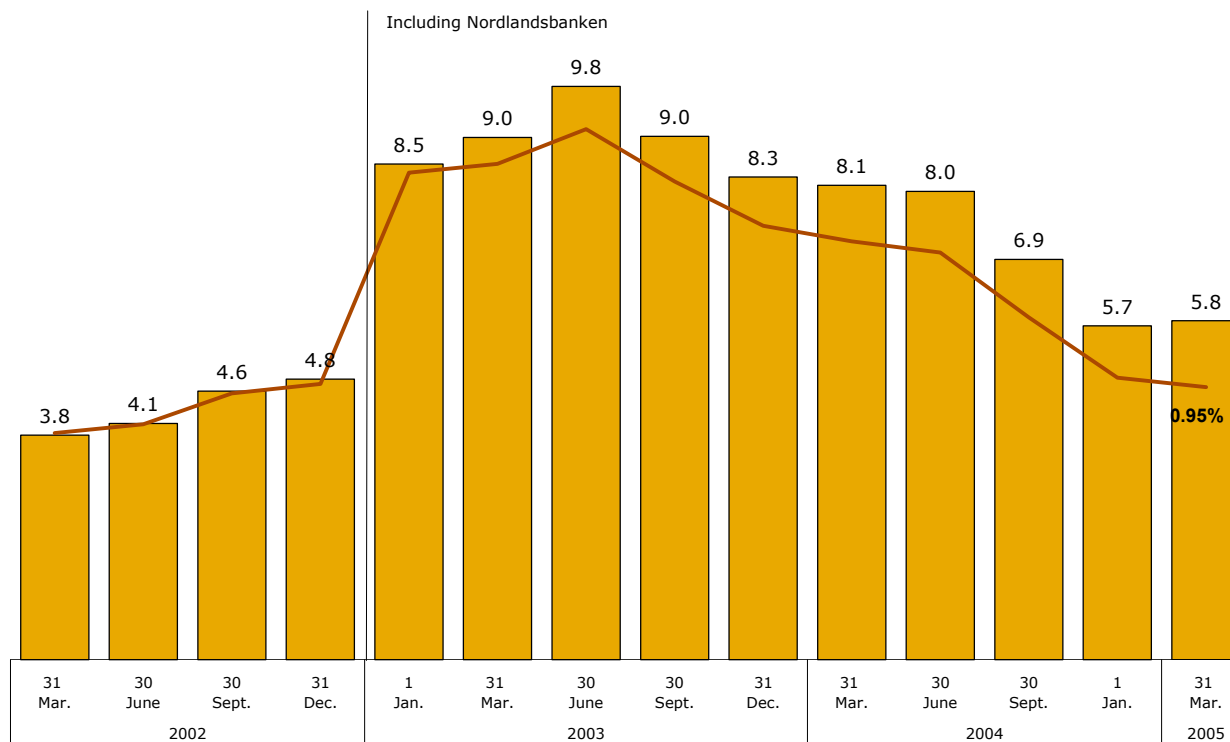
### Changes in write-downs – IFRS

Amounts in NOK million

|                                    | 1Q05       | Change     | 1Q04        |
|------------------------------------|------------|------------|-------------|
| Losses (NGAAP)                     | 134        | (1)        | 135         |
| Discontinued operations            | -          | 32         | (32)        |
| Adjusted losses (NGAAP)            | 134        | 31         | 103         |
| IFRS effects                       | 2          | 180        | (178)       |
| <b>Adjusted write-downs (IFRS)</b> | <b>136</b> | <b>211</b> | <b>(75)</b> |
| Of which:                          |            |            |             |
| Individual effects                 |            | 192        |             |
| Group write-downs                  |            | 19         |             |

### Impaired loans, net - IFRS

■ Impaired loans, net - IFRS  
— As a percentage of net loans



Further details on losses and non-performing loans according to NGAAP can be found in Section 3.

**Capital adequacy – NGAAP****Development in primary capital and capital ratios – NGAAP <sup>1)</sup>**

| <i>Amounts in NOK million</i>                                     | 31 March 2005  | 31 Dec. 2004   |
|-------------------------------------------------------------------|----------------|----------------|
| Share capital                                                     | 13 366         | 13 271         |
| Other equity                                                      | 33 573         | 33 327         |
| Total equity                                                      | 46 939         | 46 598         |
| Perpetual subordinated loan capital securities <sup>2) 3)</sup>   | 5 611          | 5 531          |
| Reductions:                                                       |                |                |
| Pension funds above pension commitments                           | (1 229)        | (1 141)        |
| Goodwill                                                          | (3 399)        | (4 902)        |
| Deferred tax assets                                               | (715)          | (728)          |
| Other intangible assets etc.                                      | (1 579)        | (299)          |
| Core capital                                                      | 45 628         | 45 059         |
| Perpetual subordinated loan capital <sup>2) 3)</sup>              | 5 601          | 5 367          |
| Term subordinated loan capital <sup>3)</sup>                      | 13 451         | 13 538         |
| Net supplementary capital                                         | 19 053         | 18 905         |
| Deductions                                                        | 372            | 455            |
| Total eligible primary capital <sup>4)</sup>                      | 64 309         | 63 509         |
| <b>Total risk-weighted volume</b>                                 | <b>615 011</b> | <b>591 906</b> |
| Core capital ratio (%)                                            | 7.4            | 7.6            |
| Capital ratio (%)                                                 | 10.5           | 10.7           |
| Core capital ratio incl. 50 per cent of profit for the period (%) | 7.6            |                |
| Capital ratio incl. 50 per cent of profit for the period (%)      | 10.6           |                |
| Core capital ratio excluding life insurance (%)                   | 8.4            | 8.5            |
| Capital ratio excluding life insurance (%)                        | 10.5           | 10.7           |

- 1) Norwegian FSA has not adapted Norwegian capital adequacy regulations to IFRS. For the time being, capital adequacy calculations are based on special consolidation rules for statutory accounts, which thus far are not allowed to be restated according to IFRS.
- 2) Perpetual subordinated loan capital securities can represent up to 15 per cent of core capital. The excess will qualify as perpetual supplementary capital.
- 3) Calculations of capital adequacy include a total of NOK 592 million in subordinated loan capital in associated companies, in addition to subordinated loan capital in the Group's balance sheet.
- 4) Primary capital and nominal amounts used in calculating risk-weighted volume deviate from figures in the DnB NOR Group's accounts as a different consolidation method ("pro rata consolidation") is used in calculating capital adequacy. See also footnote 1.

For information on capital adequacy in the bank and banking group, see page 51.

**Taxes – IFRS**

The DnB NOR Group's tax charge for the first quarter of 2005 was NOK 658 million, based on an anticipated average tax rate of 25 per cent of pre-tax operating profits. After the transition to IFRS, taxes on insurance operations will be classified as taxes for the DnB NOR Group. In the annual accounts for 2004, the DnB NOR Group incorporated profits from life insurance operations net after taxes.

## Financial results DnB NOR Group – IFRS

### Full profit and loss accounts – IFRS

| <i>Amounts in NOK million</i>                                                         | 1Q05         | 4Q04         | 3Q04         | 2Q04         | 1Q04         | 2004          |
|---------------------------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Interest income                                                                       | 7 057        | 7 262        | 7 229        | 7 180        | 7 381        | 29 053        |
| Interest expenses                                                                     | 3 707        | 3 825        | 3 829        | 3 779        | 4 239        | 15 672        |
| <b>Net interest income and credit commissions</b>                                     | <b>3 350</b> | <b>3 436</b> | <b>3 401</b> | <b>3 401</b> | <b>3 142</b> | <b>13 380</b> |
| Commissions and fees receivable etc.                                                  | 2 026        | 2 015        | 1 923        | 1 963        | 1 956        | 7 857         |
| Commissions and fees payable etc.                                                     | 587          | 563          | 564          | 585          | 555          | 2 267         |
| Net gains on financial instruments at fair value                                      | 453          | 563          | 354          | 484          | 609          | 2 010         |
| Net gains on financial assets in life insurance and profits from insurance operations | 337          | 539          | 240          | 292          | 259          | 1 330         |
| Net realised gains on investment securities (AFS)                                     | 0            | 26           | 25           | 1            | 7            | 59            |
| Profit from companies accounted for by the equity method                              | 61           | 2            | 13           | 51           | 28           | 94            |
| Other income                                                                          | 316          | 379          | 329          | 369          | 355          | 1 432         |
| <b>Net other operating income</b>                                                     | <b>2 605</b> | <b>2 960</b> | <b>2 320</b> | <b>2 575</b> | <b>2 660</b> | <b>10 516</b> |
| Staff costs                                                                           | 1 706        | 1 711        | 1 695        | 1 691        | 1 776        | 6 874         |
| Other costs                                                                           | 1 337        | 1 597        | 1 306        | 1 403        | 2 364        | 6 670         |
| Depreciation, impairment on fixed and intangible assets                               | 161          | 238          | 230          | 237          | 257          | 961           |
| <b>Total operating expenses</b>                                                       | <b>3 203</b> | <b>3 545</b> | <b>3 231</b> | <b>3 331</b> | <b>4 398</b> | <b>14 505</b> |
| <b>Pre-tax operating profit before write-downs</b>                                    | <b>2 752</b> | <b>2 852</b> | <b>2 490</b> | <b>2 645</b> | <b>1 404</b> | <b>9 391</b>  |
| Net gains on fixed and intangible assets                                              | 17           | (33)         | 3            | (10)         | 953          | 914           |
| Write-downs on loans and guarantees                                                   | 136          | 21           | (164)        | 39           | (75)         | (179)         |
| <b>Pre-tax operating profit</b>                                                       | <b>2 633</b> | <b>2 798</b> | <b>2 657</b> | <b>2 596</b> | <b>2 432</b> | <b>10 484</b> |
| Taxes                                                                                 | 658          | 323          | 714          | 719          | 565          | 2 322         |
| Profit from discontinuing operations after taxes                                      | 0            | 0            | 0            | 0            | 79           | 79            |
| <b>Profit for the period</b>                                                          | <b>1 974</b> | <b>2 475</b> | <b>1 943</b> | <b>1 876</b> | <b>1 946</b> | <b>8 241</b>  |
| Earnings per share                                                                    | 1.48         | 1.89         | 1.47         | 1.42         | 1.49         | 6.28          |

**Full balance sheets – IFRS**

| <i>Amounts in NOK million</i>                                                                     | 31 March<br>2005 | 1 Jan.<br>2005 | 30 Sept.<br>2004 | 30 June<br>2004 | 31 March<br>2004 | 1 Jan.<br>2004 |
|---------------------------------------------------------------------------------------------------|------------------|----------------|------------------|-----------------|------------------|----------------|
| Cash and deposits with central banks                                                              | 7 366            | 8 780          | 12 802           | 5 496           | 3 284            | 8 570          |
| Lending to and deposits with credit institutions                                                  | 49 342           | 25 397         | 30 448           | 70 591          | 67 419           | 54 496         |
| Gross lending to customers                                                                        | 605 593          | 588 153        | 581 935          | 574 002         | 563 765          | 551 646        |
| - Accumulated write-downs                                                                         | (4 788)          | (4 981)        | (5 427)          | (5 597)         | (5 792)          | (6 294)        |
| Net lending to customers                                                                          | 600 805          | 583 172        | 576 508          | 568 405         | 557 973          | 545 352        |
| Trading securities - commercial paper and bonds                                                   | 52 999           | 48 470         | 48 470           | 48 470          | 48 470           | 32 221         |
| Trading securities - shareholdings etc.                                                           | 1 270            | 1 117          | 1 117            | 1 117           | 1 117            | 272            |
| Financial assets - customers bearing the risk                                                     | 10 354           | 9 747          | 9 230            | 8 942           | 8 676            | 7 287          |
| Other financial instruments at fair value through profit and loss<br>- commercial paper and bonds | 75 152           | 67 966         | 67 898           | 69 837          | 61 388           | 79 550         |
| Other financial instruments at fair value through profit and loss<br>- shareholdings etc.         | 29 288           | 28 078         | 25 695           | 25 382          | 24 668           | 22 660         |
| Financial derivative instruments                                                                  | 34 384           | 41 148         | 36 493           | 30 262          | 39 785           | 37 693         |
| Financial derivative instruments used for hedging                                                 | 1 200            | 1 828          | 1 828            | 1 828           | 1 828            | 1 504          |
| Shareholdings - available for sale                                                                | 298              | 303            | 271              | 231             | 277              | 480            |
| Commercial paper and bonds - held to maturity                                                     | 54 390           | 55 645         | 56 588           | 55 837          | 53 342           | 47 414         |
| Investment property                                                                               | 18 725           | 18 616         | 16 934           | 16 829          | 17 170           | 16 884         |
| Investments in associated companies                                                               | 1 452            | 1 507          | 1 641            | 1 606           | 1 690            | 1 495          |
| Intangible assets                                                                                 | 5 524            | 5 574          | 5 847            | 6 034           | 6 175            | 6 089          |
| Deferred tax assets                                                                               | 427              | 406            | 350              | 355             | 686              | 183            |
| Fixed assets                                                                                      | 6 240            | 6 189          | 6 250            | 6 327           | 6 314            | 6 303          |
| Biological assets                                                                                 | 247              | 278            | 278              | 278             | 278              | 183            |
| Discontinuing operations                                                                          | 0                | 25             | 25               | 25              | 25               | 1 479          |
| Accrued income and prepaid expenses                                                               | 2 596            | 2 311          | 2 145            | 2 429           | 2 548            | 2 029          |
| Other assets                                                                                      | 7 737            | 6 220          | 14 722           | 11 540          | 7 957            | 10 968         |
| <b>Total assets</b>                                                                               | <b>959 797</b>   | <b>912 779</b> | <b>915 539</b>   | <b>931 820</b>  | <b>911 071</b>   | <b>883 113</b> |
| Loans and deposits from credit institutions                                                       | 87 222           | 59 174         | 73 734           | 109 198         | 85 742           | 89 346         |
| Deposits from customers                                                                           | 368 358          | 353 957        | 350 132          | 352 210         | 341 015          | 330 635        |
| Financial derivative instruments                                                                  | 33 822           | 44 134         | 39 796           | 31 700          | 42 237           | 43 850         |
| Securities issued                                                                                 | 200 006          | 192 812        | 191 869          | 191 558         | 192 698          | 181 775        |
| Insurance liabilities - customers bearing the risk                                                | 10 354           | 9 747          | 9 230            | 8 942           | 8 676            | 7 287          |
| Liabilities to life insurance policyholders                                                       | 157 972          | 153 488        | 149 713          | 147 127         | 144 612          | 137 693        |
| Other liabilities                                                                                 | 14 594           | 14 721         | 15 394           | 9 526           | 13 373           | 12 673         |
| Accrued expenses and prepaid income                                                               | 4 103            | 3 822          | 8 004            | 5 039           | 5 048            | 4 943          |
| Discontinuing operations                                                                          | 0                | 24             | 24               | 24              | 24               | 1 227          |
| Provisions                                                                                        | 5 374            | 5 486          | 5 047            | 5 086           | 5 188            | 4 844          |
| Subordinated loan capital                                                                         | 25 523           | 25 256         | 24 981           | 25 679          | 25 666           | 24 504         |
| <b>Total liabilities</b>                                                                          | <b>907 328</b>   | <b>862 620</b> | <b>867 925</b>   | <b>886 088</b>  | <b>864 280</b>   | <b>838 778</b> |
| Minority interests                                                                                | 33               | 33             | 44               | 41              | 41               | 8              |
| Revaluation reserve                                                                               | 116              | 122            | 92               | 92              | 92               | 92             |
| Share capital                                                                                     | 13 366           | 13 271         | 13 220           | 13 220          | 13 220           | 13 090         |
| Other reserves and retained earnings                                                              | 38 954           | 36 734         | 34 259           | 32 379          | 33 438           | 31 144         |
| <b>Total equity</b>                                                                               | <b>52 470</b>    | <b>50 159</b>  | <b>47 614</b>    | <b>45 732</b>   | <b>46 791</b>    | <b>44 334</b>  |
| <b>Total liabilities and equity</b>                                                               | <b>959 797</b>   | <b>912 779</b> | <b>915 539</b>   | <b>931 820</b>  | <b>911 071</b>   | <b>883 113</b> |

## Key figures – IFRS

|                                                                       | 1Q05      | 4Q04      | 3Q04      | 2Q04      | 1Q04      |
|-----------------------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|
| <b>Interest rate analysis</b>                                         |           |           |           |           |           |
| 1 Combined average spread for lending and deposits (%)                | 2.29      | 2.39      | 2.39      | 2.36      | 2.33      |
| 2 Spread for ordinary lending to customers (%)                        | 1.61      | 1.66      | 1.67      | 1.70      | 1.63      |
| 3 Spread for deposits from customers (%)                              | 0.68      | 0.73      | 0.72      | 0.66      | 0.70      |
| <b>Rate of return/profitability</b>                                   |           |           |           |           |           |
| 4 Net other operating income, per cent of total income                | 43.7      | 46.3      | 40.6      | 43.1      | 45.8      |
| 5 Cost/income ratio (%)                                               | 53.8      | 53.2      | 56.5      | 55.7      | 59.8      |
| 6 Return on equity (%)                                                | 15.3      | 20.5      | 16.7      | 16.4      | 16.4      |
| 7 Average equity including allocated dividend (NOK million)           | 51 282    | 48 848    | 46 631    | 45 734    | 45 538    |
| <b>Financial strength</b>                                             |           |           |           |           |           |
| 8 Core (Tier 1) capital ratio at end of period (%)                    | 7.4       | 7.6       | 6.9       | 6.9       | 7.0       |
| 9 Core (Tier 1) capital ratio incl. 50 % of profit for the period (%) | 7.6       | -         | 7.3       | 7.2       | 7.1       |
| 10 Capital adequacy ratio at end of period (%)                        | 10.5      | 10.7      | 10.0      | 10.1      | 10.2      |
| 11 Capital adequacy ratio incl. 50 % of profit for the period (%)     | 10.6      | -         | 10.4      | 10.4      | 10.3      |
| 12 Core capital at end of period (NOK million)                        | 45 628    | 45 059    | 40 850    | 40 760    | 40 224    |
| 13 Total eligible primary capital at end of period (NOK million)      | 64 309    | 63 509    | 59 137    | 59 672    | 58 763    |
| 14 Risk-weighted volume at end of period (NOK million)                | 615 011   | 591 906   | 591 794   | 588 370   | 576 656   |
| <b>Loan portfolio and impairments</b>                                 |           |           |           |           |           |
| 15 Write-downs relative to gross lending annualised (%)               | 0.09      | 0.01      | (0.11)    | 0.03      | (0.05)    |
| 16 Impaired commitments, per cent of net lending                      | 0.95      | 0.97      | 1.17      | 1.40      | 1.44      |
| 17 Accumulated write-downs relative to total gross lending (%)        | 0.79      | 0.85      | 0.93      | 0.98      | 1.03      |
| 18 Net impaired commitments at end of period (NOK million)            | 5 815     | 5 726     | 6 864     | 8 031     | 8 137     |
| <b>Liquidity</b>                                                      |           |           |           |           |           |
| 19 Ratio of customer deposits to net lending at end of period         | 61.3      | 60.7      | 60.7      | 62.0      | 61.1      |
| <b>Total assets owned or managed by DnB NOR</b>                       |           |           |           |           |           |
| 20 Assets under management at end of period (NOK billion)             | 506       | 496       | 504       | 502       | 503       |
| 21 Average total combined assets (NOK billion)                        | 1 272     | 1 253     | 1 269     | 1 269     | 1 253     |
| 22 Total combined assets at end of period (NOK billion)               | 1 298     | 1 246     | 1 261     | 1 277     | 1 261     |
| 23 Customer savings at end of period (NOK billion)                    | 883       | 857       | 861       | 861       | 851       |
| <b>Staff</b>                                                          |           |           |           |           |           |
| 24 Number of full-time positions at end of period                     | 9 874     | 10 085    | 10 242    | 10 385    | 10 601    |
| 25 - of which in Life Insurance and Pensions                          | 894       | 926       | 994       | 970       | 993       |
| <b>The DnB NOR share</b>                                              |           |           |           |           |           |
| 26 Number of shares at end of period (1 000)                          | 1 336 875 | 1 327 139 | 1 321 957 | 1 321 957 | 1 321 957 |
| 27 Average number of shares (1 000)                                   | 1 327 139 | 1 325 899 | 1 321 957 | 1 321 957 | 1 309 880 |
| 28 Earnings per share (NOK)                                           | 1.48      | 1.89      | 1.47      | 1.42      | 1.43      |
| 29 Total shareholder's return (%)                                     | 8.4       | 12.2      | 12.6      | 10.5      | 1.4       |
| 30 Equity per share including accrued dividend at end of period (NOK) | 39.25     | 37.79     | 36.02     | 34.59     | 35.40     |
| 31 Share price at end of period (NOK)                                 | 64.75     | 59.75     | 53.25     | 47.30     | 45.00     |
| 32 Price/book value                                                   | 1.65      | 1.58      | 1.48      | 1.37      | 1.27      |
| 33 Market capitalisation (NOK billion)                                | 86.6      | 79.3      | 70.4      | 62.5      | 59.5      |
| 34 Dividend per share (NOK)                                           | n/a       | n/a       | n/a       | n/a       | n/a       |

### Definitions

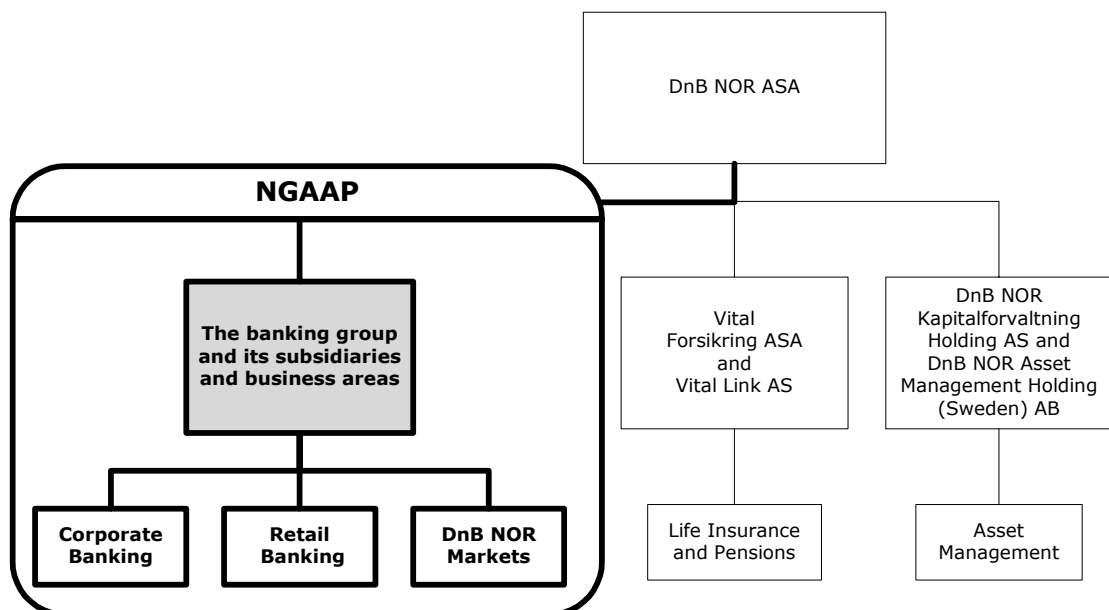
- 1,2,3 Excluding discontinuing operations.
- 4 Including life insurance operations.
- 5 Ordinary operating expenses/total operating income, including life insurance operations.
- 6 Excluding discontinuing operations. Net profits excluding discontinuing operations and adjusted for the period's change in fair value recognised directly in equity. Average equity including net profits, available-for-sale assets, translation differences and other revaluations recognised directly in equity. Average equity excluding minority interests and cash flow hedge reserves.
- 28 Excluding discontinuing operations. Earnings excluding minority interests and discontinuing operations. Holdings of own shares are not included in the average number of shares.
- 31 The last quoted share price on Oslo Børs at end of period relative to the book value of equity at end of period.
- 33 Number of shares multiplied by the share price at end of period.



## Section 3

# Financial results for the banking group according to NGAAP

(DnB NOR Bank Group  
including business areas)



## Financial results – banking group - NGAAP

### Financial highlights

| Amounts in NOK million                                       | 1Q05  | 4Q04  | 3Q04  | 2Q04  | 1Q04 <sup>1)</sup> |
|--------------------------------------------------------------|-------|-------|-------|-------|--------------------|
| Pre-tax operating profit before losses                       | 2 318 | 2 187 | 2 135 | 2 653 | 2 269              |
| Pre-tax operating profit                                     | 2 178 | 2 172 | 2 280 | 2 584 | 2 148              |
| Profit for the period                                        | 1 590 | 1 668 | 1 663 | 1 887 | 1 568              |
| Cost/income ratio excl. goodwill (per cent)                  | 53.2  | 56.6  | 55.5  | 50.1  | 61.9               |
| Cost/income ratio (per cent)                                 | 54.5  | 58.0  | 56.3  | 51.6  | 63.5               |
| Return on equity excl. goodwill (per cent)                   | 17.2  | 16.4  | 16.6  | 20.1  | 17.8               |
| Return on equity (per cent)                                  | 16.5  | 15.7  | 16.3  | 19.3  | 16.8               |
| Earnings per share (NOK)                                     | 9.37  | 9.83  | 9.80  | 11.12 | 9.24               |
| Core capital ratio at end of period (per cent) <sup>2)</sup> | 7.4   | 7.5   | 7.7   | 7.5   | 7.3                |

1) Including NOK 946 million in gains on the sale of operations and NOK 805 million in restructuring provisions related to the DnB NOR merger.

2) Including 50 per cent of profit for the period, except for year-end figures.

### Profit and loss accounts

| Amounts in NOK million                 | 1Q05         | 4Q04         | 3Q04         | 2Q04         | 1Q04         |
|----------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Net interest income                    | 3 236        | 3 337        | 3 322        | 3 339        | 3 378        |
| Net other ordinary operating income    | 1 824        | 1 879        | 1 603        | 1 778        | 1 854        |
| Ordinary operating expenses            | 2 772        | 2 887        | 2 746        | 2 822        | 3 136        |
| Ordinary operating profit              | 2 288        | 2 329        | 2 179        | 2 295        | 2 095        |
| Gains on the sale of fixed assets      | 31           | (6)          | (40)         | 365          | 979          |
| Other expenses                         | 2            | 135          | 5            | 6            | 806          |
| Pre-tax operating profit before losses | 2 318        | 2 187        | 2 135        | 2 653        | 2 269        |
| Net losses on loans etc.               | 134          | 70           | (121)        | 82           | 135          |
| Net gain on long-term securities       | (5)          | 55           | 24           | 13           | 15           |
| Pre-tax operating profit               | 2 178        | 2 172        | 2 280        | 2 584        | 2 148        |
| Taxes                                  | 588          | 504          | 617          | 696          | 580          |
| <b>Profit for the period</b>           | <b>1 590</b> | <b>1 668</b> | <b>1 663</b> | <b>1 887</b> | <b>1 568</b> |

### Balance sheets

| Amounts in NOK billion                                | 31 March<br>2005 | 31 Dec.<br>2004 | 30 Sept.<br>2004 | 30 June<br>2004 | 31 March<br>2004 <sup>1)</sup> | 31 Dec.<br>2003 |
|-------------------------------------------------------|------------------|-----------------|------------------|-----------------|--------------------------------|-----------------|
| Cash and lending to/deposits with credit institutions | 51.2             | 30.4            | 36.9             | 70.9            | 63.4                           | 36.6            |
| Net lending to customers                              | 597.0            | 577.4           | 570.7            | 562.4           | 552.6                          | 565.9           |
| Commercial paper, bonds, etc.                         | 68.4             | 63.0            | 65.4             | 68.2            | 60.1                           | 59.7            |
| Shareholdings, etc.                                   | 6.1              | 6.0             | 5.7              | 5.5             | 5.3                            | 5.3             |
| Fixed and intangible assets                           | 6.7              | 6.8             | 7.2              | 7.3             | 7.8                            | 7.7             |
| Other assets                                          | 28.9             | 29.0            | 31.7             | 23.2            | 31.3                           | 29.7            |
| <b>Total assets</b>                                   | <b>758.3</b>     | <b>712.5</b>    | <b>717.5</b>     | <b>737.7</b>    | <b>720.6</b>                   | <b>704.9</b>    |
| Loans and deposits from credit institutions           | 77.2             | 48.9            | 63.5             | 99.0            | 75.5                           | 78.5            |
| Deposits from customers                               | 375.5            | 360.2           | 354.5            | 356.3           | 344.0                          | 337.8           |
| Borrowings through the issue of securities            | 199.6            | 192.4           | 192.3            | 192.1           | 192.4                          | 181.9           |
| Other liabilities and provisions                      | 42.3             | 49.1            | 41.7             | 25.9            | 46.2                           | 46.4            |
| Primary capital                                       | 63.7             | 61.8            | 65.4             | 64.4            | 62.5                           | 60.3            |
| <b>Total liabilities and equity</b>                   | <b>758.3</b>     | <b>712.5</b>    | <b>717.5</b>     | <b>737.7</b>    | <b>720.6</b>                   | <b>704.9</b>    |
| Average total assets for the year to date             | 746.7            | 739.3           | 738.3            | 733.9           | 723.0                          | 693.4           |
| Ratio of deposits to net lending (%)                  | 62.9             | 62.4            | 62.1             | 63.4            | 62.3                           | 59.7            |
| Ratio of average deposits to average net lending (%)  | 63.2             | 62.5            | 62.4             | 61.9            | 60.4                           | 63.0            |

1) As from 31 March 2004, Elcon is no longer consolidated in the banking group accounts.

For detailed profit and loss accounts and balance sheets, see page 52.

## Net interest income – banking group - NGAAP

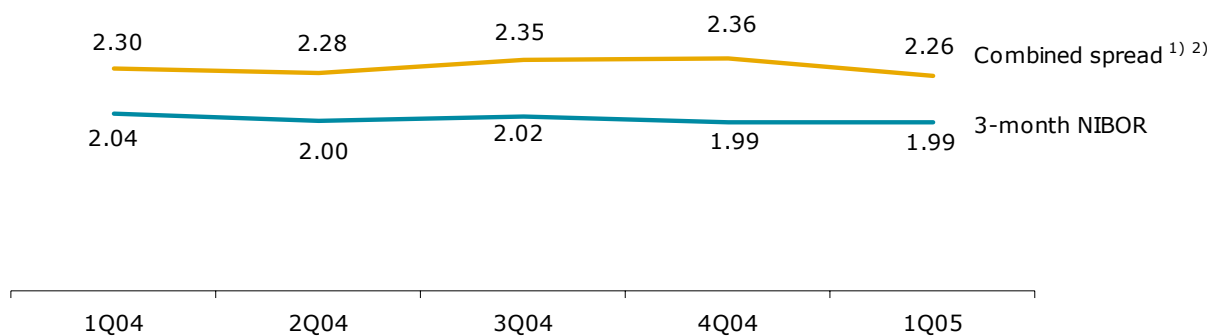
| <i>Amounts in NOK million</i>                                               | 1Q05         | 4Q04         | 3Q04         | 2Q04         | 1Q04         |
|-----------------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Interest on loans to and deposits with credit institutions                  | 384          | 402          | 421          | 526          | 472          |
| Interest and credit commissions on instalment loans                         | 4 853        | 4 893        | 4 859        | 4 814        | 5 239        |
| Interest and credit commissions on overdraft and working capital facilities | 630          | 641          | 633          | 649          | 642          |
| Interest and credit commissions on building loans                           | 73           | 74           | 67           | 64           | 64           |
| Leasing income                                                              | 126          | 124          | 125          | 123          | 341          |
| Factoring income                                                            | 14           | 16           | 14           | 13           | 36           |
| Front-end fees, etc.                                                        | 223          | 256          | 272          | 242          | 231          |
| Interest on other loans to customers                                        | 32           | 66           | 78           | 44           | 62           |
| <b>Total interest income on loans to customers</b>                          | <b>5 952</b> | <b>6 071</b> | <b>6 048</b> | <b>5 949</b> | <b>6 614</b> |
| Interest on commercial paper and bonds                                      | 520          | 556          | 522          | 568          | 425          |
| Other interest income                                                       | 92           | 84           | 106          | 18           | 22           |
| <b>Total interest income</b>                                                | <b>6 948</b> | <b>7 112</b> | <b>7 097</b> | <b>7 062</b> | <b>7 533</b> |
| Interest on loans and deposits from credit institutions                     | 481          | 413          | 430          | 456          | 495          |
| Interest on demand deposits from customers                                  | 758          | 832          | 794          | 792          | 972          |
| Interest on time deposits from customers                                    | 169          | 52           | 53           | 46           | 50           |
| Interest on special-term deposits from customers                            | 265          | 256          | 240          | 253          | 298          |
| <b>Total interest expenses on deposits from customers</b>                   | <b>1 192</b> | <b>1 140</b> | <b>1 087</b> | <b>1 092</b> | <b>1 319</b> |
| Interest on securities issued                                               | 1 406        | 1 362        | 1 154        | 1 049        | 1 021        |
| Interest on subordinated loan capital                                       | 208          | 195          | 183          | 171          | 175          |
| Levies to the banks' guarantee fund                                         | 0            | 60           | 70           | 28           | 111          |
| Other interest expenses                                                     | 425          | 605          | 851          | 927          | 1 034        |
| <b>Total interest expenses</b>                                              | <b>3 712</b> | <b>3 775</b> | <b>3 775</b> | <b>3 723</b> | <b>4 155</b> |
| <b>Net interest income</b>                                                  | <b>3 236</b> | <b>3 337</b> | <b>3 322</b> | <b>3 339</b> | <b>3 378</b> |

## Deposit volumes split by interest rate intervals

| <i>Amounts in NOK billion</i> | 0-0.25%   | 0.26-1.00% | 1.01-2.00% | >2.00 %  | Currency deposits/<br>other agreements | Total      |
|-------------------------------|-----------|------------|------------|----------|----------------------------------------|------------|
| Retail customers              | 46        | 31         | 94         | 4        | 1                                      | 176        |
| Corporate customers           | 19        | 14         | 119        | 5        | 42                                     | 200        |
| <b>Total March 2005</b>       | <b>65</b> | <b>45</b>  | <b>213</b> | <b>9</b> | <b>43</b>                              | <b>376</b> |
| Total March 2004              | 71        | 30         | 196        | 10       | 37                                     | 344        |

## Developments in average interest rate spreads

Per cent

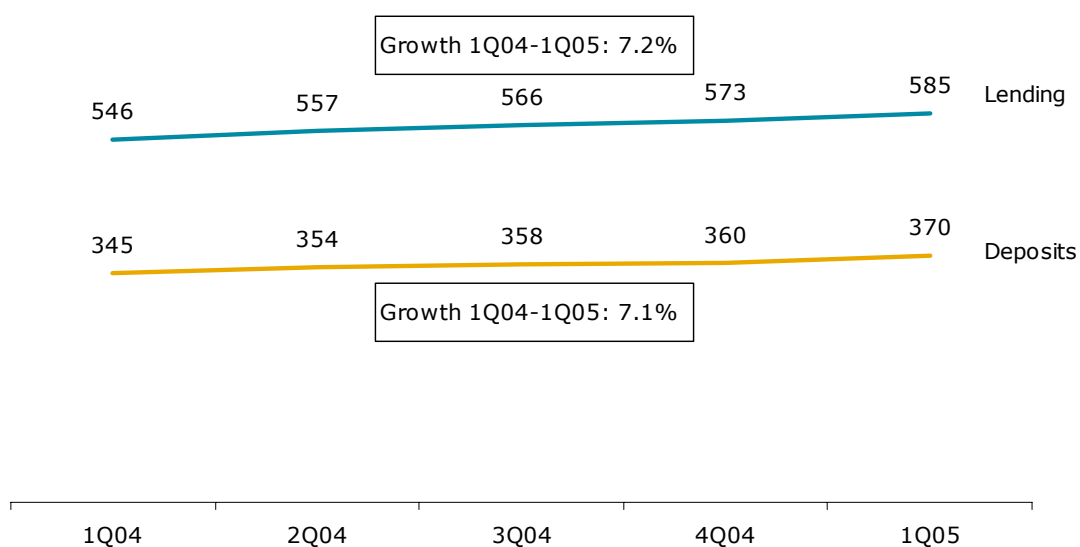


1) Combined spread for lending and deposits.

2) Excluding discontinued operations.

## Developments in average volumes

NOK billion



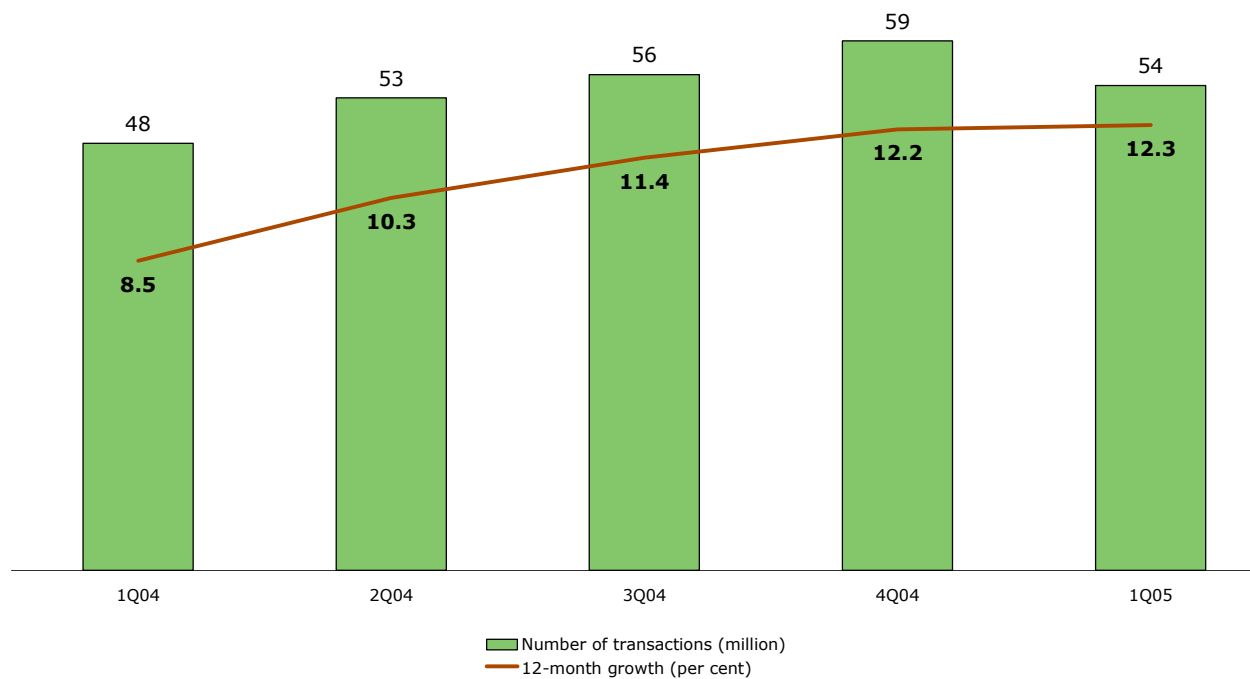
Excluding discontinued operations.

## Net other operating income – banking group - NGAAP

| <i>Amounts in NOK million</i>                                                    | 1Q05         | 4Q04         | 3Q04         | 2Q04         | 1Q04         |
|----------------------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Dividends                                                                        | 30           | 23           | 18           | 88           | 13           |
| Money transfer fees receivable                                                   | 733          | 807          | 831          | 811          | 747          |
| Fees on asset management services                                                | 41           | 54           | 34           | (34)         | 111          |
| Fees on custodial services                                                       | 68           | 67           | 59           | 64           | 63           |
| Fees on securities broking (incl. corporate finance)                             | 188          | 134          | 103          | 132          | 144          |
| Guarantee commissions                                                            | 93           | 99           | 90           | 104          | 96           |
| Interbank fees                                                                   | 45           | 44           | 44           | 46           | 48           |
| Credit broking commissions                                                       | 27           | 35           | 39           | 28           | 23           |
| Sales commissions on insurance products                                          | 72           | 71           | 48           | 46           | 60           |
| Sundry commissions and fees receivable on banking services                       | 195          | 180          | 167          | 165          | 204          |
| <b>Total commissions and fees receivable</b>                                     | <b>1 463</b> | <b>1 491</b> | <b>1 416</b> | <b>1 362</b> | <b>1 494</b> |
| Money transfer fees payable                                                      | 253          | 276          | 287          | 294          | 279          |
| Fees on custodial services payable                                               | 29           | 18           | 20           | 25           | 21           |
| Interbank fees                                                                   | 64           | 60           | 61           | 62           | 60           |
| Sundry commissions and fees payable on banking services                          | 164          | 137          | 137          | 95           | 179          |
| <b>Total commissions and fees payable</b>                                        | <b>510</b>   | <b>491</b>   | <b>504</b>   | <b>475</b>   | <b>539</b>   |
| Net gains on short-term shareholdings                                            | 61           | 15           | (3)          | (20)         | 20           |
| Net gains on commercial paper and bonds                                          | (75)         | 74           | 153          | (258)        | 242          |
| Net gains on trading in foreign exchange and financial derivatives <sup>1)</sup> | 254          | 577          | 472          | 1 519        | 312          |
| Net gains on other short-term interest rate instruments <sup>1)</sup>            | 274          | (181)        | (281)        | (852)        | (114)        |
| <b>Net gains on foreign exchange and financial instruments</b>                   | <b>514</b>   | <b>486</b>   | <b>342</b>   | <b>388</b>   | <b>460</b>   |
| Operating income on real estate                                                  | 2            | 2            | 11           | 9            | 17           |
| Rental income                                                                    | 14           | 49           | 23           | 42           | 52           |
| Fees on real estate broking                                                      | 123          | 155          | 145          | 172          | 146          |
| Share of profit in associated companies                                          | 26           | 35           | 43           | 81           | 58           |
| Remunerations                                                                    | 0            | 3            | (3)          | (1)          | 1            |
| Miscellaneous operating income                                                   | 163          | 126          | 111          | 112          | 152          |
| <b>Total sundry ordinary operating income</b>                                    | <b>327</b>   | <b>370</b>   | <b>331</b>   | <b>414</b>   | <b>426</b>   |
| Gains on the sale of fixed assets <sup>2)</sup>                                  | 31           | (6)          | (40)         | 365          | 979          |
| <b>Net other operating income</b>                                                | <b>1 855</b> | <b>1 872</b> | <b>1 563</b> | <b>2 143</b> | <b>2 833</b> |
| <i>As a percentage of total income <sup>2)</sup></i>                             | <i>36.4</i>  | <i>35.9</i>  | <i>32.0</i>  | <i>39.1</i>  | <i>35.8</i>  |

1) As these activities are managed collectively, the items must be evaluated together and relative to interest income on the same activities.

2) Excluding gains on the sale of operations in the first quarter of 2004.

**Number of "point-of-sale" transactions**

## Net gains on foreign exchange and financial instruments

| Amounts in NOK million                                             | 1Q05       | 4Q04       | 3Q04       | 2Q04       | 1Q04       |
|--------------------------------------------------------------------|------------|------------|------------|------------|------------|
| Net gains on short-term shareholdings                              | 61         | 15         | (3)        | (20)       | 20         |
| Net gains on commercial paper and bonds                            | (75)       | 74         | 153        | (258)      | 242        |
| Net gains on trading in foreign exchange and financial derivatives | 274        | 577        | 472        | 1 519      | 312        |
| Net gains on other short-term interest rate instruments            | 254        | (181)      | (281)      | (852)      | (114)      |
| <b>Net gains on foreign exchange and financial instruments</b>     | <b>514</b> | <b>486</b> | <b>342</b> | <b>388</b> | <b>460</b> |
| Of which:                                                          |            |            |            |            |            |
| DnB NOR Markets (I+II)                                             | 460        | 440        | 331        | 384        | 420        |
| Banking portfolio, equity investments                              | 19         | 12         | (15)       | (17)       | 10         |
| Banking portfolio, other                                           | 34         | 33         | 26         | 21         | 30         |

## Total income in DnB NOR Markets

| Amounts in NOK million                                                  | 1Q05       | 4Q04       | 3Q04       | 2Q04       | 1Q04       |
|-------------------------------------------------------------------------|------------|------------|------------|------------|------------|
| <b>Customer business</b>                                                |            |            |            |            |            |
| Net gains on trading in foreign exchange and financial instruments (I)  | 331        | 254        | 210        | 217        | 249        |
| Net interest income                                                     | 49         | 61         | 53         | 56         | 45         |
| Other income                                                            | 223        | 187        | 154        | 154        | 168        |
| <b>Total income customer business</b>                                   | <b>603</b> | <b>501</b> | <b>417</b> | <b>427</b> | <b>463</b> |
| <b>Trading/market making</b>                                            |            |            |            |            |            |
| Net gains on trading in foreign exchange and financial instruments (II) | 129        | 186        | 121        | 167        | 171        |
| Net interest income                                                     | (17)       | (14)       | 15         | 1          | 13         |
| Other income                                                            | (2)        | 4          | (2)        | 4          | (3)        |
| <b>Total income trading/market making</b>                               | <b>110</b> | <b>176</b> | <b>135</b> | <b>172</b> | <b>181</b> |
| <b>Total income customer business and trading/market making</b>         | <b>713</b> | <b>677</b> | <b>552</b> | <b>599</b> | <b>644</b> |
| Interest on allocated equity                                            | 10         | 10         | 9          | 10         | 11         |
| <b>Total income DnB NOR Markets</b>                                     | <b>723</b> | <b>687</b> | <b>562</b> | <b>608</b> | <b>655</b> |

## Market value above book value, banking portfolio <sup>1)</sup>

| Amounts in NOK million     | 31 March 2005 | 31 Dec. 2004 | 30 Sept. 2004 | 30 June 2004 | 31 March 2004 | 31 Dec. 2003 |
|----------------------------|---------------|--------------|---------------|--------------|---------------|--------------|
| Commercial paper and bonds | 80            | 104          | 88            | 61           | 73            | 57           |
| Short-term shareholdings   | 97            | 110          | 65            | 94           | 126           | 45           |

1) Unrealised gains have not been included in the profit and loss accounts.

## Short-term investments in securities

| <i>Amounts in NOK million</i>     | 31 March 2005 |              | 31 Dec. 2004 |              |
|-----------------------------------|---------------|--------------|--------------|--------------|
|                                   | Book value    | Market value | Book value   | Market value |
| <b>Commercial paper and bonds</b> |               |              |              |              |
| Trading portfolio                 | 54 642        | 54 642       | 50 436       | 50 436       |
| Banking portfolio                 | 13 710        | 13 790       | 12 549       | 12 653       |
| Total commercial paper and bonds  | 68 352        | 68 432       | 62 986       | 63 090       |
| <b>Short-term shareholdings</b>   |               |              |              |              |
| Trading portfolio                 | 1 270         | 1 270        | 1 115        | 1 115        |
| Banking portfolio                 | 2 704         | 2 802        | 2 708        | 2 818        |
| Total short-term shareholdings    | 3 975         | 4 072        | 3 823        | 3 933        |

## Major short-term shareholdings as at 31 March 2005

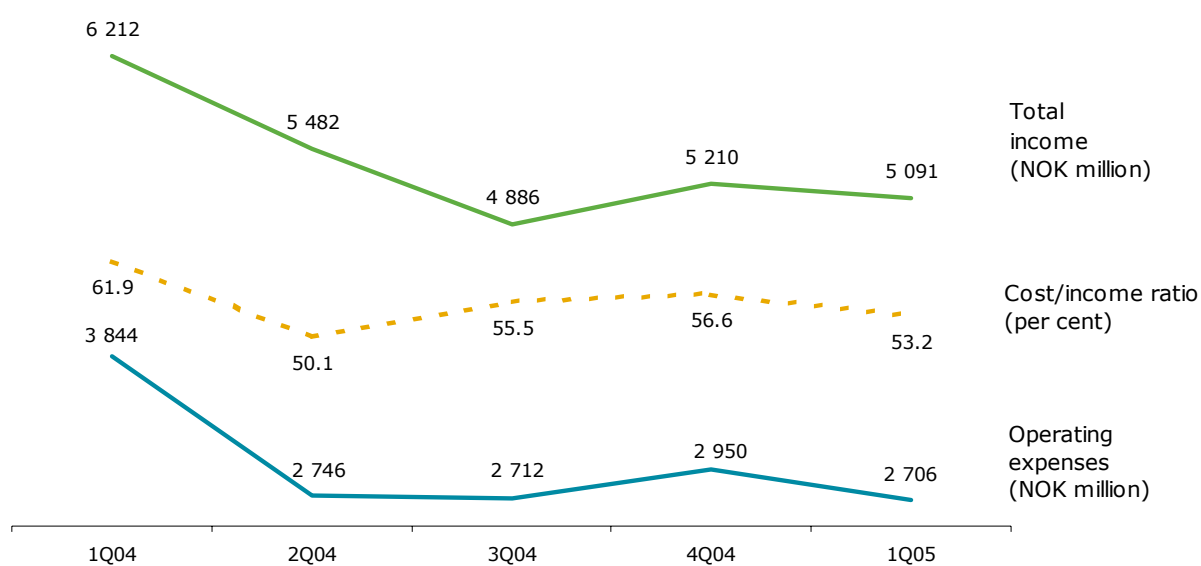
| <i>Amounts in NOK million</i>  | Book value   | Market value |
|--------------------------------|--------------|--------------|
| IT Fornebu Eiendom             | 148          | 114          |
| Troms Fylkes Dampskibsselskap  | 55           | 38           |
| OVDS                           | 84           | 130          |
| Viking Ship Finance            | 39           | 68           |
| Euroclear                      | 34           | 34           |
| Helgelandske                   | 26           | 39           |
| Lerøy Seafood                  | 25           | 32           |
| Orkla                          | 23           | 93           |
| KS Venturos Technology III     | 22           | 6            |
| EFD-Elva Fritz Dusseldorf      | 20           | 20           |
| Tomra Systems                  | 20           | 10           |
| Industrifinans SMB III         | 19           | 10           |
| iTet                           | 17           | -            |
| Saltens Bilruter               | 14           | 14           |
| iTicket                        | 13           | 13           |
| Whitecliff                     | 13           | 10           |
| Equity funds, total            | 1 702        | 1 715        |
| Other, banking portfolio       | 431          | 455          |
| <b>Total banking portfolio</b> | <b>2 704</b> | <b>2 802</b> |
| Trading portfolio              | 1 270        | 1 270        |
| <b>Total</b>                   | <b>3 975</b> | <b>4 072</b> |

## Operating expenses – banking group - NGAAP

| <i>Amounts in NOK million</i>                                        | 1Q05         | 4Q04         | 3Q04         | 2Q04         | 1Q04         |
|----------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Ordinary salaries                                                    | 1 075        | 1 088        | 1 048        | 1 020        | 1 149        |
| Employer's national insurance contributions                          | 160          | 115          | 157          | 166          | 186          |
| Pension expenses                                                     | 140          | 159          | 157          | 152          | 173          |
| Social expenses                                                      | 58           | 51           | 66           | 50           | 56           |
| <b>Total salaries and other ordinary personnel expenses</b>          | <b>1 434</b> | <b>1 413</b> | <b>1 428</b> | <b>1 387</b> | <b>1 564</b> |
| Fees                                                                 | 120          | 87           | 118          | 113          | 123          |
| EDP expenses                                                         | 289          | 289          | 314          | 332          | 348          |
| Postage, telecommunications and office supplies                      | 125          | 151          | 130          | 144          | 179          |
| Marketing and public relations                                       | 107          | 145          | 78           | 93           | 94           |
| Travel expenses                                                      | 32           | 34           | 36           | 47           | 39           |
| Reimbursement to Norway Post for transactions executed <sup>1)</sup> | 128          | 161          | 145          | 144          | 125          |
| Training expenses                                                    | 9            | 6            | 8            | 13           | 12           |
| Sundry administrative expenses                                       | 43           | 53           | 34           | 46           | 38           |
| <b>Total administrative expenses</b>                                 | <b>853</b>   | <b>925</b>   | <b>863</b>   | <b>931</b>   | <b>959</b>   |
| Goodwill amortisation                                                | 67           | 72           | 39           | 83           | 98           |
| Other depreciation                                                   | 127          | 136          | 130          | 135          | 147          |
| <b>Total depreciation</b>                                            | <b>194</b>   | <b>208</b>   | <b>169</b>   | <b>218</b>   | <b>245</b>   |
| Operating expenses on properties and premises                        | 206          | 231          | 213          | 216          | 246          |
| Operating expenses on machinery, vehicles and office equipment       | 18           | 24           | 15           | 16           | 21           |
| Miscellaneous ordinary operating expenses                            | 67           | 86           | 58           | 54           | 102          |
| <b>Total sundry ordinary operating expenses</b>                      | <b>291</b>   | <b>341</b>   | <b>286</b>   | <b>286</b>   | <b>369</b>   |
| Allocations to employee funds                                        | 0            | 134          | 0            | 0            | 0            |
| Restructuring expenses                                               | 0            | 0            | 0            | 0            | 805          |
| Losses on the sale of fixed assets                                   | 2            | 3            | 1            | 6            | 1            |
| Write-downs on rental contracts and fixed assets                     | 0            | (3)          | 4            | 0            | 0            |
| <b>Total other expenses</b>                                          | <b>2</b>     | <b>135</b>   | <b>5</b>     | <b>6</b>     | <b>806</b>   |
| <b>Total operating expenses</b>                                      | <b>2 773</b> | <b>3 022</b> | <b>2 751</b> | <b>2 828</b> | <b>3 942</b> |

1) Further reimbursement to the Norwegian postal system is included in interest expenses and fees payable on banking services.

## Cost/income ratio before goodwill amortisation



## Number of employees - full-time positions <sup>1)</sup>

| Full-time positions                    | 31 March 2005 | Other changes | Changes in group structure resulting from the merger | 31 Dec. 2004 |
|----------------------------------------|---------------|---------------|------------------------------------------------------|--------------|
| Corporate Banking                      | 1 783         | (48)          |                                                      | 1 831        |
| Retail Banking                         | 4 191         | (98)          |                                                      | 4 288        |
| DnB NOR Markets                        | 522           | (9)           |                                                      | 531          |
| Discontinuing operations <sup>2)</sup> | -             | -             | (5)                                                  | 5            |
| Staff and support units                | 2 062         | (11)          |                                                      | 2 073        |
| <b>Total</b>                           | <b>8 557</b>  | <b>(166)</b>  | <b>(5)</b>                                           | <b>8 728</b> |

1) Figures do not include seasonal employees. For information on synergies, see page 12.

2) A reduction of five full-time positions resulted from the sale of Postbanken Eiendomsmegling on 3 January 2005.

## Losses on loans and guarantees – banking group - NGAAP

### Net losses

| <i>Amounts in NOK million</i> | 1Q05       | 4Q04      | 3Q04         | 2Q04      | 1Q04       |
|-------------------------------|------------|-----------|--------------|-----------|------------|
| New losses                    | 335        | 289       | 289          | 229       | 595        |
| Reversals on specified losses | 201        | 219       | 410          | 147       | 460        |
| <b>Net losses</b>             | <b>134</b> | <b>70</b> | <b>(121)</b> | <b>82</b> | <b>135</b> |

### Net losses by business area <sup>1)</sup>

| <i>Amounts in NOK million</i> | 1Q05       | 4Q04      | 3Q04         | 2Q04      | 1Q04       |
|-------------------------------|------------|-----------|--------------|-----------|------------|
| Retail Banking                | 0          | (26)      | 54           | 62        | 10         |
| Corporate Banking             | 134        | 57        | (175)        | 19        | 104        |
| Discontinuing operations      |            |           |              |           | 23         |
| Other units                   | 0          | 39        | 0            | 1         | (1)        |
| <b>Net losses</b>             | <b>134</b> | <b>70</b> | <b>(121)</b> | <b>82</b> | <b>135</b> |

1) Expected loan losses represented 0.31 per cent of the loan portfolio at the end of March 2005 (0.30 per cent at the end of 2004).

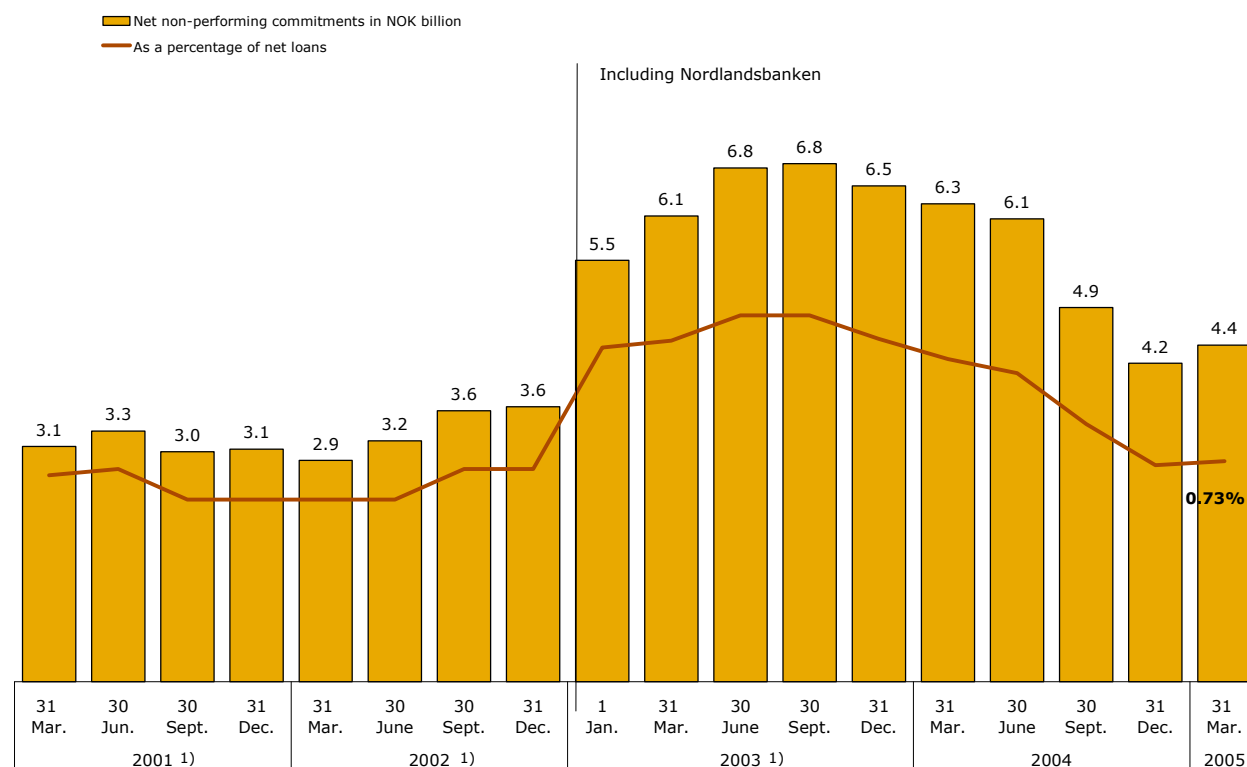
### Net losses by customer sectors <sup>1)</sup>

| <i>Amounts in NOK million</i>    | 1Q05       | 4Q04      | 3Q04         | 2Q04      | 1Q04       |
|----------------------------------|------------|-----------|--------------|-----------|------------|
| Retail customers                 | 6          | (76)      | 62           | 51        | 20         |
| International shipping           | 3          | (7)       | (14)         | (25)      | 0          |
| Real estate                      | (10)       | 19        | (4)          | 5         | (14)       |
| Manufacturing                    | 2          | 61        | (231)        | 5         | 61         |
| Services and management          | 0          | 13        | 7            | (19)      | (216)      |
| Trade                            | 37         | (5)       | 30           | (7)       | 32         |
| Oil and gas                      | (7)        | (7)       | (30)         | 0         | (4)        |
| Transportation and communication | 4          | 2         | 5            | 6         | 12         |
| Building and construction        | 8          | 9         | 7            | (1)       | 47         |
| Power and water supply           | 2          | 0         | 0            | 1         | (2)        |
| Fishing                          | 21         | 44        | 20           | 70        | 45         |
| Other sectors                    | 68         | 10        | 25           | (3)       | 154        |
| <b>Total customers</b>           | <b>134</b> | <b>63</b> | <b>(123)</b> | <b>84</b> | <b>135</b> |
| Credit institutions              | 0          | 7         | 2            | (2)       | 0          |
| Change in unspecified provisions | 0          | 0         | 0            | 0         | 0          |
| <b>Net losses</b>                | <b>134</b> | <b>70</b> | <b>(121)</b> | <b>82</b> | <b>135</b> |

1) Expected loan losses represented 0.31 per cent of the loan portfolio at the end of March 2005 (0.30 per cent at the end of 2004).

## Asset quality – banking group - NGAAP

### Non-performing commitments after specified loan-loss provisions



1) Pro forma, except for the 31 December 2003 figures.

### Non-performing and doubtful commitments

| Amounts in NOK million                                   | 31 March 2005 | 31 Dec. 2004 | 30 Sept. 2004 | 30 June 2004 | 31 March 2004 | 31 Dec. 2003 |
|----------------------------------------------------------|---------------|--------------|---------------|--------------|---------------|--------------|
| <b>Non-performing commitments</b>                        |               |              |               |              |               |              |
| Net non-accruing commitments                             | 3 313         | 3 235        | 3 346         | 3 531        | 3 612         | 4 411        |
| Net accruing commitments                                 | 1 119         | 961          | 1 583         | 2 519        | 2 681         | 2 121        |
| Total net non-performing commitments                     | 4 432         | 4 196        | 4 929         | 6 050        | 6 293         | 6 531        |
| <b>Doubtful commitments</b>                              |               |              |               |              |               |              |
| Net non-accruing commitments                             | 1 124         | 851          | 845           | 621          | 759           | 430          |
| Net accruing commitments                                 | 524           | 927          | 1 338         | 1 654        | 1 333         | 1 440        |
| Total net doubtful commitments                           | 1 648         | 1 778        | 2 183         | 2 275        | 2 092         | 1 870        |
| <b>Total net non-performing and doubtful commitments</b> | <b>6 080</b>  | <b>5 974</b> | <b>7 112</b>  | <b>8 325</b> | <b>8 385</b>  | <b>8 401</b> |

## Lending – banking group - NGAAP

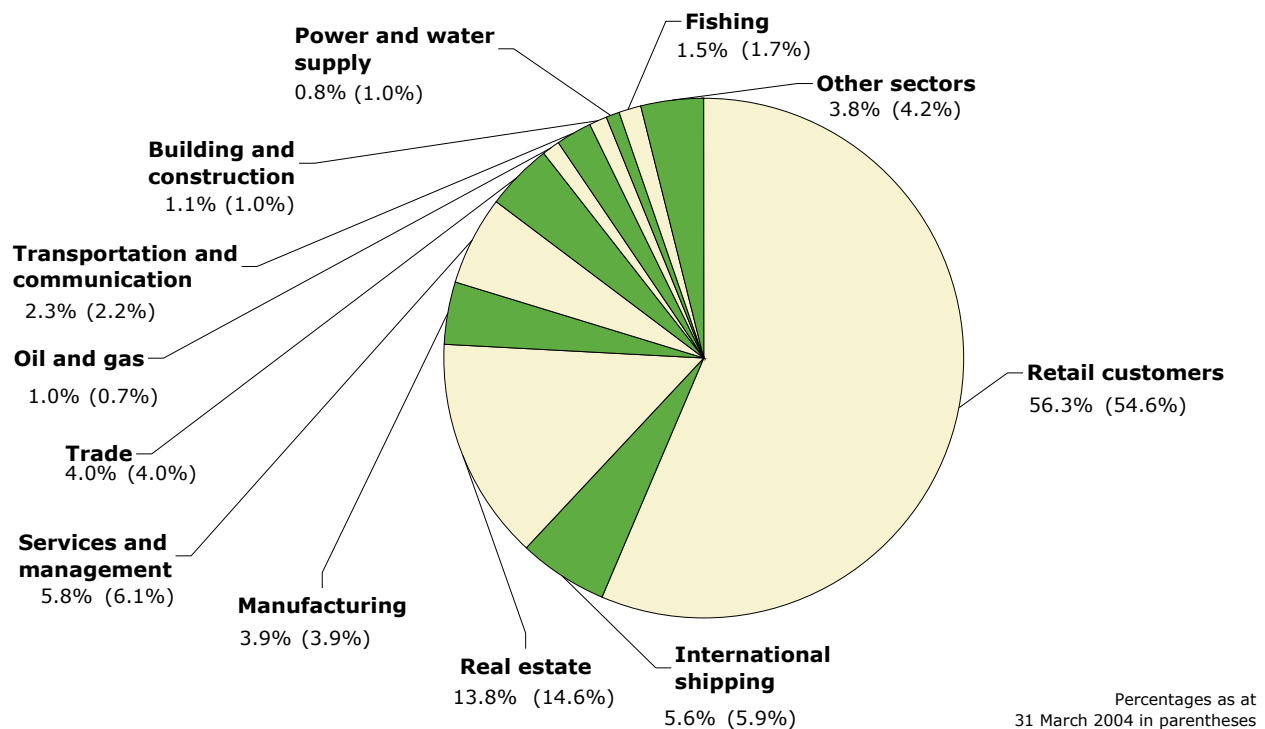
### Lending to principal sectors <sup>1) 2)</sup>

| <i>Amounts in NOK billion</i>    | 31 March<br>2005 | 31 Dec.<br>2004 | 30 Sept.<br>2004 | 30 June<br>2004 | 31 March<br>2004 |
|----------------------------------|------------------|-----------------|------------------|-----------------|------------------|
| Retail customers                 | 338.0            | 330.8           | 322.1            | 314.6           | 303.5            |
| International shipping           | 33.8             | 32.0            | 32.6             | 33.9            | 33.0             |
| Real estate                      | 82.9             | 82.9            | 82.0             | 81.9            | 81.4             |
| Manufacturing                    | 23.4             | 20.4            | 22.4             | 20.8            | 21.5             |
| Services and management          | 34.6             | 32.5            | 33.0             | 33.0            | 34.1             |
| Trade                            | 24.2             | 21.2            | 22.1             | 22.4            | 22.1             |
| Oil and gas                      | 6.3              | 4.8             | 3.6              | 3.6             | 3.8              |
| Transportation and communication | 13.6             | 13.0            | 12.9             | 13.0            | 12.3             |
| Building and construction        | 6.6              | 6.2             | 6.1              | 6.2             | 5.6              |
| Power and water supply           | 4.8              | 4.7             | 4.9              | 4.8             | 5.7              |
| Fishing                          | 9.2              | 9.0             | 9.3              | 9.4             | 9.7              |
| Other sectors, of which:         |                  |                 |                  |                 |                  |
| Hotels and restaurants           | 3.7              | 3.6             | 3.9              | 4.0             | 3.9              |
| Agriculture and forestry         | 4.5              | 4.5             | 4.3              | 4.3             | 3.7              |
| Central and local government     | 2.5              | 1.4             | 1.8              | 2.3             | 2.2              |
| Other                            | 12.4             | 13.9            | 13.1             | 11.7            | 13.6             |
| <b>Total</b>                     | <b>600.5</b>     | <b>580.9</b>    | <b>574.2</b>     | <b>566.0</b>    | <b>556.2</b>     |
| Of which residential mortgages   |                  |                 |                  |                 |                  |
| within 80% of collateral value   | 309.1            | 304.4           | 290.6            | 285.5           | 265.5            |
| above 80% of collateral value    | 11.3             | 11.0            | 9.1              | 9.3             | 8.5              |
| Total                            | 320.4            | 315.4           | 299.7            | 294.8           | 274.1            |

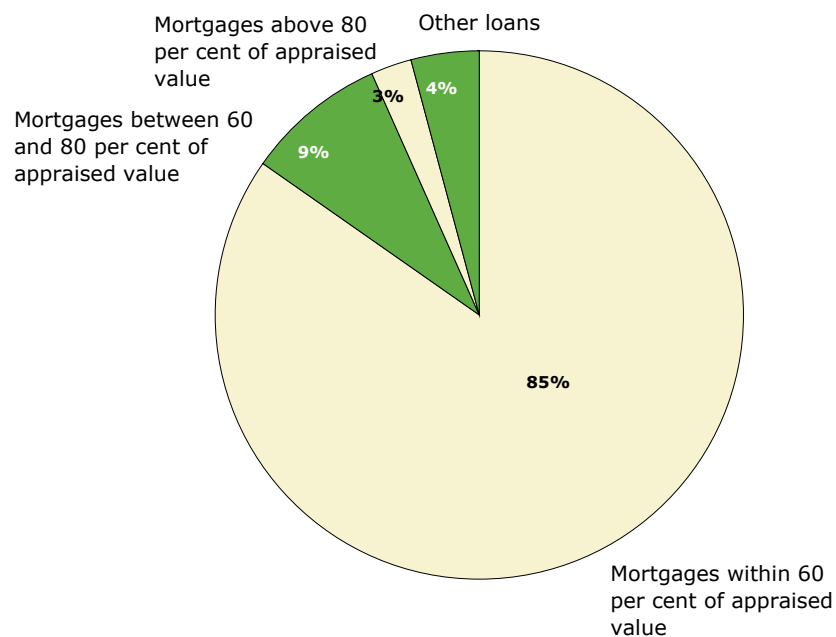
1) Split according to official industry definitions which may differ from DnB NOR's business area reporting.

2) Gross lending after deductions for related specified loan-loss provisions.

## Lending to principal sectors as at 31 March 2005



## Retail market lending as at 28 February 2005



## Customer savings – banking group - NGAAP

### Deposits

| <i>Amounts in NOK billion</i> | 31 March<br>2005 | 31 Dec.<br>2004 | 30 Sept.<br>2004 | 30 June<br>2004 | 31 March<br>2004 |
|-------------------------------|------------------|-----------------|------------------|-----------------|------------------|
| Retail customers              | 176              | 173             | 173              | 178             | 168              |
| Corporate customers           | 200              | 187             | 181              | 178             | 176              |
| <b>Total <sup>1)</sup></b>    | <b>376</b>       | <b>360</b>      | <b>354</b>       | <b>356</b>      | <b>344</b>       |

1) of which:

|                  |     |     |     |     |     |
|------------------|-----|-----|-----|-----|-----|
| NOK              | 334 | 325 | 320 | 324 | 315 |
| other currencies | 42  | 35  | 34  | 32  | 29  |

## Capital adequacy – banking group - NGAAP

### Developments in primary capital and capital ratios

| <i>Amounts in NOK million</i>                                     | The bank<br>31 March 2005 | The banking group<br>31 March 2005 |
|-------------------------------------------------------------------|---------------------------|------------------------------------|
| Share capital                                                     | 16 964                    | 16 964                             |
| Other equity                                                      | 17 805                    | 20 799                             |
| Total equity                                                      | 34 769                    | 37 764                             |
| Perpetual subordinated loan capital securities <sup>1) 2)</sup>   | 5 375                     | 5 611                              |
| Reductions:                                                       |                           |                                    |
| Pension funds above pension commitments                           | (814)                     | (857)                              |
| Goodwill                                                          | (103)                     | (587)                              |
| Deferred tax assets                                               | (705)                     | (634)                              |
| Other intangible assets etc.                                      | (1 373)                   | (1 382)                            |
| Core capital                                                      | 37 148                    | 39 915                             |
| Perpetual subordinated loan capital <sup>1) 2)</sup>              | 5 738                     | 5 601                              |
| Term subordinated loan capital <sup>2)</sup>                      | 12 687                    | 13 451                             |
| Net supplementary capital                                         | 18 425                    | 19 053                             |
| Deductions                                                        | 2 511                     | 2 511                              |
| Total eligible primary capital <sup>3)</sup>                      | 53 063                    | 56 457                             |
| <b>Total risk-weighted volume</b>                                 | <b>498 652</b>            | <b>549 528</b>                     |
| Core capital ratio (%)                                            | 7.4                       | 7.3                                |
| Capital ratio (%)                                                 | 10.6                      | 10.3                               |
| Core capital ratio incl. 50 per cent of profit for the period (%) | 7.6                       | 7.4                                |
| Capital ratio incl. 50 per cent of profit for the period (%)      | 10.8                      | 10.4                               |

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

2) Calculations of capital adequacy include a total of NOK 592 million in subordinated loan capital in associated companies, in addition to subordinated loan capital in the banking group's balance sheet.

3) Primary capital and nominal amounts used in calculating risk-weighted volume deviate from figures in the banking group's accounts as a different consolidation method ("pro rata consolidation") is used in calculating capital adequacy.

All figures are presented in accordance with rules prevailing at the time in question.

For information on capital adequacy in the DnB NOR Group, see page 32.

## Financial results – banking group - NGAAP

### Profit and loss accounts - details

| Amounts in NOK million                                  | 1Q05         | 4Q04         | 3Q04         | 2Q04         | 1Q04         | 2004          |
|---------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Interest income                                         | 6 948        | 7 112        | 7 097        | 7 062        | 7 533        | 28 803        |
| Interest expenses                                       | 3 712        | 3 775        | 3 775        | 3 723        | 4 155        | 15 428        |
| <b>Net interest income and credit commissions</b>       | <b>3 236</b> | <b>3 337</b> | <b>3 322</b> | <b>3 339</b> | <b>3 378</b> | <b>13 376</b> |
| Dividends                                               | 30           | 23           | 18           | 88           | 13           | 143           |
| Commissions and fees receivable                         | 1 463        | 1 491        | 1 416        | 1 362        | 1 494        | 5 764         |
| Commissions and fees payable                            | 510          | 491          | 504          | 475          | 539          | 2 010         |
| Net gains on foreign exchange and financial instruments | 514          | 486          | 342          | 388          | 460          | 1 675         |
| Sundry ordinary operating income                        | 327          | 370          | 331          | 414          | 426          | 1 541         |
| Gains on the sale of fixed assets                       | 31           | (6)          | (40)         | 365          | 979          | 1 298         |
| <b>Net other operating income</b>                       | <b>1 855</b> | <b>1 872</b> | <b>1 563</b> | <b>2 143</b> | <b>2 833</b> | <b>8 412</b>  |
| Salaries and other ordinary personnel expenses          | 1 434        | 1 413        | 1 428        | 1 387        | 1 564        | 5 792         |
| Administrative expenses                                 | 853          | 925          | 863          | 931          | 959          | 3 678         |
| Depreciation                                            | 194          | 208          | 169          | 218          | 245          | 839           |
| Sundry ordinary operating expenses                      | 291          | 341          | 286          | 286          | 369          | 1 282         |
| Other expenses                                          | 2            | 135          | 5            | 6            | 806          | 952           |
| <b>Total operating expenses</b>                         | <b>2 773</b> | <b>3 022</b> | <b>2 751</b> | <b>2 828</b> | <b>3 942</b> | <b>12 544</b> |
| <b>Pre-tax operating profit before losses</b>           | <b>2 318</b> | <b>2 187</b> | <b>2 135</b> | <b>2 653</b> | <b>2 269</b> | <b>9 244</b>  |
| Net losses/(reversals) on loans, etc.                   | 134          | 70           | (121)        | 82           | 135          | 167           |
| Net gain/(loss) on long-term securities                 | (5)          | 55           | 24           | 13           | 15           | 106           |
| <b>Pre-tax operating profit</b>                         | <b>2 178</b> | <b>2 172</b> | <b>2 280</b> | <b>2 584</b> | <b>2 148</b> | <b>9 183</b>  |
| Taxes                                                   | 588          | 504          | 617          | 696          | 580          | 2 397         |
| <b>Profit for the period</b>                            | <b>1 590</b> | <b>1 668</b> | <b>1 663</b> | <b>1 887</b> | <b>1 568</b> | <b>6 786</b>  |
| Earnings per share                                      | 9.37         | 9.83         | 9.80         | 11.12        | 9.24         | 40.00         |
| Average total assets                                    | 746 656      | 742 289      | 747 255      | 744 761      | 723 007      | 739 328       |

### Balance sheets - details

| Amounts in NOK million                           | 31 March<br>2005 | 31 Dec.<br>2004 | 30 Sept.<br>2004 | 30 June<br>2004 | 31 March<br>2004 <sup>1)</sup> | 31 Dec.<br>2003 |
|--------------------------------------------------|------------------|-----------------|------------------|-----------------|--------------------------------|-----------------|
| Cash and deposits with central banks             | 7 366            | 8 780           | 12 802           | 5 496           | 3 242                          | 8 565           |
| Lending to and deposits with credit institutions | 43 804           | 21 604          | 24 052           | 65 436          | 60 139                         | 28 060          |
| Gross lending to customers                       | 603 638          | 584 230         | 577 929          | 569 813         | 560 225                        | 573 973         |
| - Specified loan-loss provisions                 | (3 094)          | (3 255)         | (3 701)          | (3 870)         | (4 066)                        | (4 329)         |
| - Unspecified loan-loss provisions               | (3 534)          | (3 534)         | (3 534)          | (3 534)         | (3 534)                        | (3 714)         |
| Net lending to customers                         | 597 010          | 577 441         | 570 694          | 562 408         | 552 625                        | 565 929         |
| Repossessed assets                               | 412              | 538             | 580              | 414             | 460                            | 576             |
| Commercial paper and bonds                       | 68 352           | 62 986          | 65 365           | 68 248          | 60 147                         | 59 677          |
| Shareholdings etc.                               | 4 873            | 4 611           | 4 176            | 4 085           | 3 928                          | 3 905           |
| Investments in associated companies              | 1 264            | 1 354           | 1 492            | 1 456           | 1 408                          | 1 384           |
| Intangible assets                                | 2 540            | 2 637           | 2 993            | 3 082           | 3 493                          | 3 294           |
| Fixed assets                                     | 4 197            | 4 155           | 4 178            | 4 254           | 4 346                          | 4 454           |
| Other assets                                     | 23 361           | 22 943          | 26 012           | 17 409          | 24 906                         | 23 618          |
| Prepayments and accrued income                   | 5 109            | 5 477           | 5 121            | 5 386           | 5 911                          | 5 484           |
| <b>Total assets</b>                              | <b>758 288</b>   | <b>712 526</b>  | <b>717 466</b>   | <b>737 673</b>  | <b>720 603</b>                 | <b>704 946</b>  |
| Loans and deposits from credit institutions      | 77 175           | 48 950          | 63 511           | 98 975          | 75 520                         | 78 508          |
| Deposits from customers                          | 375 533          | 360 240         | 354 487          | 356 340         | 344 010                        | 337 807         |
| Securities issued                                | 199 575          | 192 410         | 192 310          | 192 101         | 192 386                        | 181 949         |
| Other liabilities                                | 33 600           | 41 140          | 31 234           | 16 567          | 36 788                         | 37 820          |
| Accrued expenses and prepaid revenues            | 5 816            | 5 013           | 7 944            | 6 733           | 6 722                          | 5 999           |
| Provisions for commitments                       | 2 927            | 2 994           | 2 549            | 2 566           | 2 680                          | 2 570           |
| Subordinated loan capital                        | 24 308           | 24 040          | 23 718           | 24 293          | 24 283                         | 23 709          |
| Share capital                                    | 16 964           | 16 964          | 16 964           | 16 964          | 16 964                         | 16 964          |
| Equity reserves                                  | 20 799           | 20 774          | 19 629           | 19 680          | 19 683                         | 19 620          |
| Profit for the period                            | 1 590            | 0               | 5 118            | 3 455           | 1 568                          | 0               |
| <b>Total liabilities and equity</b>              | <b>758 288</b>   | <b>712 526</b>  | <b>717 466</b>   | <b>737 673</b>  | <b>720 603</b>                 | <b>704 946</b>  |

1) As from 31 March 2004, Elcon is no longer consolidated in the banking group accounts.

## Key figures – banking group - NGAAP

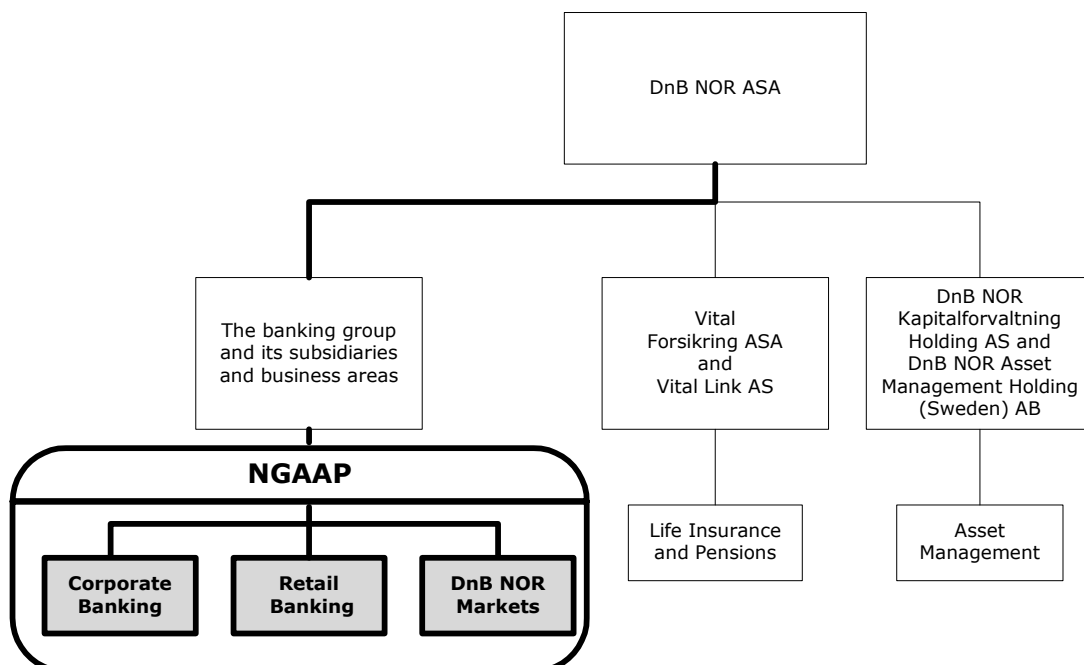
|                                                                              | 1Q05    | 4Q04    | 3Q04    | 2Q04    | 1Q04    |
|------------------------------------------------------------------------------|---------|---------|---------|---------|---------|
| <b>Interest rate analysis</b>                                                |         |         |         |         |         |
| 1 Combined average spread for lending and deposits (%)                       | 2.26    | 2.36    | 2.35    | 2.28    | 2.30    |
| 2 Spread for ordinary lending to customers (%)                               | 1.59    | 1.64    | 1.64    | 1.62    | 1.71    |
| 3 Spread for deposits from customers (%)                                     | 0.67    | 0.72    | 0.71    | 0.66    | 0.69    |
| <b>Financial strength</b>                                                    |         |         |         |         |         |
| 4 Core (Tier 1) capital ratio at end of period (%)                           | 7.3     | 7.5     | 7.2     | 7.2     | 7.2     |
| 5 Core (Tier 1) capital ratio incl. 50 per cent of profit for the period (%) | 7.4     | -       | 7.7     | 7.5     | 7.3     |
| 6 Capital adequacy ratio at end of period (%)                                | 10.3    | 10.6    | 10.4    | 10.5    | 10.5    |
| 7 Capital adequacy ratio incl. 50 % of profit for the period (%)             | 10.4    | -       | 10.9    | 10.8    | 10.6    |
| 8 Core capital at end of period (NOK million)                                | 39 915  | 39 715  | 38 293  | 38 232  | 37 496  |
| 9 Total eligible primary capital at end of period (NOK million)              | 56 457  | 56 105  | 55 433  | 55 924  | 54 663  |
| 10 Risk-weighted volume at end of period (NOK million)                       | 549 528 | 528 240 | 533 292 | 532 107 | 522 332 |
| <b>Loan portfolio and loan-loss provisions</b>                               |         |         |         |         |         |
| 11 Loan-loss ratio annualised (%)                                            | 0.09    | 0.05    | (0.08)  | 0.06    | 0.10    |
| 12 Non-performing and doubtful commitments, % of total lending               | 1.01    | 1.02    | 1.23    | 1.46    | 1.50    |
| 13 Loan-loss provisions relative to total gross lending (%)                  | 111     | 116     | 125     | 130     | 136     |
| 14 Non-performing commitments at end of period                               | 4 432   | 4 196   | 4 929   | 6 050   | 6 293   |
| 15 Doubtful commitments at end of period                                     | 1 648   | 1 778   | 2 183   | 2 275   | 2 092   |
| <b>Liquidity</b>                                                             |         |         |         |         |         |
| 16 Ratio of customer deposits to net lending at end of period (%)            | 62.9    | 62.4    | 62.1    | 63.4    | 62.3    |

### Definitions

- 11 Net losses on loans (excluding guarantees) as a percentage of lending after the deduction of specified loan-loss provisions at end of period.
- 12 Non-performing and doubtful commitments after the deduction of specified loan-loss provisions relative to lending after the deduction of specified loan-loss provisions.
- 13 Accumulated specified and unspecified loan-loss provisions relative to gross lending at end of period.



# The banking group - business areas according to NGAAP



## Corporate Banking

Corporate Banking serves the entire corporate market ranging from small and medium-sized (SME) to large companies, including the public sector, international corporates and institutions. DnB NOR holds a strong position in all segments of the domestic corporate market, and is one of the world's leading shipping banks. Corporate Banking is organised in six divisions and the two subsidiaries DnB NOR Finans and Nordlandsbanken. The business area is headed by Leif Teksum, group executive vice president.

DnB NOR Corporate Banking aims to be customers' best financial partner, meeting their needs for financial solutions throughout Norway and in selected sectors of the Nordic and international markets.

The domestic market is the prime target for market activities and growth. Corporate Banking also offers international services to shipping and energy clients around the globe. Further international expansion is planned within shipping, energy and certain other sectors where competitive advantages and a substantial knowledge base provide growth potential.

### Financial performance

| <i>Amounts in NOK million</i>                        | 1Q05  | 4Q04  | 3Q04  | 2Q04  | 1Q04  |
|------------------------------------------------------|-------|-------|-------|-------|-------|
| Net interest income from operations                  | 1 302 | 1 305 | 1 429 | 1 361 | 1 296 |
| Interest on allocated capital (BIS)                  | 109   | 112   | 112   | 110   | 121   |
| Net interest income                                  | 1 411 | 1 417 | 1 541 | 1 471 | 1 417 |
| Net other operating income                           | 574   | 671   | 441   | 487   | 548   |
| Total income                                         | 1 985 | 2 088 | 1 982 | 1 958 | 1 965 |
| Operating expenses                                   | 776   | 771   | 769   | 794   | 809   |
| Pre-tax operating profit before losses               | 1 209 | 1 316 | 1 214 | 1 163 | 1 156 |
| Net losses on loans and long-term securities         | 134   | 54    | (175) | 20    | 102   |
| Pre-tax operating profit                             | 1 075 | 1 262 | 1 388 | 1 143 | 1 054 |
| Net lending to customers (NOK billion) <sup>1)</sup> | 252.4 | 248.6 | 245.6 | 246.6 | 246.4 |
| Deposits from customers (NOK billion) <sup>1)</sup>  | 179.6 | 171.0 | 162.7 | 166.4 | 161.5 |
| Cost/income ratio excl. goodwill (%)                 | 39.0  | 36.9  | 38.7  | 40.5  | 41.1  |
| Ratio of deposits to lending (%)                     | 71.2  | 68.8  | 66.2  | 67.5  | 65.5  |
| Return on equity BIS (% p.a.)                        | 14.2  | 16.5  | 18.0  | 15.2  | 14.0  |

1) Average balances.

### Comments to the financial performance in the first quarter of 2005

- Corporate Banking showed sound performance in a demanding market with continued low corporate credit growth and sound liquidity among customers. The positive trend can be attributed to a healthy rise in income and reduced expenses resulting from merger synergies
- There was a minor increase in net interest income from operations in the first quarter of 2005 compared with the year-earlier period as a result of a slight decline in spreads which was partly offset by rising volumes of loans and deposits. No guarantee fund levies will be charged for 2005, though the resulting positive effect was partly outweighed by exchange rate movements
- The average combined spread was 2.09 per cent in the first quarter of 2005, compared with 2.18 per cent in the corresponding period in 2004. Portfolio quality improved further in the first three months of 2005. Coupled with strong competition in the market, this caused pressure on spreads. Pricing reflected credit risk
- Net other operating income was up NOK 25 million from the first quarter of 2004. Due to higher market activity, there was a positive trend in income from currency products and corporate finance services. However, income growth from these areas was outweighed by reduced income from payment transfers
- Average lending and guarantees to customers increased by NOK 9.7 billion from the first quarter of 2004 to the corresponding period of 2005. Average deposits were up NOK 18.1 billion from the first quarter of 2004 to the first quarter of 2005

- Adjusted for exchange rate movements, there was an increase of NOK 14.3 billion in loans and guarantees from the first quarter of 2004 to the corresponding period in 2005
- In cooperation with DnB NOR Markets, a total of NOK 26.8 billion in syndicated credits was arranged for customers in the first quarter in 2005. Furthermore, NOK 20 billion in commercial paper and bonds was issued in the same period
- New provisions on loans and guarantees totalled NOK 253.8 million. Reversals on provisions totalled NOK 97.5 million, and recoveries amounted to NOK 22 million

#### Customers and market developments

- DnB NOR is the leading financial institution in the market for large Norwegian corporates. In addition to the domestic market, Corporate Banking is offering services in New York, London, Singapore, Copenhagen, Stockholm, Hamburg and Helsinki
- The bank maintained its position in the Norwegian SME market in the first quarter of 2005. 1 700 new clients were acquired. Through a wide distribution network, DnB NOR offers customers local and regional expertise as well as national sector analysis and a broad product range
- Corporate Banking is now in the process of launching new and improved loyalty programmes to provide a complete offering to SME clients
- DnB NOR is committed to maintaining and further enhancing a strong local presence. Local management and employees have extensive pertinent expertise and are authorised to grant credits that meet the requirements of the SME segment as well as most of the larger clients
- More than 69 000 customers make use of DnB NOR's extensive range of Internet services and Internet-based financial products
- Nordlandsbanken has enhanced DnB NOR's position in the northernmost parts of Norway. The subsidiary serves the county of Nordland and operates under the brand name Nordlandsbanken

#### Corporate Banking market shares <sup>1)</sup>

| Per cent                                            | 28 Feb.<br>2005 | 31 Dec.<br>2004 | 30 Sept.<br>2004 | 30 June<br>2004 | 31 March<br>2004 |
|-----------------------------------------------------|-----------------|-----------------|------------------|-----------------|------------------|
| Of total lending to corporate clients <sup>2)</sup> | 15.1            | 15.1            | 15.1             | 15.2            | 15.6             |
| Of deposits from corporate clients <sup>3)</sup>    | 37.6            | 38.1            | 39.4             | 38.2            | 38.9             |

1) Updated according to adjusted data from Norges Bank.

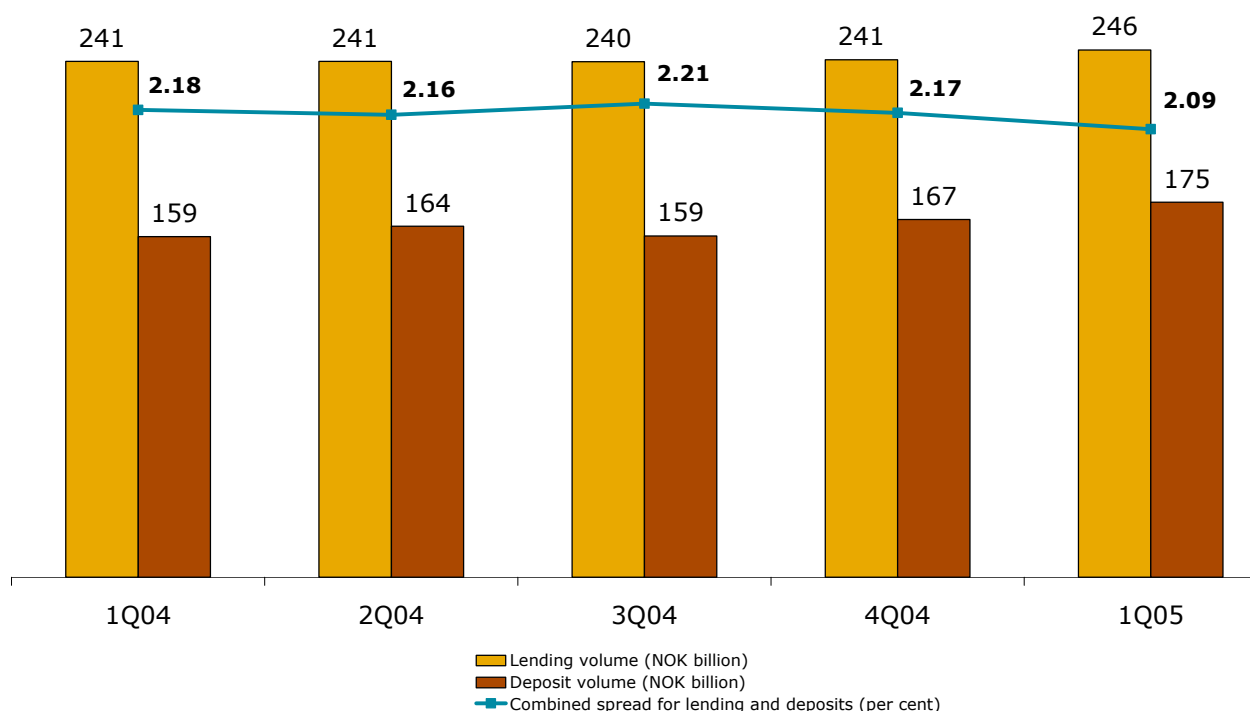
2) Overall lending includes all credits extended to Norwegian customers by domestic commercial and savings banks, state banks, insurance companies, finance companies and foreign institutions, as well as bonds and commercial paper.

3) Domestic savings and commercial banks.

Source: Norges Bank, DnB NOR

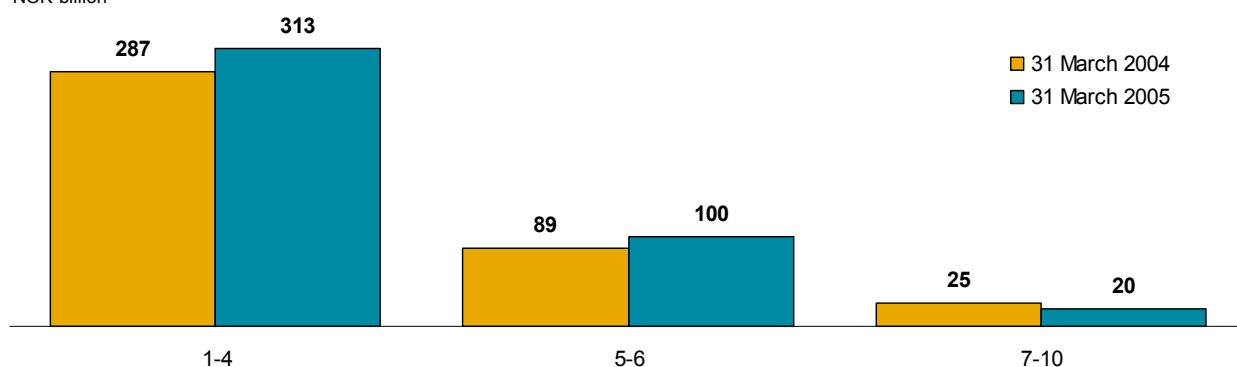
- There was steady growth in corporate credit demand in the first quarter, following an upturn towards the end of 2004. Companies showed somewhat greater willingness to invest, though investment remained at a low level. There was also sound liquidity in the business sector, which resulted in limited use of credit facilities. DnB NOR's market share in the domestic market has been stable thus far in 2005 after declining somewhat during parts of 2004. Factors which influence market shares include the structure of the portfolio with respect to the size and financial strength of customers, as well as the respective volumes in Norwegian kroner and foreign currency and the development in exchange rates. Developments in the market share of lending should also be seen in light of increasing use of other financial instruments. Against this background, the development in market shares is considered satisfactory
- Corporate Banking's market share of bank deposits has also been stable over the past few months, following a slight decline in 2004

### Spread and average lending and deposit volumes



### Development in lending volumes by risk classification <sup>1)</sup>

NOK billion



1) Based on DnB NOR's risk classification system where 1 represents the lowest risk and 10 the highest risk. The volume represents the expected outstanding amount in the event of default.

### Organisation and distribution

Corporate Banking is organised into six divisions:

- The Nordic Corporate Division and the International Corporate and Institutions Division serve large Norwegian corporates, the public sector, international companies that do business in Norway, international customers in the oil and energy sectors as well as financial institutions
- The Shipping Division serves Norwegian and international shipping, offshore and maritime logistics companies
- Regional Division East and Regional Division Coast serve businesses in two different segments based on geographical location
- The Business Support Division is divided into customer support, credit and collateral administration, marketing and Internet development departments

**Products**

Corporate Banking offers customers a broad range of financial services, including lending, bond issues, syndicated loans, deposits, cash management, FX/treasury products, corporate finance and acquisition finance, either directly or in cooperation with DnB NOR Markets.

Through DnB NOR Markets Inc. in the US, DnB NOR offers investment banking services, including mergers and acquisitions and advisory services, to international clients, particularly in the shipping and energy sectors.

**Employees**

- One of Corporate Banking's competitive advantages in the domestic market is the considerable expertise of the employees with regard to local business, specific industry knowledge, credit risk, customer needs and product offerings. Corporate Banking has a broad competence base and is committed to continuous development. Competence training has top priority and particular emphasis has been placed on systematic specialised training in credit rating and risk and profitability analyses. Competence is also being strengthened in areas that enable Corporate Banking staff to offer customers strategic advice. Corporate Banking believes that competence training will help underpin the growth strategy
- The integration of the two financial services groups is ahead of schedule in Corporate Banking
- At end-March 2005, the business area had a staff of 1 783 full-time positions, with 1 644 in Norway, of which 529 in subsidiaries, as well as 139 full-time positions in international units
- Incentive structures and balanced scorecards are tailored to the goals of the different divisions. In order to maximise performance and attract the best account managers, remuneration varies from division to division and in accordance with market rates

**Cooperation with other group entities**

Through extensive cooperation with other business areas and support functions in the Group, particularly within corporate finance and FX and interest rate instruments, corporate customers are offered a broad range of financial services and life insurance and pension products.

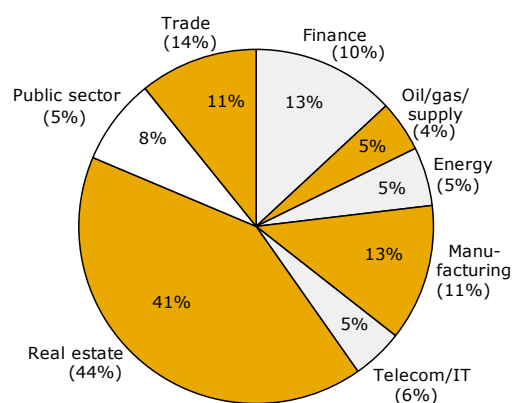
## Nordic Corporate Division and International Corporate and Institutions Division

### Average volumes

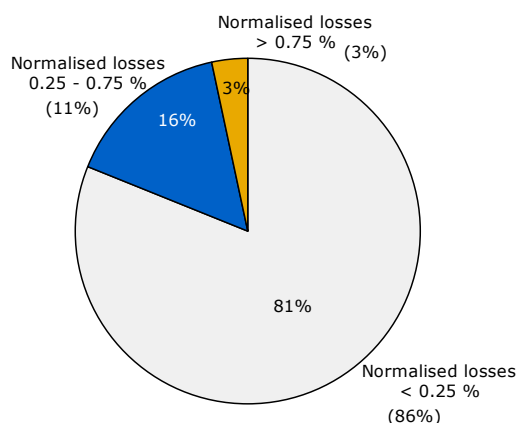
Amounts in NOK billion

|                          | 1Q05 | 4Q04 | 3Q04 | 2Q04 | 1Q04 |
|--------------------------|------|------|------|------|------|
| Net lending to customers | 78   | 81   | 78   | 79   | 81   |
| Guarantees               | 33   | 28   | 29   | 27   | 28   |
| Customer deposits        | 76   | 75   | 71   | 76   | 72   |

### Lending according to sector <sup>1)</sup>



### Risk classification of portfolio <sup>1)</sup>



1) Figures as at 31 March 2005. Percentages as at 31 March 2004 in parentheses

### Business profile

- Corporate Banking serves large Nordic corporates, the Norwegian public sector, international companies that do business in Norway, international customers in the oil, energy, TMT and pulp & paper industries as well as financial institutions
- DnB NOR is market leader in the large corporate segment in Norway. The majority of Norway's largest corporations use DnB NOR as their lead banker. In addition, DnB NOR has extensive interaction with most of the other institutions in this segment
- Commercial real estate broking services are offered through the subsidiary DnB NOR Næringsmegling
- DnB NOR Hypotek offers hypothecary financing of commercial real estate. Lending volume was NOK 16.6 billion at end-March 2005

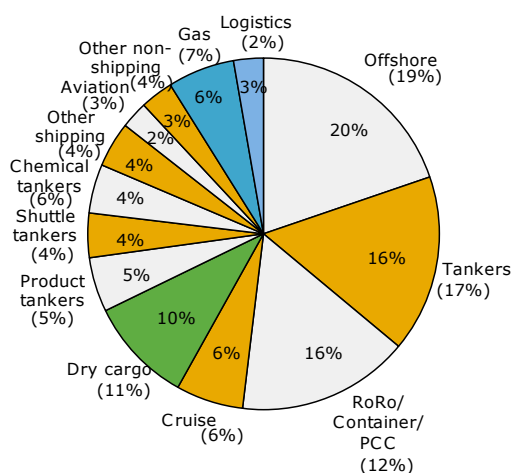
## Shipping Division

### Average volumes

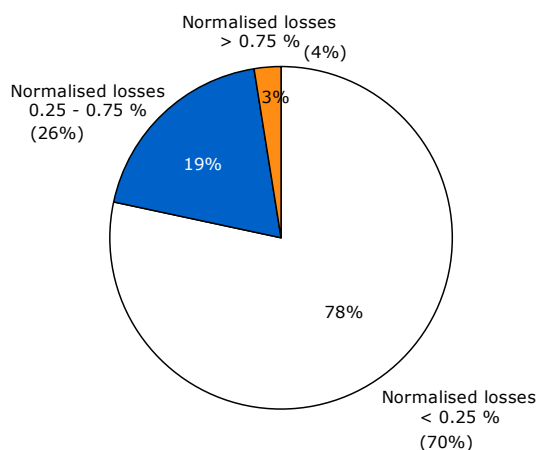
Amounts in NOK billion

|                          | 1Q05 | 4Q04 | 3Q04 | 2Q04 | 1Q04 |
|--------------------------|------|------|------|------|------|
| Net lending to customers | 42   | 39   | 39   | 39   | 38   |
| Guarantees               | 11   | 11   | 13   | 11   | 11   |
| Customer deposits        | 24   | 20   | 19   | 18   | 17   |

### Lending according to sector <sup>1)</sup>



### Risk classification of portfolio <sup>1)</sup>



2) Figures as at 31 March 2005. Percentages as at 31 March 2004 in parentheses

### Business profile

- Provides commercial and investment banking services to high-quality Norwegian and international shipping and offshore clients from the Group's offices in Oslo, Bergen, London, New York and Singapore
- The Shipping Division aims to achieve satisfactory growth in risk-adjusted profitability by maintaining third place among international shipping banks. The division aims to be the preferred strategic discussion partner for clients, expand its client base through further development of the logistics and LNG portfolio and strengthen its market position in Germany and the Nordic countries. Competence development will continue

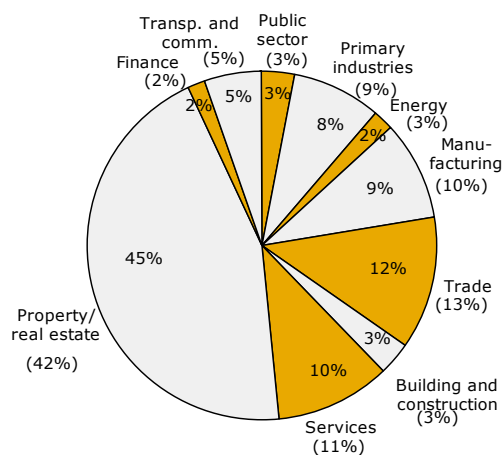
## Regional Division East and Regional Division Coast

### Average volumes

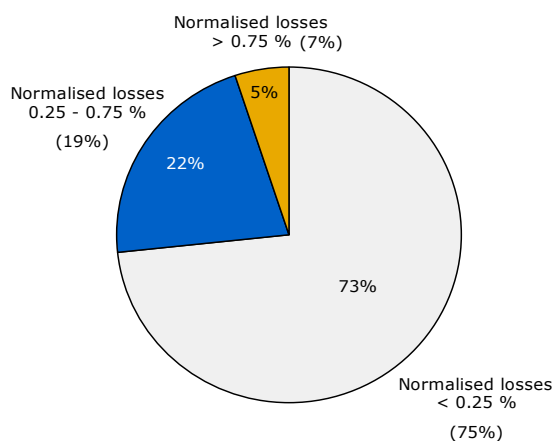
Amounts in NOK billion

|                          | 1Q05 | 4Q04 | 3Q04 | 2Q04 | 1Q04 |
|--------------------------|------|------|------|------|------|
| Net lending to customers | 104  | 100  | 103  | 101  | 100  |
| Guarantees               | 9    | 9    | 9    | 10   | 10   |
| Customer deposits        | 76   | 73   | 70   | 69   | 70   |

### Lending according to sector <sup>1)</sup>



### Risk classification of portfolio <sup>1)</sup>



3) Figures as at 31 March 2005. Percentages as at 31 March 2004 in parentheses

### Business profile

- Serving more than 85 000 businesses divided into two segments: Large companies and small and medium-sized enterprises
- Service is provided by a broad regional network, as well as over the telephone and via the Internet

The priorities of clients served by these two divisions when choosing their bankers are local presence combined with the expertise of a major bank. DnB NOR has financial services centres throughout Norway that offer a broad range of products and services and have considerable know-how that is pertinent for the customers. DnB NOR has a sound platform for strengthening its position as the preferred provider of financial products and services for these customer segments.

## Nordlandsbanken – Corporate Banking

### Average volumes

| <i>Amounts in NOK billion</i> | 1Q05 | 4Q04 | 3Q04 | 2Q04 | 1Q04 |
|-------------------------------|------|------|------|------|------|
| Net lending to customers      | 10   | 10   | 11   | 11   | 11   |
| Guarantees                    | 1    | 1    | 1    | 1    | 1    |
| Customer deposits             | 3    | 3    | 3    | 3    | 3    |

### Business profile

- Corporate Banking in Nordlandsbanken serves businesses and the public sector in the county of Nordland
- Nordlandsbanken is represented through 17 branches in Nordland and holds a leading position in the corporate segment
- Nordlandsbanken aims to be the preferred financial partner for companies in Nordland by meeting their needs for financial solutions through local expertise and as a part of a large national financial institution

## DnB NOR Finans

### Average volumes

| <i>Amounts in NOK billion</i> | 1Q05 | 4Q04 | 3Q04 | 2Q04 | 1Q04 |
|-------------------------------|------|------|------|------|------|
| Net lending to customers      | 19   | 18   | 17   | 17   | 16   |

### Business profile

- DnB NOR Finans is one of Norway's leading finance companies
- The company meets customer requirements for administrative, financial and risk-reducing services related to current assets and objects
- Business operations focus mainly on leasing, leasing concepts for Information and Communications Technology, factoring, motor vehicle financing and Autolease car fleet management (Norway and Denmark)
- DnB NOR Finans has a strong local presence through 14 branches, most of which have the same location as DnB NOR Bank
- There was a 24 per cent increase in new leasing and loan contracts in the first quarter of 2005 compared with the first quarter of 2004
- The value of processed factoring invoices was up 19 per cent in the first quarter of 2005 relative to the corresponding period in 2004

## Retail Banking

Retail Banking, serving private customers and small companies under the main brand names DnB NOR, Postbanken and Nordlandsbanken, is Norway's largest retail bank. Åsmund Skår, group executive vice president, is the head of the business area. Retail Banking aims to maintain its leading market position and stand out as the customer's best financial partner.

Integration proceeded according to plan with respect to reductions in staff numbers as well as the number of branches. During the first six months of 2005 the number of branches in DnB NOR will be reduced to 193 by moving geographically overlapping units into joint premises.

There are sound prospects for the Norwegian economy in 2005, with an anticipated moderate increase in interest rate levels, a slight improvement in the labour market and rising housing investment. This will provide the basis for continued growth within Retail Banking. Increased focus on pension savings is expected to lead to greater demand for insurance and savings products. Given its current position in the Norwegian banking market, Retail Banking will face competition from both domestic and Nordic participants. Competition for the bank's high net worth customers is expected to increase and there will be many competitors in the growing market for pension savings. Retail Banking is prepared to meet the competition through good customer relations, new loyalty programmes and a large distribution network.

### Financial performance

| Amounts in NOK million                               | 1Q05  | 4Q04  | 3Q04  | 2Q04  | 1Q04  |
|------------------------------------------------------|-------|-------|-------|-------|-------|
| Net interest income from operations                  | 1 775 | 1 804 | 1 797 | 1 829 | 1 633 |
| Interest on allocated capital (BIS)                  | 59    | 62    | 60    | 56    | 61    |
| Net interest income                                  | 1 834 | 1 866 | 1 856 | 1 885 | 1 694 |
| Net other operating income                           | 644   | 696   | 686   | 701   | 673   |
| Total income                                         | 2 478 | 2 562 | 2 542 | 2 586 | 2 367 |
| Operating expenses                                   | 1 514 | 1 630 | 1 579 | 1 641 | 1 622 |
| Pre-tax operating profit before losses               | 964   | 932   | 963   | 945   | 745   |
| Net losses on loans and long - term securities       | 0     | (25)  | 54    | 49    | 10    |
| Pre-tax operating profit                             | 964   | 957   | 909   | 896   | 735   |
| Net lending to customers (NOK billion) <sup>1)</sup> | 333.3 | 326.6 | 318.8 | 306.2 | 296.9 |
| Deposits from customers (NOK billion) <sup>1)</sup>  | 190.9 | 189.3 | 190.9 | 185.9 | 184.4 |
| Cost/income ratio excl. goodwill (%)                 | 60.9  | 63.4  | 61.9  | 63.2  | 68.3  |
| Ratio of deposits to lending (%)                     | 57.3  | 58.0  | 59.9  | 60.7  | 62.1  |
| Return on equity BIS (% p.a.)                        | 23.7  | 22.7  | 22.2  | 23.4  | 19.2  |

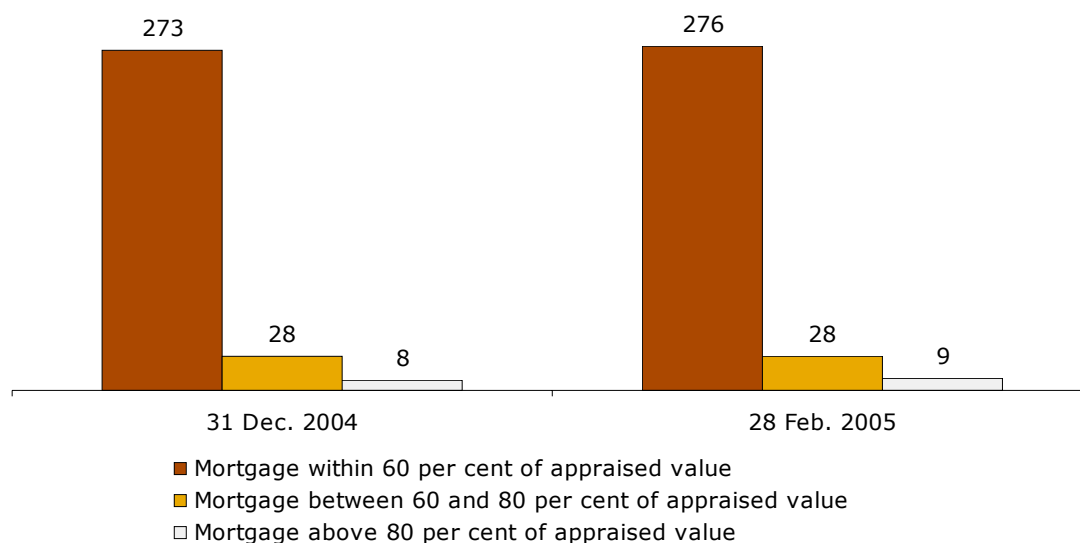
1) Average balances.

### Comments to the financial performance in the first quarter of 2005

- Overall performance in the quarter was satisfactory – return on equity 24 per cent
- Cost income ratio excl. goodwill improved to 61 per cent
- Net interest income increased by NOK 140 million, mainly due to higher lending volume
- Lending spreads represented 1.7 percentage points, including consumer finance. Deposit spreads averaged 0.8 percentage points
- Average lending increased by NOK 36 billion or 12 per cent, referring primarily to well-secured housing loans. Residential mortgages increased by 17 per cent from 31 March 2004 to 31 March 2005
- Deposits increased by 4 per cent
- Net other operating income decreased by NOK 29 million or 4.3 per cent, mainly due to lower fee income from real estate broking activities
- Expenses were scaled back by 7 per cent through restructuring and streamlining measures
- Loan losses remained at a low level
- The volume of non-performing and doubtful commitments was at a satisfactory level

## Residential mortgages

NOK billion



## Customers/markets

- Serving more than 2.2 million private individuals
- 440 000 customers subscribe to the new DnB NOR loyalty programmes
- 335 000 customers subscribe to Postbanken Leve
- 1 044 000 clients use the Group's Internet banks.
- dnbnor.no and postbanken.no are Norway's largest Internet banks
- 11.7 million payment transactions were carried out through the Internet banks in the first quarter of 2005, compared with 9.7 million in the corresponding period last year
- 723 000 customers have agreed to receive notices such as account statements via e-mail

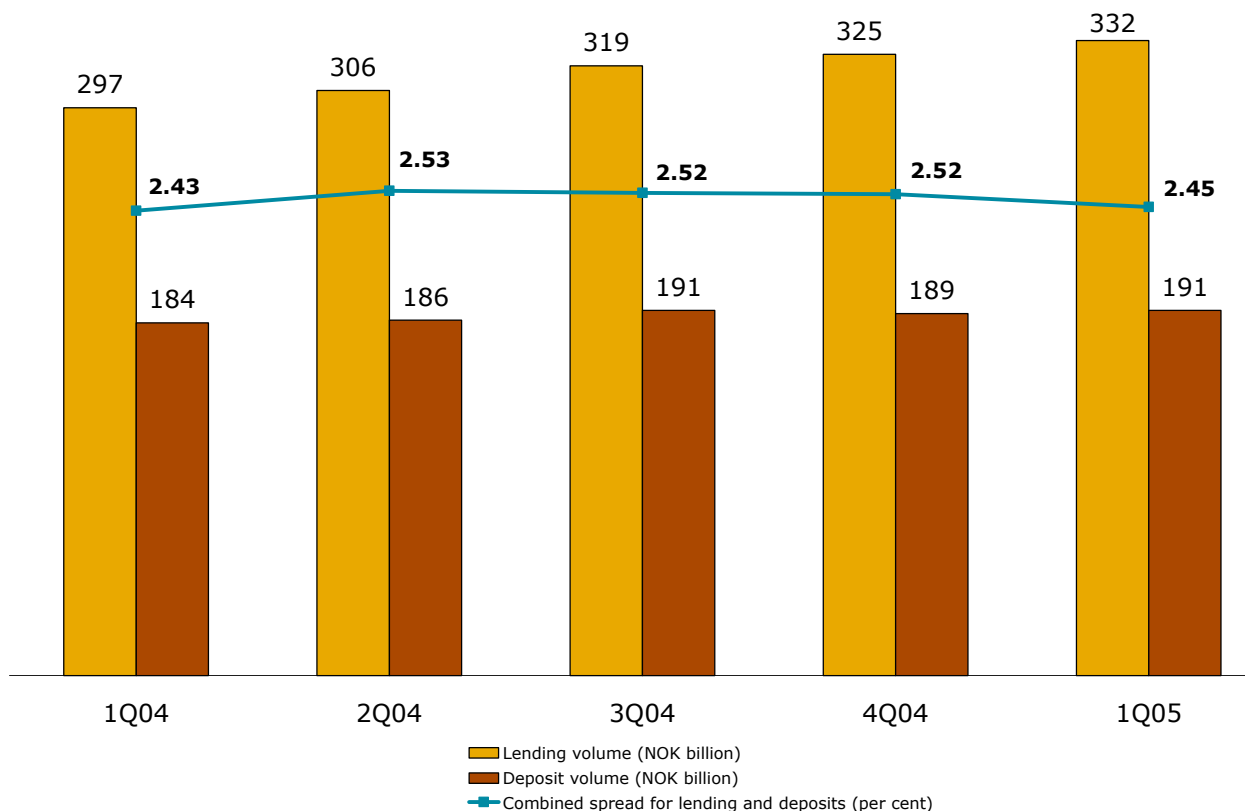
## Retail Banking market shares

| Per cent                                    | 28 Feb.<br>2005 | 31 Dec.<br>2004 | 30 Sept.<br>2004 | 30 June<br>2004 | 31 March<br>2004 |
|---------------------------------------------|-----------------|-----------------|------------------|-----------------|------------------|
| Total lending to households <sup>1)</sup>   | 30.9            | 31.0            | 31.2             | 31.1            | 31.0             |
| Bank deposits from households <sup>2)</sup> | 36.6            | 36.7            | 36.8             | 36.9            | 37.2             |

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

2) Domestic commercial and savings banks.

Source: Norges Bank, DnB NOR

**Spread and average lending and deposit volumes****Organisation and distribution**

Through Norway's largest distribution network, Retail Banking offers a wide range of financial products and services. Production, staff and support functions are largely centralised in cost-efficient joint units. The major distribution channels are:

- DnB NOR, Postbanken and Nordlandsbanken's branch offices
- The postal network
- Internet and telephone
- Investment Advisory Services

Retail Banking has a long-term cooperation agreement with Gjensidige NOR Forsikring, which among other things allows the bank to offer its customers simple non-life insurance products.

The cooperation with 16 regional savings banks involves the provision of technological solutions and distribution of the Group's products.

DnB NOR and Norway Post have a master agreement relating to the distribution of financial services through the postal network, which will remain in effect until 31 December 2005. The agreement is mainly based on transaction-specific prices and a common aim to increase the number of financial services distributed through the postal network.

- Postbanken and Norway Post have established joint service solutions provided through 1 198 in-store postal outlets, where customers can carry out everyday banking transactions in their local stores
- 1.8 million payment transactions were carried out through these channels during the first quarter of 2005, compared with 8.3 million transactions for the full year 2004

### New products

- New special-term deposit account, minimum deposit NOK 1 million
- Debt financing of Vital products
- New mutual fund, Postbanken Fremtid

### Employees

- The number of full-time positions within Retail Banking totalled 4 191 at the end of March 2005. The integration plans include a reduction in staff to around 3 900 full-time positions by the end of 2006
- To achieve the targets for restructuring and staff cuts, measures must be fully implemented. The process must be carried out in a considerate manner in close cooperation with the employee organisations. More efficient production and distribution of services through new and better IT solutions, telephone and Internet banking will reduce the number of employees in the coming years
- Changing customer needs and the introduction of new products make it vital to upgrade professional skills. This will mainly be achieved by educating and relocating the existing workforce

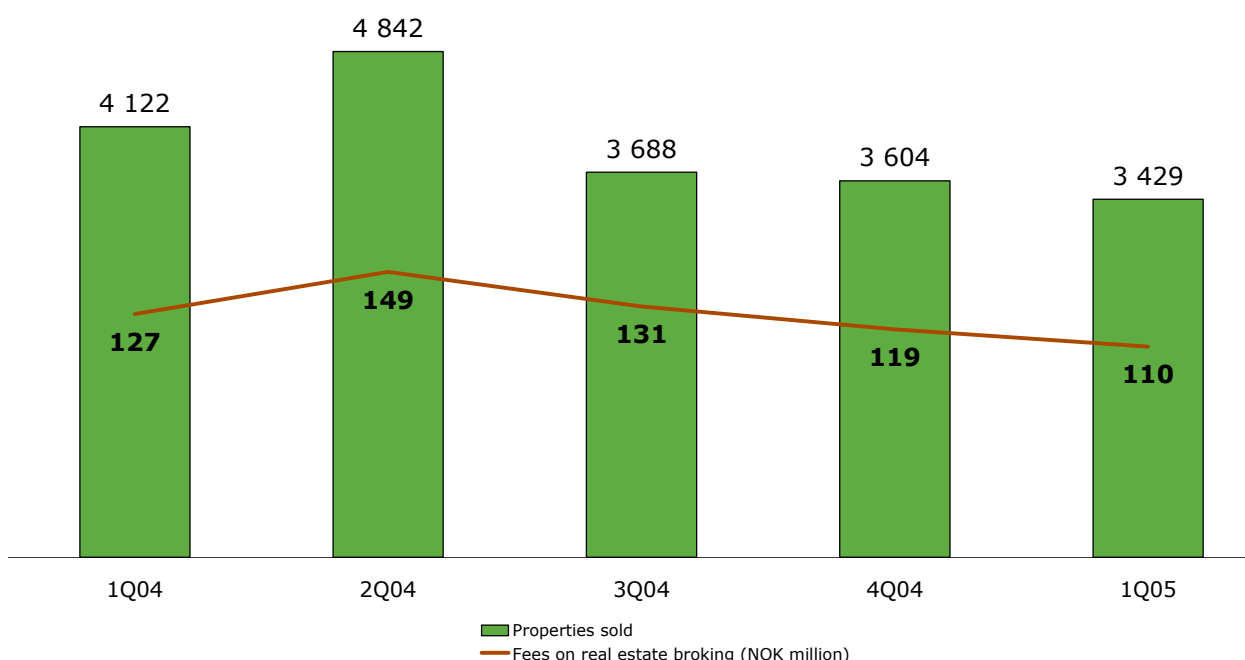
### Cooperation with other group entities

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

- Asset management services (DnB NOR Asset Management)
- Life and pension insurance (Vital)
- Financial instruments (DnB NOR Markets)

### Residential real estate broking

DnB NOR's real estate broking activities are coordinated in DnB NOR Eiendom AS, a market leader within the real estate broking business. DnB NOR Eiendom had 73 outlets located in DnB NOR branches as at 31 March 2005. In addition to fee income, real estate broking operations generate business in the form of residential mortgages and savings.



**Properties sold and market shares**

| Properties sold                      | 1Q05  | 4Q04  | 3Q04  | 2Q04  | 1Q04  |
|--------------------------------------|-------|-------|-------|-------|-------|
| DnB NOR Eiendom                      | 3 361 | 3 538 | 3 607 | 4 749 | 4 056 |
| NordMegler (Nordlandsbanken)         | 68    | 66    | 81    | 93    | 66    |
| Total properties sold                | 3 429 | 3 604 | 3 688 | 4 842 | 4 122 |
| Market share, per cent <sup>1)</sup> | 16    | 16    | 16    | 18    | 15    |

1) Management's estimates.

**Consumer finance**

- DnB NOR's card-based services and consumer finance activities are coordinated in DnB NOR Kort (an entity within DnB NOR Bank ASA)
- DnB NOR Kort's lending volume increased from NOK 9 764 million at end- March 2004 to NOK 10 130 million in 2005
- Consumer finance activities generated healthy profits in the first quarter of 2005
- DnB NOR Kort is Norway's leading card issuer. As at 31 March 2005, the entity had issued more than 1.4 million credit and charge cards. Including debit cards, the DnB NOR Group had issued approximately 3.7 million cards

**Non-life insurance**

Vital Skade was the first company in Norway to develop a totally integrated virtual insurance site where Internet banking customers can buy non-life insurance products (home, car, travel etc.). Products are sold on a commission basis. Vital Skade assumes no risk on it's own, but operates as an agent.

Vital Skade has entered into non-exclusive agreements with 13 academic associations offering non-life insurance products through specialised service centres. Premium income generated in Vital Skade in the first quarter of 2005 totalled NOK 162 million, an increase of 8 per cent from the the first quarter of 2004. Academic associations account for 47 per cent of total premiums. Sales through the Internet banking application continued to show strong growth, with total premiums of NOK 28 million, up from NOK 18 million in the first quarter of 2004. Commission income increased from NOK 29 million in the first quarter of 2004 to NOK 30 million in the corresponding period of 2005.

## DnB NOR Markets

DnB NOR Markets is Norway's largest provider of a wide range of securities and investment services. DnB NOR Markets comprises the following units: FX/Treasury - Customers, FX/Treasury - Trading, Equities Sales/Research, Corporate Finance and Securities Services. The Group Treasury is organised within DnB NOR Markets though profits and losses for the unit are not recorded under this business area. Ottar Ertzeid, group executive vice president, is head of DnB NOR Markets.

DnB NOR Markets aims to be the leading investment bank for Norwegian and Norwegian-related customers, as well as international clients requiring services relating to Norway and the Norwegian krone.

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

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

### Financial performance

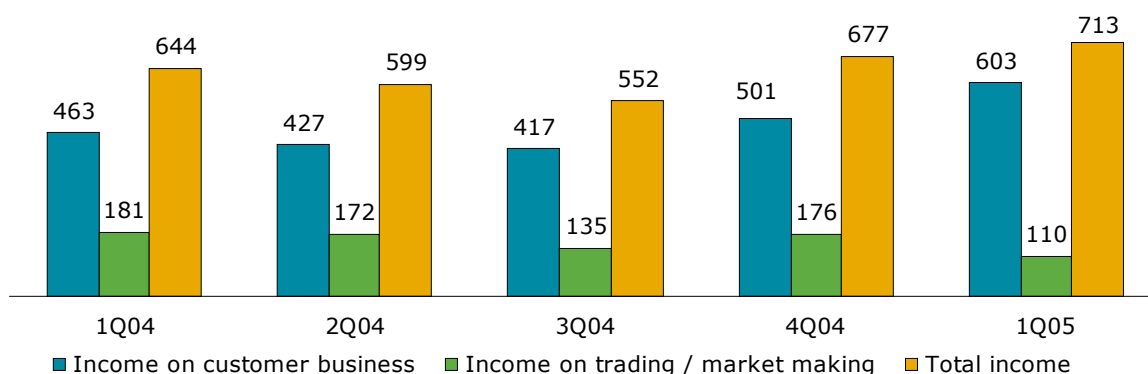
| <i>Amounts in NOK million</i>                | 1Q05 | 4Q04 | 3Q04 | 2Q04 | 1Q04 |
|----------------------------------------------|------|------|------|------|------|
| Net interest income from operations          | 32   | 47   | 68   | 57   | 58   |
| Interest on allocated capital (BIS)          | 10   | 10   | 9    | 10   | 11   |
| Net interest income                          | 42   | 57   | 78   | 67   | 69   |
| Net other operating income                   | 681  | 630  | 484  | 542  | 586  |
| Total income                                 | 723  | 687  | 562  | 608  | 655  |
| Operating expenses                           | 297  | 274  | 245  | 264  | 308  |
| Pre-tax operating profit before losses       | 426  | 414  | 317  | 344  | 347  |
| Net losses on loans and long-term securities | 0    | 0    | 0    | 0    | (3)  |
| Pre-tax operating profit                     | 426  | 413  | 317  | 344  | 350  |
| Cost/income ratio excl. goodwill (%)         | 41.1 | 39.8 | 43.5 | 43.4 | 47.0 |
| Return on equity BIS (% p.a.)                | 63.7 | 60.6 | 49.2 | 51.8 | 51.1 |

### Comments to the financial performance in the first quarter of 2005

- DnB NOR Markets achieved record-high revenues and profits
- The business area recorded a very satisfactory cost/income ratio and a sound return on equity
- Market making/trading revenues decreased by NOK 70 million from a high level
- Income on customer business increased by NOK 140 million, or 30 per cent
- Customer demand for currency products remained strong while the low interest rate level and steep interest rate curves resulted in moderate demand for NOK interest rate hedging products
- Record-high activity within equities sales and brisk demand for capital-guaranteed savings products and direct property investment
- A number of initial public offerings and share issues were arranged
- Costs were brought down 3.4 per cent

**Income distribution DnB NOR Markets <sup>1)</sup>**

NOK million



1) Excluding interest on allocated capital.

**Products and services**

- Foreign exchange and interest rate derivatives
- Securities and other investment products
- Debt and equity financing in capital markets, as well as mergers and acquisitions and other advisory and corporate finance services
- Custodial and other securities services
- DnB NOR OBX was introduced in the first quarter of 2005, the first exchange-traded fund (ETF) on Oslo Børs

**Distribution and cooperation with other entities**

Maintaining a broad distribution network and effective cooperation with other business areas within the Group, such as Corporate Banking and Retail Banking, are key priorities for DnB NOR Markets. Customers are served through:

- Central units located in Oslo
- International offices (London, Singapore and New York) and 13 regional offices
- Electronic channels and the Internet
- Cooperating savings banks
- External agents

**Customers and market shares**

- DnB NOR Markets is Norway's largest investment bank with a market share in 2004 of 35 per cent in terms of revenues for Norwegian firms
- The merger has enhanced the business area's market position within bonds, commercial paper, equities, equity derivatives and research
- In terms of turnover (10 per cent) DnB NOR Markets was the largest equity brokerage house on Oslo Børs (the Oslo Stock Exchange) in the first quarter of 2005
- Leading position within derivatives and structured products in Norway
- 26.9 and 65.2 per cent respectively of customer trading in equity options and forward contracts on Oslo Børs was handled by DnB NOR Markets in the first quarter of 2005
- Approximately 40 per cent market share of capital-guaranteed equity-linked investment products
- Leading arranger of debt financing in capital markets for Norwegian borrowers
- Leading within domestic securities services with settlement for most foreign members of Oslo Børs
- An increasing number of customers use DnB NOR Markets as registrar in the Norwegian Central Securities Depository, with market shares of 57 per cent for limited companies and 33 per cent for bonds

### Employees

- DnB NOR Markets has a staff of 522 full-time positions located in offices in Norway and abroad. All merger synergies were fully realised in 2004
- DnB NOR Markets has achieved the desired stability in staff levels and also recruited new employees within growth areas during the period

### Revenues within various segments

| <i>Amounts in NOK million</i>        | 1Q05 | 4Q04 | 3Q04 | 2Q04 | 1Q04 |
|--------------------------------------|------|------|------|------|------|
| FX and interest rate derivatives     | 244  | 228  | 209  | 207  | 232  |
| Investment products                  | 216  | 148  | 102  | 130  | 151  |
| Corporate finance                    | 97   | 70   | 60   | 42   | 37   |
| Securities services                  | 45   | 55   | 47   | 48   | 43   |
| Total customer revenues              | 603  | 501  | 417  | 427  | 463  |
| Market making/trading revenues       | 110  | 176  | 135  | 172  | 181  |
| Interest income on allocated capital | 10   | 10   | 9    | 10   | 11   |
| Total revenues                       | 723  | 687  | 562  | 608  | 655  |
| Operating expenses                   | 297  | 274  | 245  | 264  | 308  |
| Net losses                           | 0    | 0    | 0    | 0    | ( 3) |
| Pre-tax operating profit             | 426  | 413  | 317  | 344  | 350  |

| <i>Amounts in NOK million</i>        | 2004  | Pro forma<br>2003 | Pro forma<br>2002 |
|--------------------------------------|-------|-------------------|-------------------|
| FX and interest rate derivatives     | 876   | 866               | 766               |
| Investment products                  | 530   | 565               | 491               |
| Corporate finance                    | 209   | 220               | 182               |
| Securities services                  | 193   | 171               | 174               |
| Total customer revenues              | 1 808 | 1 823             | 1 613             |
| Market making/trading revenues       | 664   | 592               | 406               |
| Interest income on allocated capital | 40    | 87                | 127               |
| Total revenues                       | 2 512 | 2 502             | 2 146             |
| Operating expenses                   | 1 090 | 1 171             | 1 165             |
| Net losses                           | ( 3)  | ( 1)              | ( 38)             |
| Pre-tax operating profit             | 1 425 | 1 332             | 1 020             |

**Risk profile**

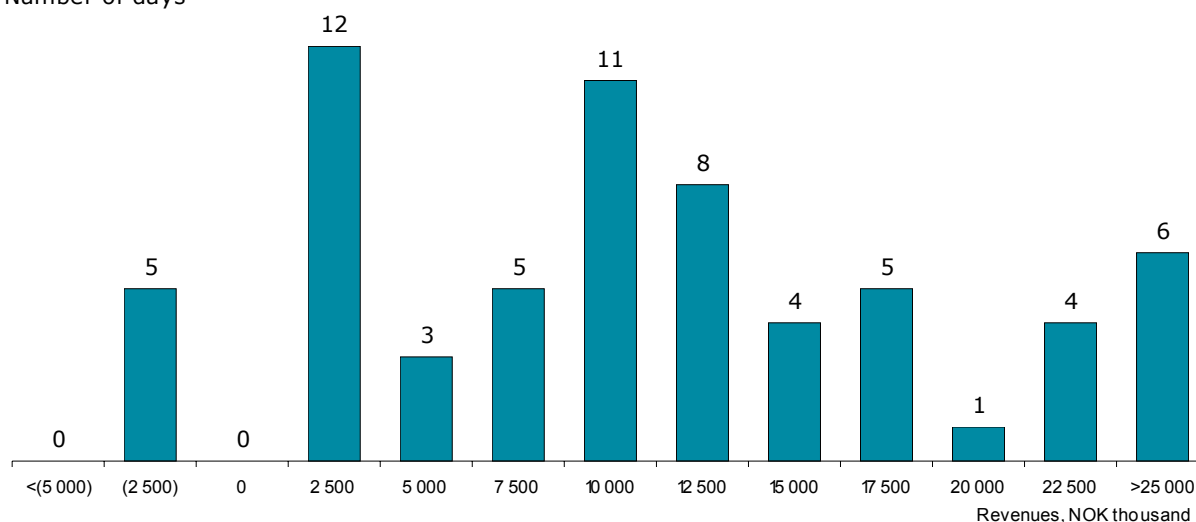
DnB NOR Markets has a moderate risk profile. Customer activities represent the main business. Trading activities support customer activity with products and prices, with focus on Norwegian krone products.

**Daily revenue statistics for DnB NOR Markets**

| <i>Amounts in NOK thousand</i> | 1Q05    | 1Q04   | 2004    | Pro forma<br>2003 |
|--------------------------------|---------|--------|---------|-------------------|
| Minimum                        | (4 826) | (494)  | (3 676) | (3 007)           |
| Maximum                        | 75 450  | 41 776 | 62 056  | 51 894            |
| Average                        | 11 272  | 10 226 | 9 616   | 9 654             |
| Loss days                      | 5       | 1      | 10      | 3                 |
| Gain days                      | 59      | 63     | 251     | 256               |

**Daily revenue distribution**

Number of days

**Value at risk**

Market risk exposures for DnB NOR Markets, i.e. DnB NOR Bank's trading portfolio/activities, were stable during the first quarter of 2005.

**Value at risk (one day holding period, 99 per cent confidence level)**

| <i>Amounts in NOK thousand</i> | 31 March 2005<br>Actual | 1Q05<br>Average | 1Q05<br>Maximum | 1Q05<br>Minimum |
|--------------------------------|-------------------------|-----------------|-----------------|-----------------|
| Currency risk                  | 1 020                   | 4 469           | 10 140          | 913             |
| Interest rate risk             | 11 790                  | 11 311          | 17 530          | 4 770           |
| Diversification effects        | (990)                   | (3 343)         |                 |                 |
| Total                          | 11 820                  | 12 436          |                 |                 |

### Interest rate sensitivity

The value of financial investments recorded on and off the balance sheet is affected by interest rate movements. The table below shows potential losses for DnB NOR resulting from parallel one-percentage point changes in all interest rates. The calculations are based on a hypothetical situation where interest rate movements in all currencies are unfavourable for DnB NOR relative to the Group's positions. Also, all interest rate movements within the same interval are assumed to be unfavourable for the Group. In the trading portfolio, such losses will be charged to the accounts as they occur. In the banking portfolio, the losses will be amortised over the remaining maturity. The calculations are based on the Group's positions as at 31 March 2005 and market rates on the same date.

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

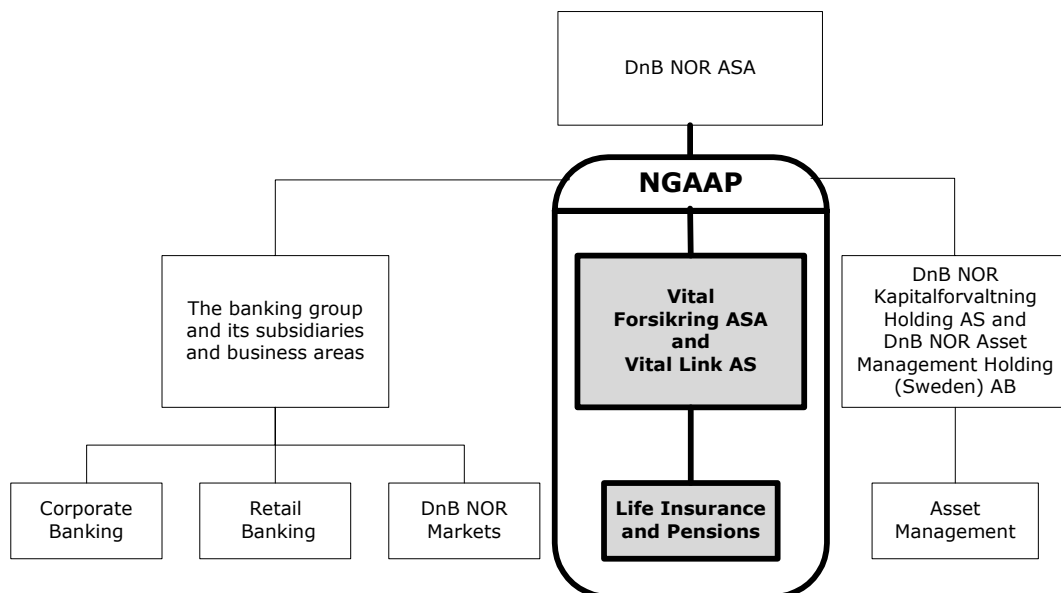
| <i>Amounts in NOK million</i> | Up to<br>1 month | From<br>1 month<br>to 3 months | From<br>3 months<br>to 1 year | From<br>1 year<br>to 5 years | More than<br>5 years | Total |
|-------------------------------|------------------|--------------------------------|-------------------------------|------------------------------|----------------------|-------|
| <b>Trading portfolio</b>      |                  |                                |                               |                              |                      |       |
| NOK                           | 7                | 21                             | 57                            | 164                          | 208                  | 14    |
| USD                           | 2                | 8                              | 28                            | 12                           | 1                    | 33    |
| EURO                          | 3                | 11                             | 2                             | 3                            | 35                   | 26    |
| GBP                           | 0                | 2                              | 3                             | 2                            | 1                    | 5     |
| Other currencies              | 1                | 4                              | 3                             | 3                            | 1                    | 7     |
| <b>Banking portfolio</b>      |                  |                                |                               |                              |                      |       |
| NOK                           | 22               | 96                             | 48                            | 7                            | 21                   | 97    |
| <b>Total</b>                  |                  |                                |                               |                              |                      |       |
| NOK                           | 28               | 116                            | 106                           | 157                          | 229                  | 111   |
| USD                           | 2                | 8                              | 28                            | 12                           | 1                    | 33    |
| EURO                          | 3                | 11                             | 2                             | 3                            | 35                   | 26    |
| GBP                           | 0                | 2                              | 3                             | 2                            | 1                    | 5     |
| Other currencies              | 1                | 4                              | 3                             | 3                            | 1                    | 7     |

The table does not include administrative interest rate risk and interest rate risk relating to non-interest-earning assets.



## Section 4

# Financial results Life Insurance and Pensions according to NGAAP



## Life Insurance and Pensions

### Description of the business area

Life Insurance and Pensions offers group pension schemes to businesses and the public sector. In the retail market, long-term savings alternatives are offered in the form of individual pension agreements and annuities. Bård Benum, group executive vice president, is head of Life Insurance and Pensions.

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

Vital Forsikring ASA and Gjensidige NOR Spareforsikring ASA merged in March 2004, and life insurance operations are continued in Vital Forsikring ASA. The integration process moved forward according to schedule in the first quarter of 2005.

### Financial results according to NGAAP

The analyses below are prepared on the basis of previous accounting principles according to Norwegian accounting legislation etc. (NGAAP). Columns marked "life insurance" refer to operations in Vital Forsikring ASA including subsidiaries. Columns marked "Life Insurance and Pensions" refer to life insurance operations including unit linked operations in Vital Link AS. Gjensidige NOR Fondsforsikring AS is not included in the figures. The company was sold to Forsikringsselskabet Danica in May 2004. Operations within non-life and group life insurance were sold to Gjensidige NOR Forsikring in 2004.

**Financial performance – Life Insurance and Pensions**

| <i>Amounts in NOK million</i>                                            | 1Q05       | 4Q04       | 3Q04       | 2Q04       | 1Q04       |
|--------------------------------------------------------------------------|------------|------------|------------|------------|------------|
| Interest result <sup>1) 2)</sup>                                         | 1 635      | 502        | 577        | 1 697      | 1 061      |
| Risk result <sup>3)</sup>                                                | (31)       | (44)       | (11)       | (110)      | (146)      |
| Administration result <sup>4)</sup>                                      | (38)       | (287)      | (31)       | (44)       | (25)       |
| Other <sup>2)</sup>                                                      | -          | 245        | (24)       | (52)       | (38)       |
| Transferred to/(from) security reserve                                   | (1)        | (3)        | (4)        | 3          | 4          |
| Profit for distribution <sup>5)</sup>                                    | 1 567      | 419        | 515        | 1 488      | 847        |
| Funds transferred to policyholders                                       | 1 247      | (74)       | 280        | 1 220      | 607        |
| Tax charge                                                               | (10)       | (161)      | 11         | 47         | 39         |
| <b>Profit life insurance</b>                                             | <b>330</b> | <b>653</b> | <b>225</b> | <b>221</b> | <b>201</b> |
| Net profit /(loss) in Vital Link                                         | (2)        | 16         | (2)        | (1)        | 4          |
| Net profit from Life Insurance and Pensions                              | 328        | 669        | 223        | 220        | 205        |
| Goodwill amortisation Life Insurance and Pensions                        | 25         | 25         | 25         | 25         | 25         |
| <b>Net profit from Life Insurance and Pensions in the group accounts</b> | <b>303</b> | <b>645</b> | <b>197</b> | <b>195</b> | <b>180</b> |
| + Goodwill amortisation Life Insurance and Pensions                      | 25         | 25         | 25         | 25         | 25         |
| + Taxes                                                                  | (11)       | (175)      | 11         | 46         | 40         |
| <b>Pre-tax operating profit for the business area</b>                    | <b>317</b> | <b>495</b> | <b>234</b> | <b>266</b> | <b>245</b> |

1) For developments in the financial result, asset mix and returns, see tables on pages 81 and 82.

2) Including pre-tax profits to the owner of NOK 255 million from the sale of operations within non-life and group life insurance in the fourth quarter of 2004.

3) NOK 59 million was charged to the risk result for the first quarter of 2005 to strengthen disability provisions, compared with NOK 82 million in the corresponding period in 2004. Life Insurance and Pensions plans to strengthen the premium reserve by NOK 140 million to cover insurance claims in 2005.

4) In the fourth quarter of 2004, the administration result was charged with NOK 250 million in restructuring costs in connection with the merger between Vital Forsikring ASA and Gjensidige NOR Spareforsikring ASA.

5) See table below.

**Specification of profit for distribution**

| <i>Amounts in NOK million</i>                           | 1Q05  | 4Q04 | 3Q04 | 2Q04  | 1Q04 |
|---------------------------------------------------------|-------|------|------|-------|------|
| Profit for distribution                                 | 1 567 | 419  | 515  | 1 488 | 847  |
| from operations subject to profit sharing <sup>1)</sup> | 1 565 | 162  | 539  | 1 541 | 884  |
| - Funds transferred to policyholders                    | 1 247 | (74) | 280  | 1 220 | 607  |
| - Profit for allocation to the owner and taxes          | 318   | 236  | 259  | 321   | 277  |
| from operations not subject to profit sharing           | 2     | 257  | (24) | (53)  | (37) |

1) Profit for allocation to the owner and taxes for operations subject to profit sharing in life insurance includes:

- return on equity, subordinated loan capital and the security reserve, calculated as the company's return on capital, less accrued interest on subordinated loans and allocations to the security reserve
- margin of policyholders' funds
- margin of effective risk premium adjusted for survival risk on contracts providing sufficient profits

According to regulations, annual profit for allocation to the owner and taxes cannot exceed 35 per cent of profit for operations subject to profit sharing. If this figure is negative, the entire amount should be charged to the owner. Total profit to the owner and taxes also includes profits from operations not subject to profit sharing.

**Extracts from balance sheets and key figures**

| <i>Amounts in NOK million</i>                     | 31 Mar.<br>2005 | 31 Dec.<br>2004 | 30 Sept.<br>2004 | 30 June<br>2004 | 31 Mar.<br>2004 |
|---------------------------------------------------|-----------------|-----------------|------------------|-----------------|-----------------|
| Policyholders' funds life insurance <sup>1)</sup> | 157 670         | 152 443         | 149 074          | 146 501         | 143 617         |
| of which group pension <sup>2)</sup>              |                 |                 |                  |                 |                 |
| - defined benefit                                 | 100 718         | 96 092          | 94 618           | 92 266          | 89 001          |
| - defined contribution                            | 246             | 193             | 163              | 148             | 118             |
| Policyholders' funds unit linked                  | 10 358          | 9 746           | 9 230            | 8 947           | 8 681           |
| of which group pension <sup>2)</sup>              |                 |                 |                  |                 |                 |
| - defined contribution                            | 451             | 364             | 304              | 253             | 216             |

1) Policyholders' funds consist of insurance provisions and 75 per cent of the securities adjustment reserve.

2) Insurance provisions.

| <i>Per cent</i>                                            | 1Q05   | 4Q04   | 3Q04   | 2Q04   | 1Q04   |
|------------------------------------------------------------|--------|--------|--------|--------|--------|
| Solvency capital (NOK million) <sup>1)</sup>               | 20 033 | 19 630 | 19 112 | 17 896 | 19 120 |
| Return on equity <sup>2)</sup>                             | 14.6   | 28.6   | 12.1   | 14.4   | 13.9   |
| Expenses in per cent of insurance provisions <sup>3)</sup> | 0.88   | 0.87   | 0.87   | 0.93   | 0.93   |

1) Life insurance. For the composition of solvency capital, see table on page 80.

2) Calculations of return on equity are based on recorded equity, after tax charges, and are annualised.

3) Life insurance. Annualised, including costs charged to the administration result.

**Comments to the financial performance in first quarter 2005**

- 10 per cent growth in total assets, to NOK 182 billion
- Net inflow of transfers NOK 959 million
- Recorded return on assets 1.9 per cent and value-adjusted return on assets 1.3 per cent
- NOK 913 million rise in solvency capital to NOK 20.0 billion
- NOK 72 million rise in pre-tax operating profit
- Return on equity increased from 13.9 per cent to 14.6 per cent
- 17 per cent increase in premium income from group pension schemes
- 26 per cent increase in policyholders funds from defined-contribution pension schemes
- Market shares are stable:
  - 41 per cent within unit linked operations
  - 49 per cent within traditional life insurance, excluding KLP

## Premium income – Life Insurance and Pensions

| Amounts in NOK million                 | 1Q05         | 4Q04         | 3Q04         | 2Q04         | 1Q04         |
|----------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total premiums due <sup>1) 2) 3)</sup> | 5 720        | 3 993        | 2 581        | 1 992        | 6 012        |
| Inflow of reserves <sup>4)</sup>       | 1 461        | 896          | 1 041        | 2 245        | 1 528        |
| Outflow of reserves <sup>5)</sup>      | 502          | 234          | 545          | 594          | 798          |
| Net premiums paid                      | 6 679        | 4 653        | 3 077        | 3 644        | 6 743        |
| Outflow of premiums                    | 502          | 234          | 545          | 594          | 798          |
| <b>Total premium income</b>            | <b>7 181</b> | <b>4 888</b> | <b>3 622</b> | <b>4 237</b> | <b>7 541</b> |

1) Of which group pension - defined benefit

3 914

1 524

2 065

936

3 301

2) Of which group pension - defined contribution

125

82

53

63

70

3) Premium income from operations sold in 2004 are not included.

The figures amount to

-

438

542

476

388

4) Of which transfers between Vital-companies

159

90

40

183

108

5) The figure for the fourth quarter of 2004 does not include NOK 1 035 million in reserves from the sale of operations within non-life and group life insurance.

## Market shares

| Per cent                                           | 31 Dec.<br>2004 | 1 Jan.<br>2004 |
|----------------------------------------------------|-----------------|----------------|
| Of total premiums due                              | 29.7            | 30.9           |
| Of total premiums incl. inflow of premium reserves | 36.9            | 33.4           |
| Of new business                                    | 36.9            | 45.7           |
| Of insurance funds including unit linked products  | 34.6            | 35.2           |
| - Retail market                                    | 51.3            | 52.4           |
| - Corporate market                                 | 28.7            | 28.9           |
| Of insurance funds for unit linked products        | 40.6            | 37.7           |

All premiums include reserves transferred from other life insurance companies.

Source: Association of Norwegian Financial Managers in the Finance Sector, FNH and DnB NOR

## Products and organisation

Life Insurance and Pensions offers:

- Group pension schemes to businesses, adapted to customer needs for defined-benefit, defined-contribution and single premium pension schemes
- Long-term savings alternatives in the form of individual pension agreements and annuities in the retail market
- Products are offered with guaranteed returns or with a choice of investment profile (unit linked)
- Group life, endowment and personal insurance in cooperation with Gjensidige NOR Forsikring from 1 July 2004
- Savings products from other units in the DnB NOR Group, including mutual funds from DnB NOR Kapitalforvaltning and equity-linked bonds from DnB NOR Markets

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

## Employees

- Life Insurance and Pensions gives priority to retaining and developing a high level of expertise within insurance products, management and other relevant areas of competence

**Development in full-time positions**

|                | 31 Marc 2005 | 31 March 2004 |
|----------------|--------------|---------------|
| Life insurance | 867          | 964           |
| Unit link      | 27           | 29            |
| <b>Total</b>   | <b>894</b>   | <b>993</b>    |

**Cooperation with other group entities**

- By taking advantage of the strength of the DnB NOR Group's total distribution network, Life Insurance and Pensions is well positioned to enjoy continued market growth
- Life Insurance and Pensions' growth in the retail market is not least due to the company's extensive distribution network, where DnB NOR channels play a principal role
- In the first quarter of 2005, DnB NOR accounted for 64.7 per cent of the sales of Life Insurance and Pensions' products in the retail market, compared with 67.0 per cent in the corresponding period of 2004

**Solvency capital <sup>1)</sup> – life insurance**

| <i>Amounts in NOK million</i>                                                   | 31 March<br>2005 | 31 Dec.<br>2004 | 30 Sept.<br>2004 | 30 June<br>2004 | 31 March<br>2004 |
|---------------------------------------------------------------------------------|------------------|-----------------|------------------|-----------------|------------------|
| Interim profit, accumulated                                                     | 1 567            |                 | 2 850            | 2 335           | 847              |
| Securities adjustment reserve                                                   | 2 670            | 3 538           | 1 966            | 1 862           | 3 486            |
| Additional allocations                                                          | 2 340            | 2 357           | 2 053            | 2 059           | 2 067            |
| Security reserve                                                                | 196              | 197             | 200              | 204             | 201              |
| Equity                                                                          | 7 156            | 7 156           | 5 856            | 5 856           | 5 856            |
| Subordinated loan capital and perpetual subordinated<br>loan capital securities | 2 468            | 2 449           | 2 496            | 2 619           | 2 616            |
| Unrealised gains on long-term securities                                        | 3 637            | 3 935           | 3 692            | 2 961           | 4 047            |
| <b>Solvency capital</b>                                                         | <b>20 033</b>    | <b>19 630</b>   | <b>19 112</b>    | <b>17 896</b>   | <b>19 120</b>    |
| <b>Buffer capital <sup>2)</sup></b>                                             | <b>9 089</b>     | <b>8 577</b>    | <b>8 328</b>     | <b>7 938</b>    | <b>8 247</b>     |

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

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

**Capital adequacy and solvency margin capital – life insurance**

| <i>Amounts in NOK million</i>                                                     | 31 March<br>2005 | 31 Dec.<br>2004 | 30 Sept.<br>2004 | 30 June<br>2004 | 31 March<br>2004 |
|-----------------------------------------------------------------------------------|------------------|-----------------|------------------|-----------------|------------------|
| <b>Capital adequacy <sup>1)</sup></b>                                             |                  |                 |                  |                 |                  |
| Total eligible primary capital                                                    | 9 032            | 8 953           | 7 661            | 7 760           | 7 749            |
| Capital adequacy ratio (%)                                                        | 14.1             | 14.1            | 12.7             | 13.1            | 13.2             |
| Core capital                                                                      | 6 803            | 6 801           | 5 497            | 5 480           | 5 484            |
| Core capital (%)                                                                  | 10.6             | 10.7            | 9.1              | 9.3             | 9.3              |
| Risk-weighted assets                                                              | 64 220           | 63 325          | 60 566           | 59 129          | 58 872           |
| <b>Solvency margin capital <sup>2)</sup></b>                                      |                  |                 |                  |                 |                  |
| Solvency margin capital                                                           | 10 308           | 10 238          | 8 777            | 8 881           | 8 873            |
| Solvency margin capital exceeding minimum requirement                             | 3 605            | 3 788           | 2 358            | 2 598           | 2 755            |
| Solvency margin capital in per cent of solvency margin<br>capital requirement (%) | 154              | 159             | 137              | 141             | 145              |

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

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

**Balance sheets – life insurance**

| <i>Amounts in NOK million</i>            | 31 March<br>2005 | 31 Dec.<br>2004 | 30 Sept.<br>2004 | 30 June<br>2004 | 31 March<br>2004 |
|------------------------------------------|------------------|-----------------|------------------|-----------------|------------------|
| Financial assets                         |                  |                 |                  |                 |                  |
| Norwegian equities <sup>1)</sup>         | 7 509            | 7 077           | 7 684            | 6 958           | 7 135            |
| International equities <sup>2)</sup>     | 18 241           | 17 476          | 15 062           | 15 731          | 14 889           |
| Norwegian bonds <sup>3)</sup>            | 27 694           | 26 636          | 27 442           | 27 014          | 26 162           |
| International bonds <sup>4)</sup>        | 16 579           | 18 776          | 16 880           | 16 324          | 15 600           |
| Money market instruments <sup>5)</sup>   | 22 111           | 15 654          | 14 475           | 13 272          | 14 397           |
| Bonds held to maturity                   | 52 955           | 54 172          | 55 020           | 54 619          | 51 912           |
| Real estate                              | 19 518           | 19 410          | 17 723           | 17 613          | 17 949           |
| Other                                    | 6 036            | 5 790           | 8 620            | 7 322           | 7 635            |
| <b>Total assets</b>                      | <b>170 642</b>   | <b>164 991</b>  | <b>162 906</b>   | <b>158 853</b>  | <b>155 678</b>   |
| Equity                                   | 7 485            | 7 155           | 6 502            | 6 279           | 6 057            |
| Subordinated loan capital                | 2 468            | 2 449           | 2 496            | 2 619           | 2 616            |
| Securities adjustment reserve            | 2 670            | 3 538           | 1 966            | 1 862           | 3 486            |
| Insurance provisions                     |                  |                 |                  |                 |                  |
| Premium reserve                          | 147 189          | 140 701         | 139 112          | 136 185         | 132 295          |
| Additional allocations                   | 2 340            | 2 357           | 2 053            | 2 059           | 2 067            |
| Premium fund and pension regulation fund | 5 367            | 5 992           | 5 601            | 6 124           | 5 664            |
| Security reserve                         | 196              | 197             | 200              | 204             | 201              |
| Other reserves                           | 575              | 543             | 632              | 559             | 775              |
| Other liabilities                        | 2 353            | 2 059           | 4 344            | 2 962           | 2 516            |
| <b>Total equity and liabilities</b>      | <b>170 642</b>   | <b>164 991</b>  | <b>162 906</b>   | <b>158 853</b>  | <b>155 678</b>   |

Net exposure after adjustment for derivative contracts:

|                                     |        |        |        |        |        |
|-------------------------------------|--------|--------|--------|--------|--------|
| 1) Norwegian equities               | 7 058  | 6 664  | 7 684  | 6 958  | 7 135  |
| 2) International equities           | 24 178 | 20 787 | 17 659 | 16 685 | 14 889 |
| Share of investments in hedge funds | 1 454  | 1 447  | 1 406  | 1 443  | 1 780  |
| 3) Norwegian bonds                  | 22 516 | 21 649 | 19 595 | 27 014 | 26 162 |
| 4) International bonds              | 7 829  | 8 199  | 7 855  | 9 020  | 15 600 |
| 5) Money market instruments         | 30 553 | 28 320 | 28 749 | 19 622 | 14 397 |

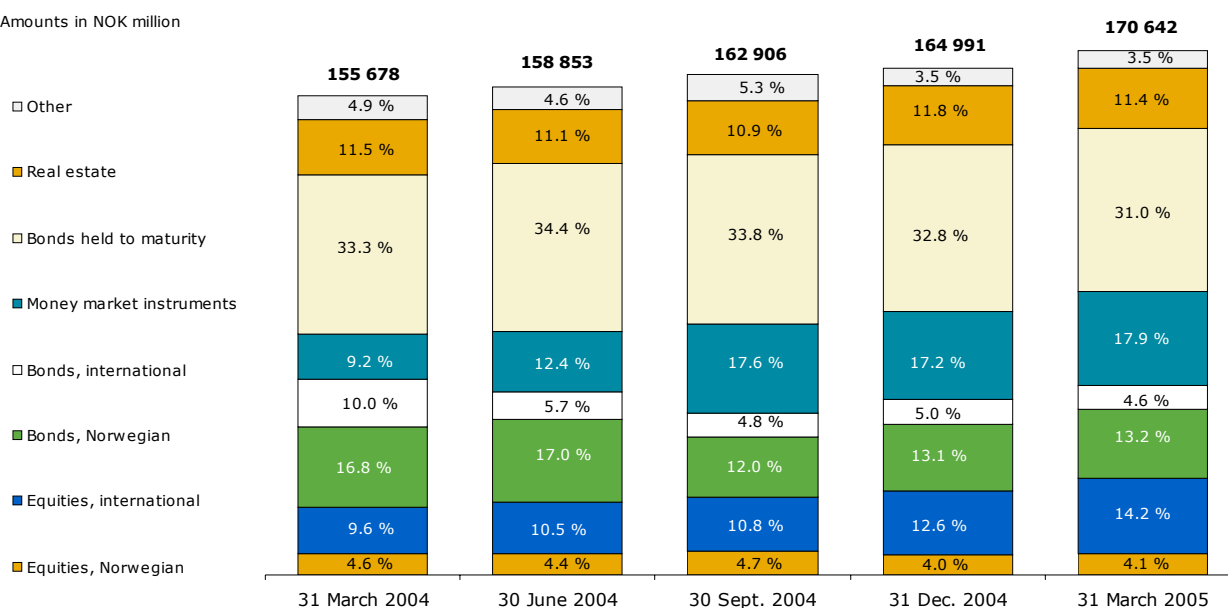
**Financial results – life insurance**

| <i>Amounts in NOK million</i>                 | 1Q05  | 4Q04    | 3Q04  | 2Q04  | 1Q04    |
|-----------------------------------------------|-------|---------|-------|-------|---------|
| Net result from equities                      | 1 351 | 766     | (99)  | 572   | 1 696   |
| Net result from other asset classes           | 860   | 2 784   | 2 161 | 872   | 1 746   |
| Value-adjusted financial result <sup>1)</sup> | 2 211 | 3 550   | 2 062 | 1 444 | 3 442   |
| Guaranteed return on policyholders' funds     | 1 444 | 1 176   | 1 381 | 1 372 | 1 342   |
| Financial result                              | 767   | 2 374   | 681   | 72    | 2 100   |
| + From/(to) securities adjustment reserve     | 868   | (1 572) | (104) | 1 625 | (1 039) |
| + Transferred to additional allocations       | 0     | 300     | 0     | 0     | 0       |
| Recorded interest result                      | 1 635 | 502     | 577   | 1 697 | 1 061   |

1) Before changes in unrealised gains on long-term securities.

**Balance sheet – life insurance <sup>1)</sup>**

Amounts in NOK million



1) Net exposure in life insurance after adjustment for derivative contracts.

**Value-adjusted return on assets – life insurance**

Per cent

|                                                              | 1Q05       | 4Q04       | 3Q04       | 2Q04       | 1Q04       |
|--------------------------------------------------------------|------------|------------|------------|------------|------------|
| <b>Financial assets</b>                                      |            |            |            |            |            |
| Norwegian equities                                           | 8.5        | 9.5        | 7.8        | 5.9        | 14.9       |
| International equities                                       | 3.7        | 0.6        | (3.5)      | 1.6        | 5.6        |
| Norwegian bonds                                              | 0.8        | 1.9        | 2.5        | (0.4)      | 2.7        |
| International bonds                                          | 0.5        | 2.0        | 2.8        | (1.3)      | 2.8        |
| Money market instruments                                     | 0.5        | 0.5        | 0.7        | 0.4        | 0.7        |
| Long-term bonds                                              | 1.4        | 1.5        | 1.4        | 1.3        | 1.5        |
| Real estate                                                  | 1.7        | 3.8        | 1.6        | 1.4        | 1.9        |
| <b>Value-adjusted return on assets I <sup>1)</sup></b>       | <b>1.3</b> | <b>2.5</b> | <b>1.3</b> | <b>1.0</b> | <b>2.3</b> |
| Value-adjusted return on assets II <sup>2)</sup>             | 1.1        | 2.7        | 1.7        | 0.3        | 3.0        |
| Recorded return on assets <sup>3)</sup>                      | 1.9        | 1.5        | 1.3        | 2.1        | 1.6        |
| Value-adjusted return on assets I, annualised <sup>1)</sup>  | 5.4        | 10.0       | 5.1        | 3.9        | 9.4        |
| Value-adjusted return on assets II, annualised <sup>2)</sup> | 4.6        | 10.8       | 6.9        | 1.0        | 12.5       |

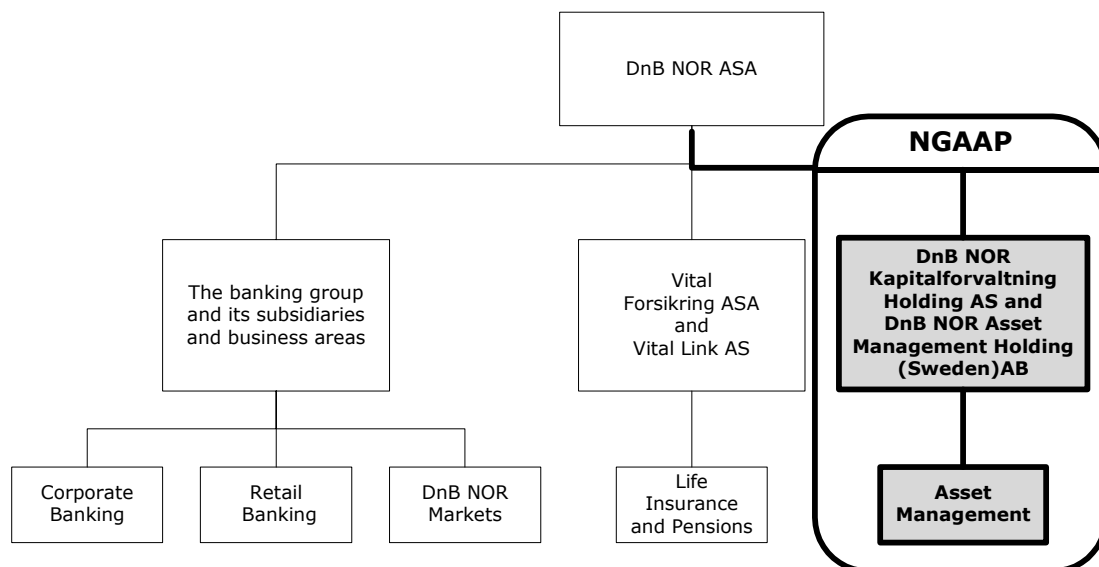
1) Excluding changes in value of bonds held to maturity.

2) Including changes in unrealised gains on financial assets and changes in value of bonds held to maturity.

3) Excluding changes in unrealised gains on financial assets and changes in value of bonds held to maturity.

## Section 5

# Financial results Asset Management according to NGAAP



## Asset Management

Asset Management provides mutual funds and discretionary portfolio management services to Norwegian and other Nordic corporate clients, the public sector, private pension funds and retail customers. Øyvind Birkeland, group executive vice president, heads the business area.

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

In 2004 Carlson Private Banking was established in Sweden. The first exchange-traded fund in Norway, DnB NOR OBX, was launched in the first quarter of 2005. The hedge fund operations of Absolute Return Investment AB were taken over in their entirety from Skandia Liv in April 2005.

The integration of products, services and the organisations is expected to result in annual cost synergies of NOK 110 million by the end of 2006. The initial integration process in 2003-2004 resulted in staff cuts of 71 full-time positions. In the first quarter of 2005 staff was reduced by seven full-time positions. Staff reduction are thus ahead of target.

New mutual funds launched in 2004 were well received in the market. Hedge funds will be a priority area in 2005. The new tax reform in Norway will be an incentive for mutual fund savings.

## Financial performance

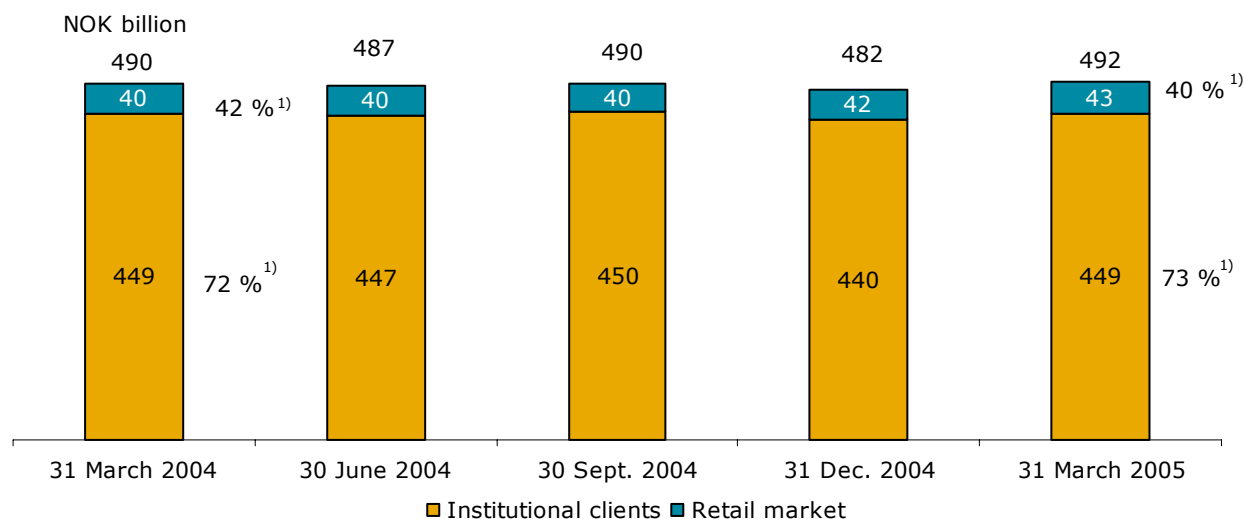
| <i>Amounts in NOK million</i>                | 1Q05 | 4Q04 | 3Q04 | 2Q04 | 1Q04 |
|----------------------------------------------|------|------|------|------|------|
| Net interest income from operations          | (1)  | (1)  | 3    | (3)  | (5)  |
| Interest on allocated capital <sup>1)</sup>  | 6    | 6    | 6    | 6    | 7    |
| Net interest income                          | 5    | 5    | 9    | 3    | 2    |
| Commission income                            |      |      |      |      |      |
| - from retail customers                      | 85   | 95   | 96   | 80   | 89   |
| - from institutional clients                 | 157  | 139  | 127  | 145  | 133  |
| Other income                                 | 3    | 8    | 13   | 4    | (5)  |
| Total income                                 | 250  | 248  | 246  | 232  | 220  |
| Operating expenses                           | 169  | 172  | 156  | 172  | 181  |
| Pre-tax operating profit                     | 81   | 76   | 90   | 60   | 39   |
| <b>Assets under management <sup>2)</sup></b> |      |      |      |      |      |
| Institutional                                | 449  | 440  | 450  | 447  | 449  |
| - of which Life Insurance and Pensions       | 154  | 149  | 145  | 141  | 140  |
| Retail                                       | 43   | 42   | 40   | 40   | 40   |
| Total                                        | 492  | 482  | 490  | 487  | 490  |
| <b>Key figures</b>                           |      |      |      |      |      |
| Cost/income ratio excl. goodwill             | 67.7 | 69.3 | 63.4 | 74.2 | 82.4 |
| Return on equity (% p.a.) <sup>1)</sup>      | 21.0 | 17.5 | 20.7 | 14.2 | 8.9  |

1) Calculated on the basis of recorded equity.

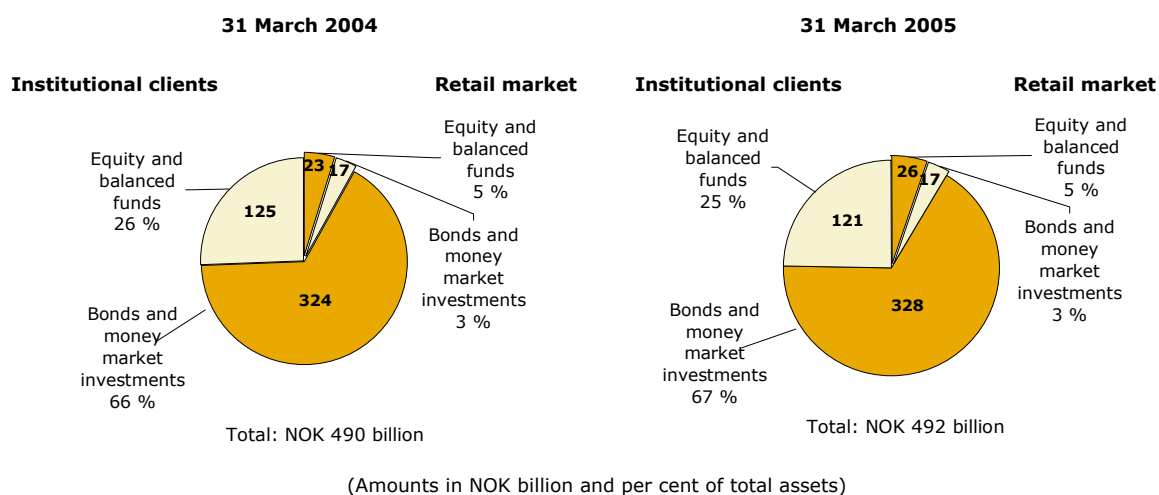
2) Assets under management at end of period.

## Comments to the financial performance in the first quarter of 2005

- Commission income increased by NOK 20 million from the first quarter of 2004 to the first quarter of 2005. This was mainly due to growth in assets under management
- Operating expenses in the first quarter of 2005 were NOK 169 million, which was NOK 12 million below operating expenses in the corresponding period of 2004
- Cost synergies representing NOK 18 million were achieved in the first quarter, bringing total synergies from the DnB NOR merger to NOK 67 million so far

**Assets under management**

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

**Changes in assets under management - net inflow**

| Amounts in NOK million | 1Q05 <sup>1)</sup> | 4Q04                   | 3Q04  | 2Q04  | 1Q04 <sup>2)</sup> |
|------------------------|--------------------|------------------------|-------|-------|--------------------|
| Retail market          | (572)              | 909                    | (480) | 94    | (485)              |
| Institutional clients  | 7 098              | (17 585) <sup>3)</sup> | 1 279 | (612) | 2 231              |
| Total                  | 6 526              | (16 675)               | 799   | (518) | 1 746              |

1) Excluding dividends of NOK 1 446 million, of which NOK 446 million refers to retail and NOK 1 000 million to institutional clients.

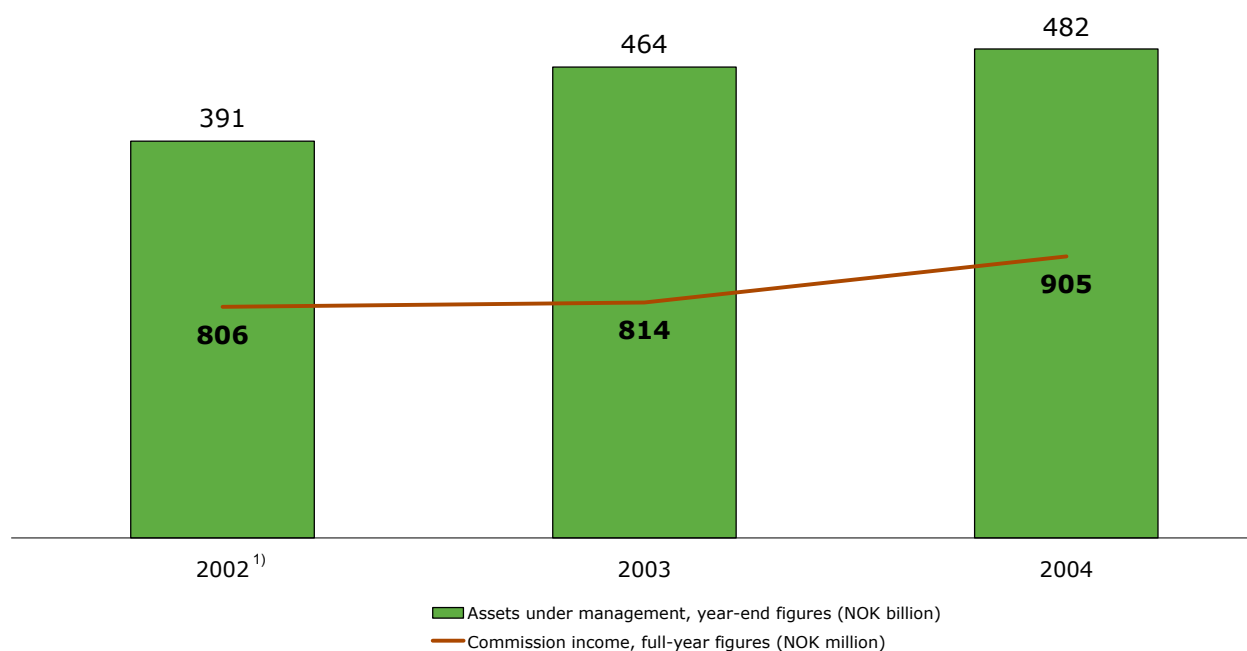
2) Excluding dividends of NOK 1 821 million, of which NOK 779 million refers to retail and NOK 1 042 million to institutional clients.

3) The reduction was due to the termination of one large contract which, according to agreement, should have been terminated two quarters earlier.

### Comments to changes in assets under management

- Assets under management increased by NOK 10.6 billion or 2.2 per cent in the first quarter of 2005
- There was a net inflow of funds from institutional clients of NOK 7.1 billion or 1.6 per cent in the first quarter of 2005
- New institutional mandates were won in both Sweden and Norway
- Market developments led to a NOK 7.8 billion increase in assets under management, representing 1.6 per cent measured in customers' base currencies
- The appreciation of NOK against other currencies, especially SEK, reduced assets under management by NOK 3.7 billion or 0.8 per cent
- During the first quarter of 2005, Morgan Stanley's global equity index (MSCI World Net Div.) was reduced by 1.1 per cent measured in USD and rose by 3.1 per cent measured in NOK
- The stock exchanges in Stockholm (OMX) and Oslo (OSEBX) climbed by 3.8 and 8.3 per cent respectively during the first quarter of 2005

### Development in assets under management and commission income



1) Pro forma including Skandia Asset Management as from 1 January 2002

### Investment returns on assets under management

- Returns on a number of major client portfolios and funds outperformed relevant benchmarks, including Vital Forsikring's total portfolio, as well as Norwegian equity and bond investments and major Swedish equity portfolios
- Fund managers' specialisation has led to strong performance for several industry-specific funds (percentage point return in excess of benchmark in parentheses):
  - DnB NOR Global Technology (+0.8)
  - Avanse Helse (+0.4)
  - Avanse Telecom (+1.0)

### Customers/markets

- Asset Management serves the Norwegian and Swedish savings markets, offering domestic and international asset management services
- Brand names:
  - DnB NOR Kapitalforvaltning in the Norwegian institutional and retail markets
  - DnB NOR Asset Management and Carlson in the Swedish institutional and retail markets
- A leading position in the institutional market in both Norway and Sweden with around 470 institutional clients. The largest clients are Skandia Liv and Vital
- The number of mutual fund customers in Norway was more than 696 000 at the end of the first quarter of 2005. The number of savings agreements was more than 246 000
- Market shares:
  - DnB NOR Kapitalforvaltning (mutual funds in Norway) 35.6 per cent
  - Carlson Fonder (mutual funds in Sweden) 1.2 per cent
  - Institutional market in Norway > 30 per cent
  - Institutional market in Sweden > 20 per cent

### Fund capital and market shares in Norway

|                                            | 31 March 2005 |              | 31 Dec. 2004  |              | 30 Sept. 2004 |              | 30 June 2004  |              | 31 March 2004 |              |
|--------------------------------------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|
|                                            | Fund capital  | Market share | Fund capital  | Market share | Fund capital  | Market share | Fund capital  | Market share | Fund capital  | Market share |
| <i>Amounts in NOK million and per cent</i> |               |              |               |              |               |              |               |              |               |              |
| Equity funds (Norwegian)                   | 10 574        | 26.1         | 10 280        | 27.4         | 10 207        | 28.5         | 9 650         | 34.4         | 9 436         | 34.0         |
| Equity funds (international)               | 15 584        | 23.3         | 13 582        | 23.4         | 13 557        | 27.5         | 13 888        | 25.7         | 14 157        | 27.7         |
| Balanced funds                             | 4 588         | 60.5         | 4 251         | 62.0         | 3 927         | 59.7         | 3 896         | 58.5         | 3 691         | 57.6         |
| Fixed-income funds                         | 11 096        | 40.1         | 11 107        | 39.9         | 10 397        | 40.7         | 9 087         | 38.6         | 9 415         | 40.5         |
| Money market funds                         | 28 131        | 51.9         | 26 899        | 53.1         | 28 022        | 53.8         | 27 709        | 55.1         | 28 179        | 56.3         |
| <b>Total mutual funds</b>                  | <b>69 973</b> | <b>35.6</b>  | <b>66 119</b> | <b>36.6</b>  | <b>66 111</b> | <b>39.1</b>  | <b>64 230</b> | <b>39.5</b>  | <b>64 877</b> | <b>40.9</b>  |

Source: Norwegian Mutual Fund Association

### Products and services

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

**Organisation**

- Legal structure simplified through the merging of all operational asset management companies in Norway
- Customer activity is concentrated in Norway and Sweden. In order to provide competitive global asset management, investment operations have also been established in London, New York and Hong Kong
- A combination of regional and sector-oriented management teams with a presence in all major financial markets
- Asset management services are provided through channels adapted to the various markets:

Retail customers in Norway

- DnB NOR's extensive network of branches and regional financial services centres
- Post offices and in-store postal outlets
- The Internet
- External channels including brokers, investment advisers and regional and local savings banks

Retail customers in Sweden

- Local distributors

Institutional markets in Sweden and Norway

- The business area's own sales force and, in Norway, through cooperation with Corporate Banking

**Employees**

- Staff cuts corresponding to seven full-time positions in the first quarter of 2005
- 303 full-time positions at the end of the quarter including six full-time positions in Absolute Return Investments AB

**Cooperation with other group entities**

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

## **Section 6**

# **Shareholder information**

## Equity-related data

### Key figures

|                                                                    | IFRS               |                    | NGAAP     |                    |                    |
|--------------------------------------------------------------------|--------------------|--------------------|-----------|--------------------|--------------------|
|                                                                    | 1Q05 <sup>1)</sup> | 2004 <sup>2)</sup> | 2003      | 2002 <sup>3)</sup> | 2001 <sup>3)</sup> |
| Shares outstanding at end of period (1 000)                        | 1 336 875          | 1 327 139          | 1 309 027 | 1 309 007          | 1 309 968          |
| Average number of shares (1 000)                                   | 1 327 139          | 1 317 744          | 1 309 027 | 1 309 552          | 1 313 965          |
| Earnings per share (NOK)                                           | 1.48               | 6.28               | 4.11      | 2.77               | 4.59               |
| Return on equity (per cent)                                        | 15.3               | 17.7               | 12.7      | 8.9                | 15.5               |
| RARORAC (per cent)                                                 | 17.5               | 17.0               | 14.4      | n/a                | n/a                |
| Price at end of period                                             | 64.75              | 59.75              | 44.40     | 32.60              | 40.40              |
| Price/earnings ratio <sup>4)</sup>                                 | 10.92              | 9.52               | 10.81     | 11.75              | 8.81               |
| Price/book value                                                   | 1.65               | 1.58               | 1.29      | 1.00               | 1.25               |
| Dividend per share (NOK)                                           | n/a                | 2.55               | 2.20      | 2.40 <sup>5)</sup> | 2.40 <sup>5)</sup> |
| Dividend yield (per cent) <sup>5)</sup>                            | n/a                | 4.27               | 4.95      | 7.36               | 5.94               |
| Equity per share including accrued dividend at end of period (NOK) | 39.25              | 37.79              | 34.37     | 32.46              | 32.27              |

1) Including the effect of the 9 736 376 shares issued 31 March 2005 in connection with the subscription rights programme for former employees of the DnB Group

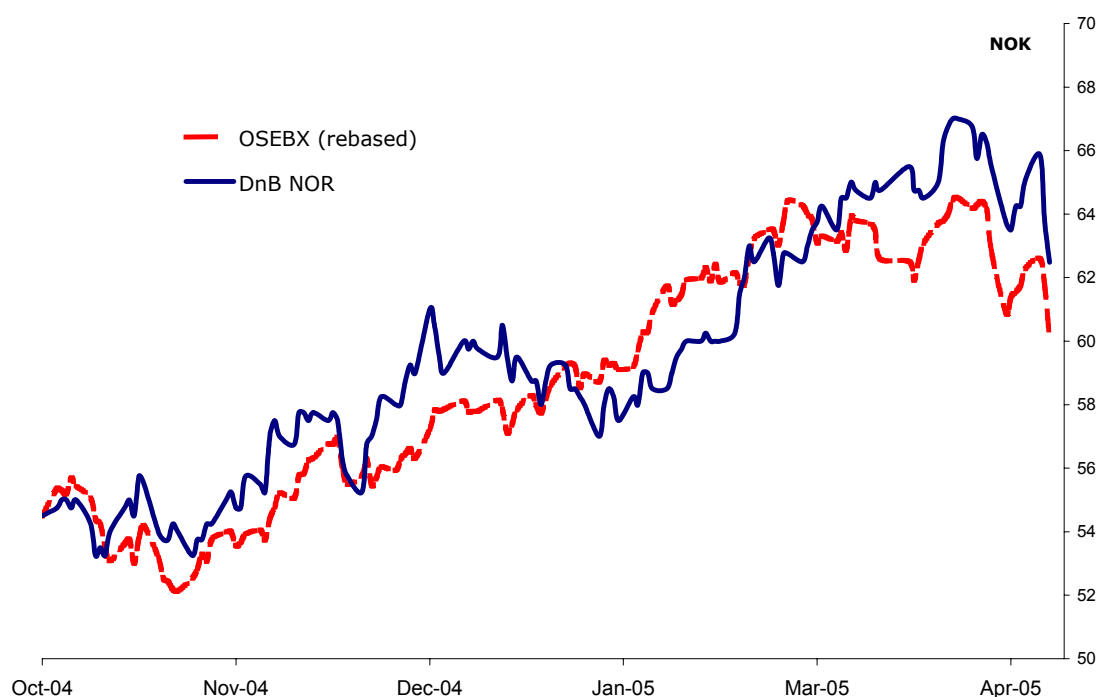
2) Including the effect of the 12 929 907 shares issued 26 March 2004 in connection with the subscription rights for employees and the effect of 5 181 408 shares issued in October 2004 in connection with the subscription rights programme for former employees of the Gjensidige NOR Group.

3) Including the effect of the cancellation of shares at the AGM 2002 (8 067 420 shares) and AGM 2003 (960 000 shares)

4) Based on the share price at end of period, and annualised EPS.

5) Dividend per share and dividend yield prior to 2003 are based on DnB Holding ASA's payment of dividend and DnB Holding's share price.

### Share price development – 1 October 2004 to 29 April 2005

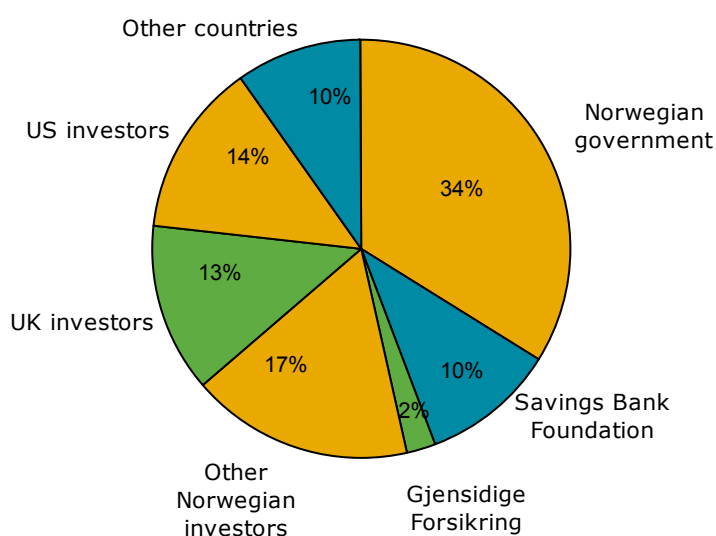


## Shareholder structure as at end-March 2005

### Major shareholders

|                                         |     | Shares in 1 000  | Ownership in % |
|-----------------------------------------|-----|------------------|----------------|
| Norwegian government                    |     | 451 227          | 33.75          |
| Savings Bank Foundation                 |     | 138 118          | 10.33          |
| JPMorgan Chase Bank, Bank Clients       | NOM | 61 493           | 4.60           |
| State Street Bank, Client Omnibus D     | NOM | 47 352           | 3.54           |
| Capital Euro Pacific Growth Fund        |     | 32 600           | 2.44           |
| Folketrygdfondet                        |     | 29 540           | 2.21           |
| Gjensidige Forsikring                   |     | 29 473           | 2.20           |
| The Northern Trust, C Treaty            | NOM | 21 885           | 1.64           |
| Orkla ASA (incl. Nordstjernen Holding)  |     | 19 143           | 1.43           |
| Fidelity Funds Europe                   |     | 17 591           | 1.32           |
| JPMorgan Chase Bank Fidelity Lending    | NOM | 14 051           | 1.05           |
| JPMorgan Chase Bank, Omnibus Lending    | NOM | 12 282           | 0.92           |
| Capital World Growth Fund               |     | 10 936           | 0.82           |
| Oslo Pensjonsforsikring                 |     | 10 000           | 0.75           |
| DnB NOR Norge                           |     | 9 902            | 0.74           |
| DnB NOR employees funds                 |     | 15 787           | 1.18           |
| Cater Allen International               |     | 9 161            | 0.69           |
| Mellon Bank AS Agent                    | NOM | 8 685            | 0.65           |
| State Street Bank, clients omnibus F    | NOM | 7 445            | 0.56           |
| The Northern Trust , USL Treaty Account | NOM | 7 319            | 0.55           |
| Total largest shareholders              |     | <b>953 990</b>   | <b>71.36</b>   |
| Other                                   |     | 382 885          | 28.64          |
| Total                                   |     | <b>1 336 875</b> | <b>100.00</b>  |

### Shareholder structure





## **Section 7**

# **The Norwegian economy**

## The Norwegian economy

### Basic information year 2004

|                                                 |                          |
|-------------------------------------------------|--------------------------|
| Area                                            | 385 356 km <sup>2</sup>  |
| Population                                      | 4.6 million              |
| Fertility rate                                  | 1.8                      |
| Life expectancy                                 | M: 76.7 F: 82.0          |
| Work participation rate, per cent 15 – 74 years | 72.9 (M: 76.7 F:69.1)    |
| Gross domestic product                          | USD 267.5 billion        |
| GDP per capita                                  | USD 58 080               |
| Rating                                          | AAA, Aaa                 |
| Currency exchange rate used                     | 6.30 NOK/USD             |
| Current balance                                 | USD 36.7 or 13.7% of GDP |

### Key macro-economic indicators

| Per cent                                           | 2004 | 2005 | 2006 | 2007  |
|----------------------------------------------------|------|------|------|-------|
| GDP growth                                         |      |      |      |       |
| - Norway, total                                    | 2.9  | 2.9  | 2.1  | 1.7   |
| - Mainland Norway                                  | 3.5  | 3.9  | 2.5  | 2.0   |
| Private consumption                                | 4.3  | 3.7  | 3.3  | 3.0   |
| Gross fixed investment                             | 8.9  | 12.2 | 0.8  | (1.0) |
| Inflation (CPI)                                    | 0.4  | 1.3  | 1.8  | 2.4   |
| Savings ratio <sup>1)</sup>                        | 10.2 | 10.1 | 7.2  | 5.7   |
| Unemployment rate                                  | 4.4  | 4.1  | 3.9  | 3.9   |
| Current account <sup>2)</sup>                      | 13.7 | 16.1 | 12.4 | 10.2  |
| Net foreign assets <sup>2) 3)</sup>                | 68.1 | 79.0 |      |       |
| General government budget balance <sup>2) 3)</sup> | 11.3 | 9.8  |      |       |

1) Per cent of disposable income.

2) Per cent of GDP.

3) Source: Ministry of Finance.

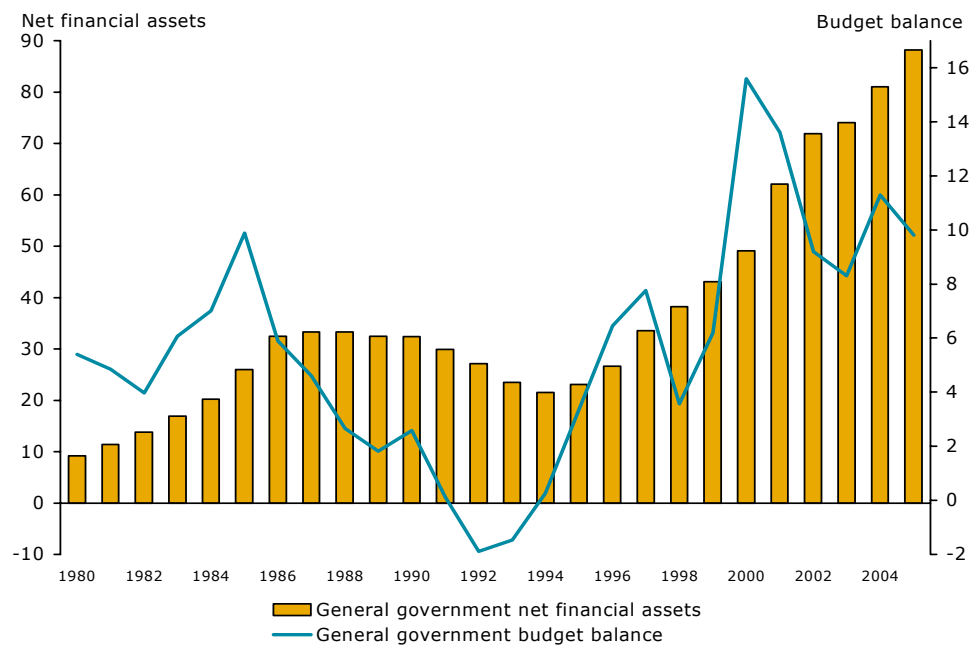
Source if not otherwise indicated: DnB NOR Markets

### Contribution to volume growth in GDP Mainland Norway

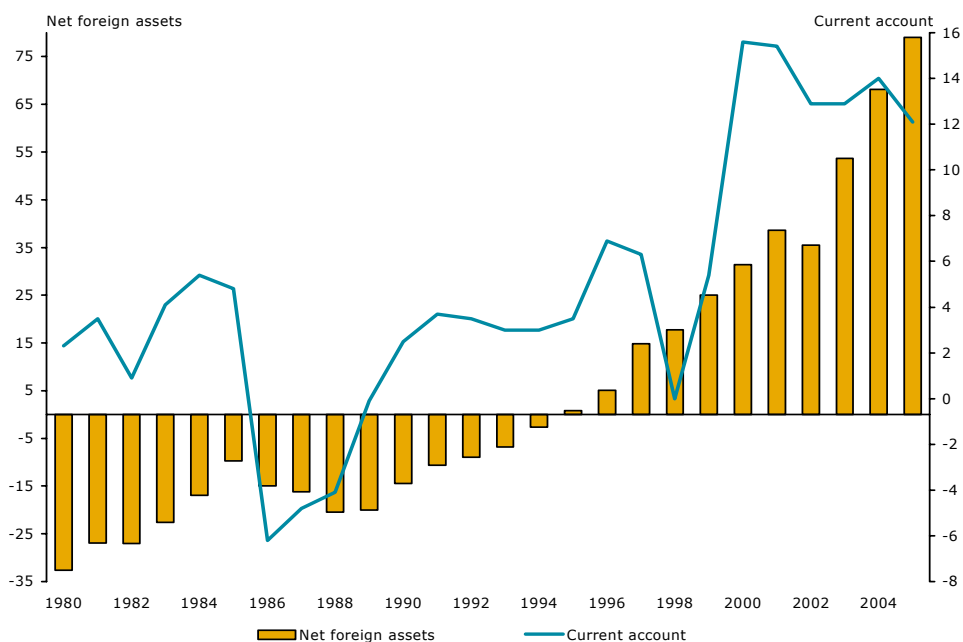
| Per cent                                          | 2002  | 2003  | 2004  | 2005  |
|---------------------------------------------------|-------|-------|-------|-------|
| Households demand                                 | 1.6   | 1.4   | 3.0   | 2.3   |
| Gross fixed capital formation, mainland companies | 0.4   | (0.5) | 0.5   | 0.6   |
| Gross fixed capital formation, petroleum activity | (0.8) | 0.6   | 0.9   | 1.6   |
| Public sector demand                              | 1.0   | 0.7   | 0.5   | 0.8   |
| Exports, mainland Norway                          | (0.2) | 0.7   | 0.7   | 1.3   |
| Imports, mainland Norway                          | (0.4) | (1.0) | (3.2) | (2.2) |
| Changes in stocks and stat. discrepancies         | (0.2) | (1.2) | 1.1   | (0.5) |
| GDP, Mainland Norway                              | 1.4   | 0.7   | 3.5   | 3.9   |

Source: Statistics Norway and DnB NOR Markets

## General government's financial position <sup>1)</sup> (Per cent of GDP)

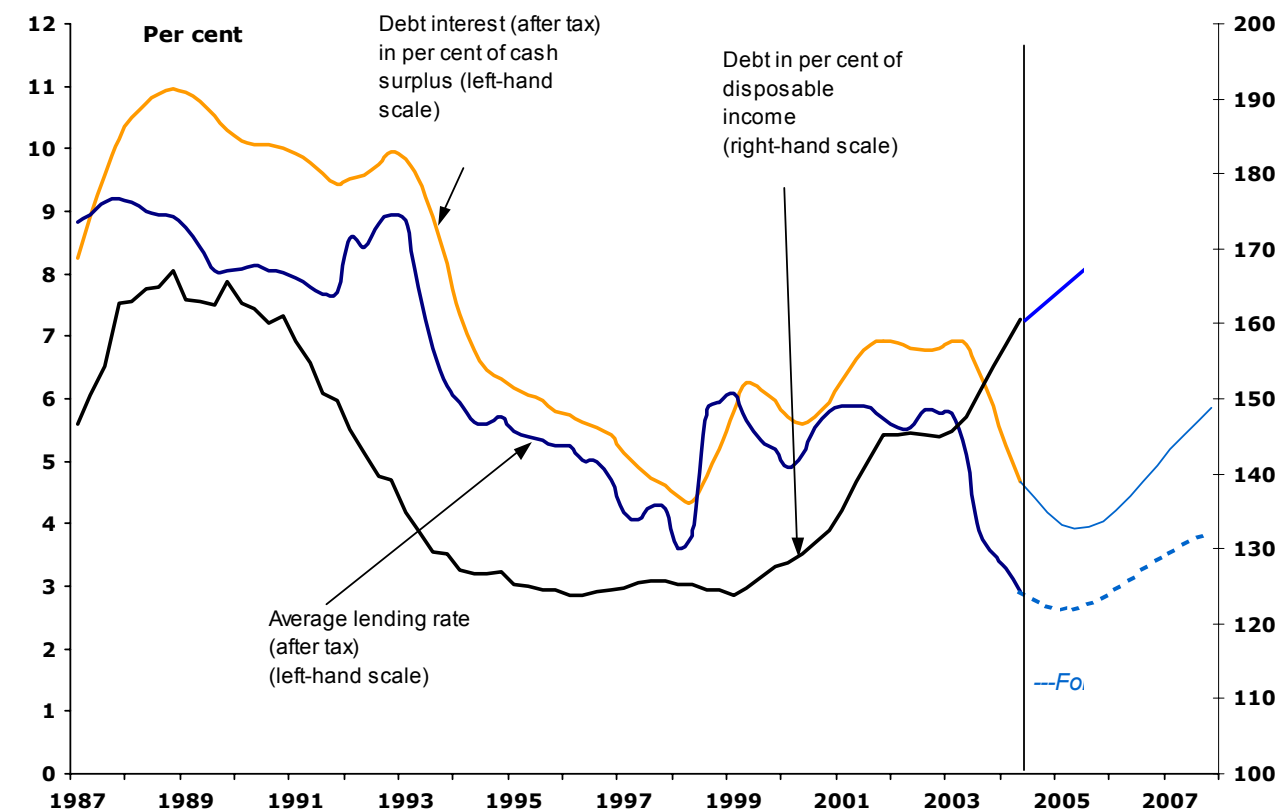


## Current account and net foreign assets (incl. private sector) <sup>1)</sup> (Per cent of GDP)



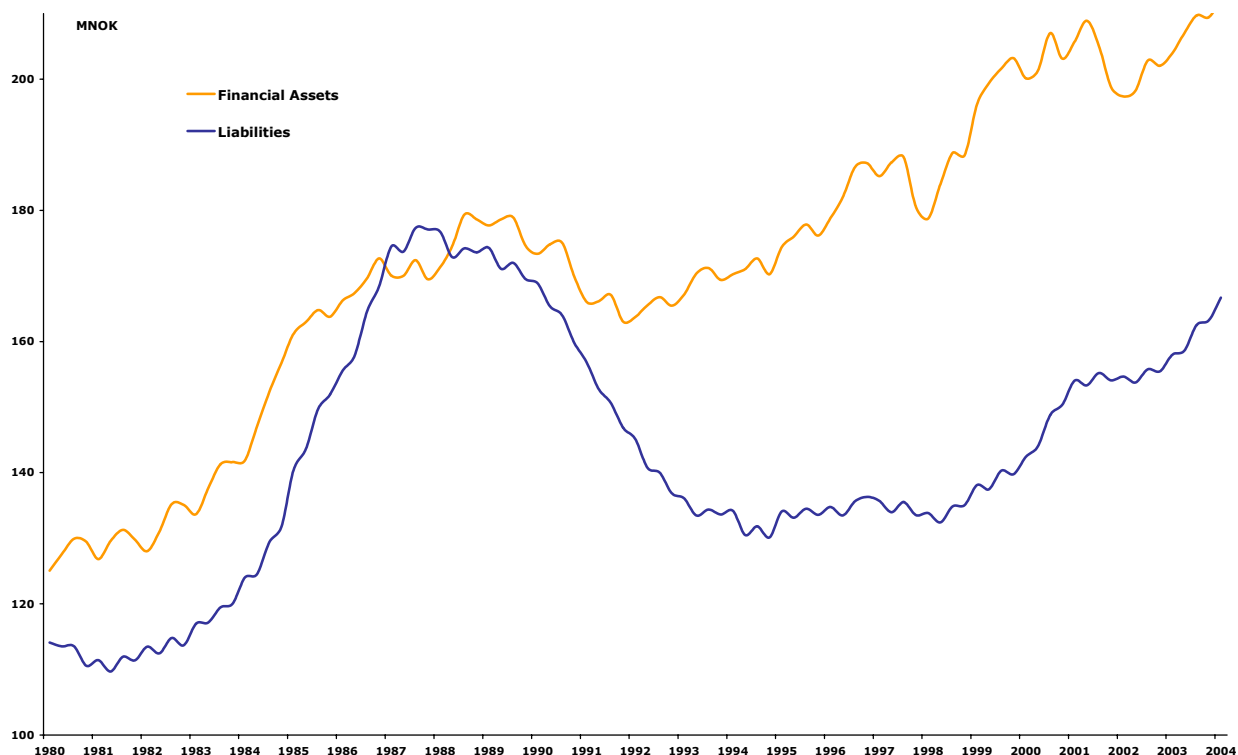
1) The projections are based on an assumed oil price of NOK 250 per barrel in 2004, NOK 230 in 2005 and NOK 190 in 2008. The oil price in January 2005 was NOK 277 per barrel and in March 2005 NOK 329 per barrel.

## Household debt servicing capacity



Source: Norges Bank

## Households financial assets and liabilities (per cent of disposable income)



Source: EcoWin

## Financial market growth

| Percentage change from previous year    | 29 Feb.<br>2005    | 31 Dec.<br>2004 | 31 Dec.<br>2003 | 31 Dec.<br>2002 |
|-----------------------------------------|--------------------|-----------------|-----------------|-----------------|
| <b>Credit</b> <sup>1)</sup>             |                    |                 |                 |                 |
| Total                                   | 6.8 <sup>4)</sup>  | 6.8             | 6.3             | 4.4             |
| - of which commercial and savings banks | 10.0               | 9.9             | 7.5             | 6.4             |
| Total retail market                     | 12.9               | 12.5            | 11.8            | 11.3            |
| Total corporate market                  | 2.7 <sup>4)</sup>  | 2.7             | 2.8             | 0.3             |
| <b>Savings</b>                          |                    |                 |                 |                 |
| Total <sup>2)</sup>                     | 11.4 <sup>4)</sup> | 11.4            | 9.1             | 4.0             |
| - of which commercial and savings banks | 6.6                | 7.5             | 3.8             | 7.7             |
| Total retail market <sup>2)</sup>       | 8.2 <sup>4)</sup>  | 8.2             | 8.7             | 4.7             |
| Total corporate market <sup>3)</sup>    | 14.0 <sup>4)</sup> | 14.0            | 8.6             | 3.6             |

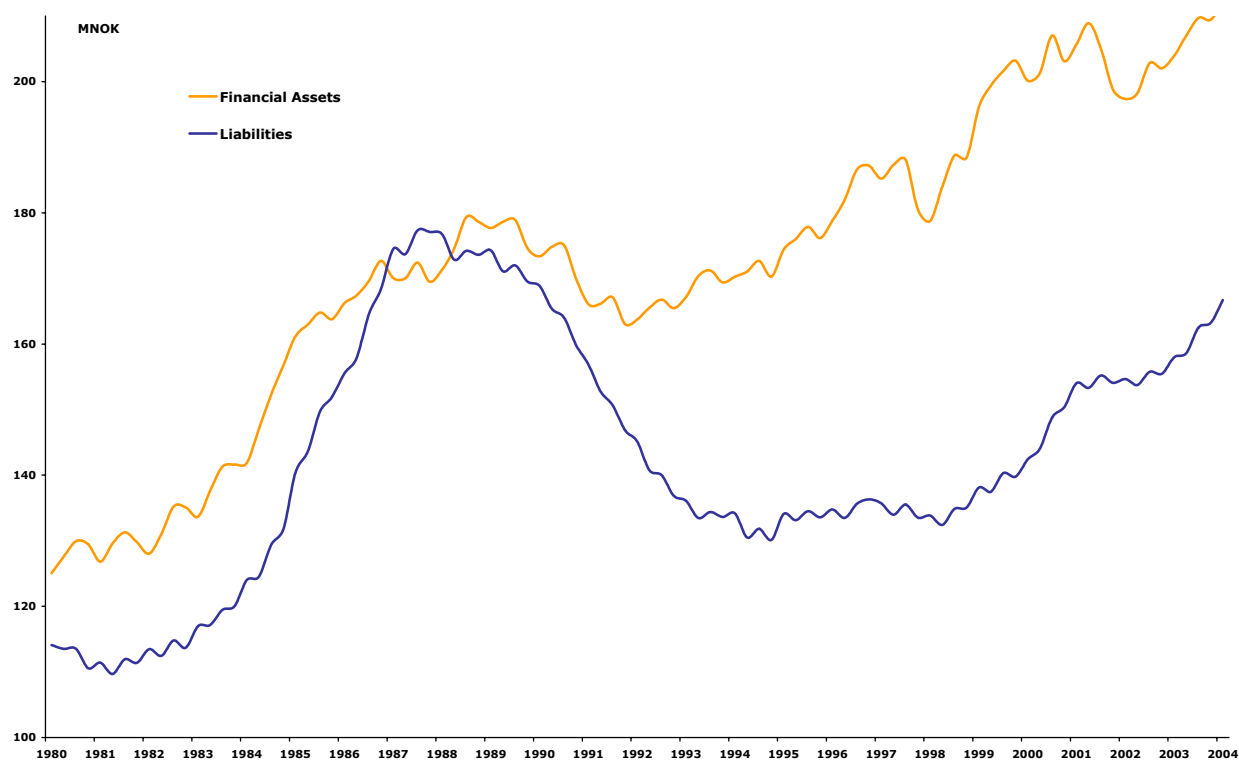
1) Commercial and savings banks, state banks, insurance companies, mortgage institutions, finance companies, bonds, commercial paper, foreign institutions.

2) Deposits in commercial and savings banks, participation in mutual funds, funds for insurance commitments, equity-linked bonds.

3) Deposits in commercial and savings banks, participation in mutual funds, funds for insurance commitments.

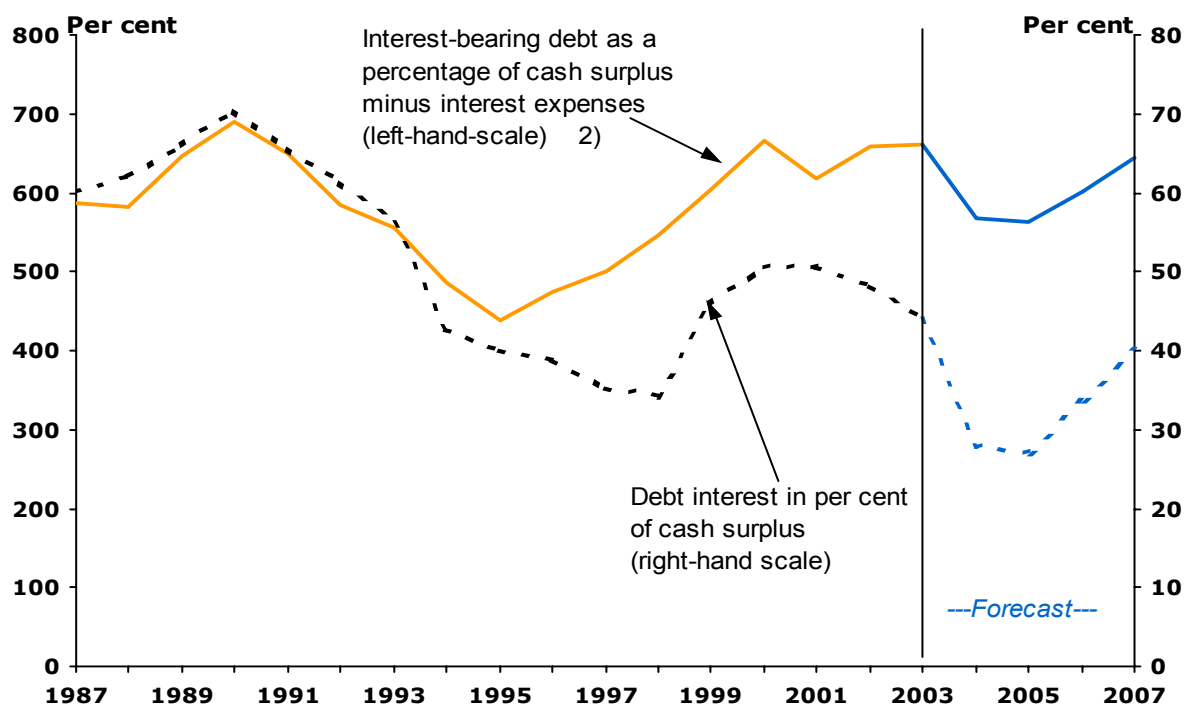
4) As at 31 December 2004

## Credit growth (12 month)



Source: EcoWin

## Corporates' interest-bearing debt and interest paid 1)

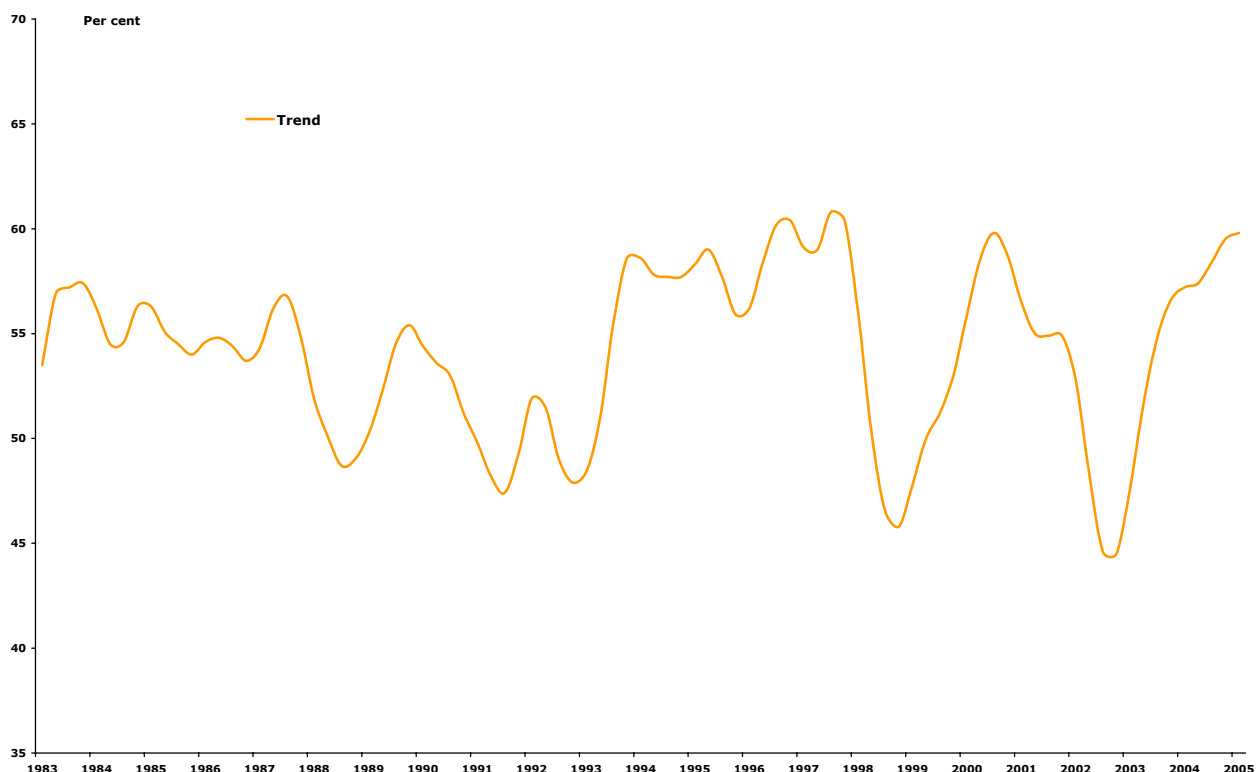


Source: Norges Bank

1) For non-financial corporates excluding petroleum and international shipping.

2) Interest-bearing debt is defined as loans from domestic and financial institutions and from the bond and short-term paper markets. Cash surplus is defined as the sum of value added and wealth income less wages and tax. Interest expenses are deducted from the cash surplus to provide a measure of the sector's ability to make principal payments.

## Business surveys, manufacturing sector (general judgement of outlooks for next quarter, trend )



[www.dnbnor.com](http://www.dnbnor.com)

D5023mh/0405