



## Supplementary Information for Investors and Analysts

### **2005 Second Quarter Results**

(Unaudited)



Jean Heiberg. *In the Garden* 1953.  
The painting is part of DnB NOR's art collection.

## **Chief Executive Officer**

Svein Aaser

### **For further information, please contact**

Tom Grøndahl, Chief Financial Officer	tom.grondahl@dnbnor.no	+47 2248 2922
Halfdan Bakøy, Head of Group Financial Reporting	halfdan.bakoy@dnbnor.no	+47 2248 1071
Per Sagbakken, Head of IR/Long Term Funding	per.sagbakken@dnbnor.no	+47 2248 2072
Helge Stray, IR/Long Term Funding	helge.stray@dnbnor.no	+47 2294 9376
Jo Teslo, IR/Long Term Funding	jo.teslo@dnbnor.no	+47 2294 9286
Thor Tellefsen, IR/Long Term Funding	thor.tellefsen@dnbnor.no	+47 2294 9388
Gunn Gjørøether, IR/Long Term Funding	gunn.gjosaether@dnbnor.no	+47 2294 9277

### **Address**

DnB NOR ASA, N-0021 Oslo

Visiting address: Stranden 21 (Bryggetorget), Aker Brygge, Oslo

E-mail Investor Relations: [investor.relations@dnbnor.no](mailto:investor.relations@dnbnor.no)

Telefax Investor Relations: +47 2248 1994

DnB NOR switchboard: +47 2248 1050

### **Information on the Internet**

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

## Contents

<b>1. DnB NOR - an overview.....</b>	<b>5</b>
Financial highlights.....	6
DnB NOR - Norway's leading financial services group.....	7
Group strategy .....	8
Risk-adjusted capital .....	9
Legal structure.....	12
Group business structure .....	14
Synergies (IFRS).....	16
Transition to IFRS and accounting principles .....	19
<b>2. Financial results DnB NOR Group according to IFRS .....</b>	<b>21</b>
Financial results - IFRS .....	22
Business areas – extracts from profit and loss accounts - IFRS .....	24
Net interest income - IFRS .....	26
Net other operating income - IFRS .....	28
Operating expenses - IFRS .....	29
Net gain on fixed and intangible assets - IFRS .....	32
Write-downs on loans and guarantees - IFRS.....	32
Capital adequacy – NGAAP .....	33
Taxes - IFRS .....	33
Financial results DnB NOR Group - IFRS.....	34
Key figures - IFRS .....	36
<b>3. Financial results - banking group - NGAAP .....</b>	<b>37</b>
Financial results – banking group - NGAAP .....	38
Net interest income – banking group - NGAAP .....	39
Net other operating income – banking group - NGAAP .....	41
Operating expenses – banking group - NGAAP .....	45
Losses on loans and guarantees – banking group - NGAAP .....	47
Asset quality – banking group - NGAAP .....	48
Lending – banking group - NGAAP .....	49
Customer savings – banking group - NGAAP .....	51
Capital adequacy – banking group - NGAAP .....	51
Financial results – banking group - NGAAP .....	52
Key figures – banking group - NGAAP .....	53
The banking group - business areas according to NGAAP.....	55
- Corporate Banking .....	56
- Retail Banking .....	64
- DnB NOR Markets .....	69
<b>4. Financial results Life Insurance and Pensions according to NGAAP ....</b>	<b>75</b>
<b>5. Financial results Asset Management according to NGAAP .....</b>	<b>85</b>
<b>6. Shareholder information .....</b>	<b>91</b>
Equity-related data .....	92
Shareholder structure as at end-June 2005 .....	93
<b>7. The Norwegian economy .....</b>	<b>95</b>

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 have 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. Effects for the Group's accounts as a consequence of fully consolidation of Life Insurance and Pensions according to IFRS are described in chapter 4.

## **Section 1**

# **DnB NOR- an overview**

## Financial highlights

### 2Q05 results

- Profit for the period up 30 per cent to NOK 2.4 billion (1.9)
- Expenses cut back to 52.6 per cent of income (55.7)
- Return on equity was 18.6 per cent (16.4)
- Earnings per share were NOK 1.82 (1.42)

Accounting figures according to IFRS. Pro forma figures for the second quarter of 2004 in parentheses.

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

### DnB NOR Group (IFRS)

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

### As at 30 June 2005

NOK	1 325 billion
NOK	993 billion
NOK	622 billion
NOK	383 billion

### Banking group operations (NGAAP)

- Total assets
- Net lending
- Customer deposits

NOK	786 billion
NOK	617 billion
NOK	393 billion

### Asset management (NGAAP)

- Mutual funds
- Discretionary management
- Total assets under management

NOK	85 billion
NOK	247 billion
NOK	332 billion

### Life Insurance and Pensions (NGAAP)

- Total assets
- of which unit linked

NOK	186 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 910 000 individuals insured
- Asset Management has more than 686 000 mutual fund customers in Norway and around 470 institutional clients in Norway and Sweden

### Market shares

See business areas

- Corporate Banking pp. 56-63
- Retail Banking pp. 64-68
- DnB NOR Markets pp. 69-74
- Life Insurance and Pensions pp. 75-84
- Asset Management pp. 85-90

### Distribution network

- 193 domestic DnB NOR branches
- 17 Nordlandsbanken branches
- 7 international branches
- 5 international representative offices
- 43 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 1 900 rural postmen <sup>1)</sup>
- 77 DnB NOR Eiendom sales offices
- 22 Vital sales offices
- 22 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 +	A-1

## Group strategy

DnB NOR's strategic platform provides 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, sincere 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. The Baltic region is an important and rapidly expanding market where many of DnB NOR's Nordic customers have operations. The establishment of DnB NORD is an important strategic move with the aim to follow customers into one of Europe's most dynamic regions. DnB NOR is the preferred partner for international customers doing business in Norway.

A common value base and a common 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 wishes to be perceived as a financial services institution showing social responsibility. Finally DnB NOR wishes to be the preferred alternative for investors giving priority to long-term value creation. 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.

DnB NOR has reviewed its financial target figures in light of the impact of the transition to IFRS. Although the new accounting principles will result in an increase in the cost/income ratio of approximately 2.5 percentage points and an estimated 0.5 percentage points decrease in the return on equity, DnB NOR has decided to maintain its financial targets unchanged. The targets are:

- A return on equity of over 15 per cent
- A cost/income ratio under 50 per cent to be reached by 2008
- 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



## Risk-adjusted capital

### New model for measuring risk-adjusted capital, taken into use as of 30 June 2005

During the second quarter of 2005, DnB NOR started using a new, improved model for risk measurement, adapted to new requirements in the Basel II regulations due to be introduced in 2007. The new model will play a key part in meeting requirements for measuring and assessing the Group's risk level.

Risk measurement is a field in constant development, and during the past year, DnB NOR has thus carried out an extensive project to improve risk measurement in the Group. The project has received support from 'Skattefunn', a public support scheme for research and development administered by the Research Council of Norway. Significant changes have been made relative to previous methods and models.

The table below shows risk-adjusted capital for the Group. Figures for previous periods have been restated in accordance with new risk measurement principles.

#### Risk-adjusted capital for the DnB NOR Group

<i>Amounts in NOK billion</i>	30 June 2005	31 March 2005	31 Dec. 2004	30 Sept. 2004	30 June 2004	31 March 2004	31 Dec. 2003
Credit risk	24.8	24.2	23.6	23.7	23.9	23.4	22.0
Market risk	2.0	2.0	2.1	2.1	1.9	1.9	2.1
Ownership risk for Vital	9.0	9.0	7.2	8.2	7.4	7.0	6.6
Operational risk	4.0	4.0	4.0	3.9	3.9	3.7	3.7
Business risk	1.6	1.6	1.6	1.6	1.6	1.6	1.6
<b>Gross risk-adjusted capital</b>	<b>41.4</b>	<b>40.6</b>	<b>38.5</b>	<b>39.4</b>	<b>38.7</b>	<b>37.6</b>	<b>35.9</b>
Diversification effects	(13.4)	(13.4)	(12.1)	(12.6)	(11.6)	(11.4)	(11.3)
<b>Net risk-adjusted capital</b>	<b>28.0</b>	<b>27.2</b>	<b>26.4</b>	<b>26.7</b>	<b>27.1</b>	<b>26.2</b>	<b>24.6</b>

DnB NOR currently quantifies risk-adjusted capital for the following risk categories: credit risk, market risk, ownership risk for the life insurance company, operational risk and business risk. Liquidity risk will no longer be quantified as part of risk-adjusted capital. It has proved difficult to model this risk category in a manner that is consistent with other risk categories. Liquidity risk is managed and controlled through limits and stress testing.

Risk-adjusted capital is calculated separately for each risk category as well as for the Group and individual business areas. Calculations are used in profitability measurement and as decision support within risk management. This methodology makes it possible to compare risk across risk categories and business areas.

Risk-adjusted capital should cover unexpected losses, while average losses, measured over a normal business cycle, represent expected costs which should primarily be covered through correct pricing. The quantification is based on statistical probability calculations for the various risk categories on the basis of historical data. However, calculation methods for risk-adjusted capital require a certain level of discretion and estimation, which could, if changed, have an impact on capital estimates.

As it is impossible to guard against all potential losses, DnB NOR has stipulated that risk-adjusted capital should cover 99.97 per cent of potential losses within a one-year horizon. This level is in accordance with an Aa level rating for ordinary long-term debt.

**Credit risk**

Risk-adjusted capital for credit risk is aggregated on the basis of individual commitments, where each commitment is classified with respect to quality according to expected default frequency and the magnitude of losses in the event of default. DnB NOR divides commitments into 34 business sectors and ten risk categories depending on expected default frequency. In addition, there is a separate category for commitments already classified as impaired commitments. The portfolio classification provides the basis for statistical calculations of expected losses and for risk-adjusted capital. Calculations of risk-adjusted capital include the effect of sector concentrations, sector diversification and large individual commitments. The parameters used in the calculations are as far as possible in line with Basel II regulations. The previous beta distribution of losses has been replaced by a cumulative normal distribution. This distribution is used in calculations of minimum capital adequacy requirements when applying the Internal Ratings-Based approaches in the Basel II regulations.

**Market risk**

Risk-adjusted capital for market risk is quantified by simulating potential losses based on the anticipated maximum exposure, liquidation periods for positions and estimated correlations between the defined asset classes. Modelled liquidation periods vary from 250 days for equity investments in banking operations to two days for positions in the most commonly traded currencies.

When modelling returns, the lognormal distribution has been replaced by student-t6 distribution combined with changing variance (GARCH). This combination entails a greater probability of extreme variations. The changes are expected to give more realistic results.

**Ownership risk related to Vital**

Risk-adjusted capital for Vital reflects the risk that the DnB NOR Group, as owner of the insurance company, will have to report a net loss for these operations and that the Group may have to provide the insurance company with new equity. In calculating risk-adjusted capital for Vital, changes in the value of financial assets in Vital are simulated, including the value of currency hedging. Assets in Vital are divided into individual portfolios, and changes in values are simulated on a daily basis, taking account of correlations between the portfolios. The total value is tested against limits indicating when DnB NOR will have to record net losses. These limits will be affected by the securities adjustment reserve, interim profits and additional allocations, as well as the guaranteed rate of return. Calculations include insurance risk, i.e. the uncertainty associated with assumptions regarding mortality, life expectancy and disability.

One major change is that the effect of a possible rebalancing of the portfolio, e.g. dynamic adjustment, is included in the calculations in a simplified form. Corresponding adjustments have been made with respect to financial returns, using the same assumptions for distribution as those pertaining to market risk.

**Operational risk**

Risk-adjusted capital for operational risk is based on Basel II capital requirements, using the Standardised Approach, but adapted to a higher confidence level (99.97 per cent). As previously, operational risk is modelled by a lognormal distribution.

**Business risk**

Business risk, which is now included in risk calculations, is the risk of losses due to external factors such as the market situation or government regulations. This risk category also includes reputational risk. The risk is measured on the basis of fluctuations in income and expenses which cannot be linked directly to any other risk categories. Business risk is modelled by a lognormal distribution.

**Diversification effects**

A significant diversification or portfolio effect arises when the various risks are added, as it is highly unlikely that all losses will occur at the same time. These aspects are very difficult to integrate in a proper manner. Net risk-adjusted capital is quantified by parallel simulation of all risk categories. The covariation between the risk categories is modelled partly through joint risk drivers, such as share indices for market risk and ownership risk for Vital, and partly through copula functions which combine underlying loss distributions. The diversification effect between

risk categories and business areas implies that the Group's risk-adjusted capital will be much lower than the sum for the business areas as independent units.

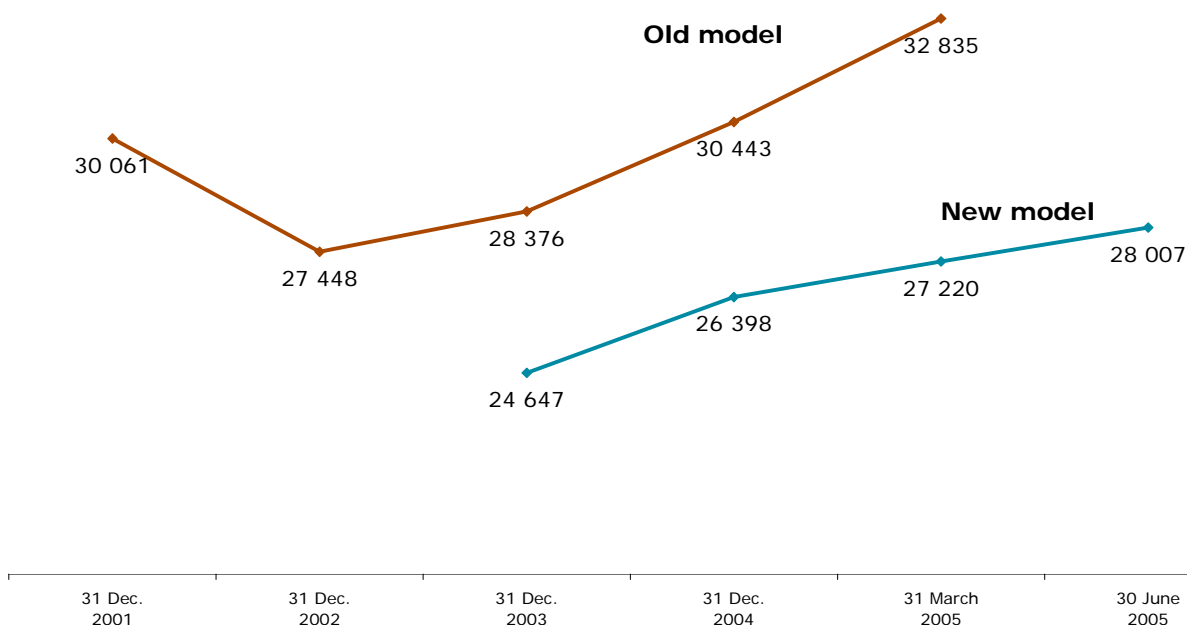
### Minimum capital requirements and changes in the total risk model

Calculations according to the new model indicate a minimum capital requirement between 10 and 15 per cent below estimates based on DnB NOR's previous model, see chart.

According to the previous model, the estimated minimum capital requirement represented the sum of net risk-adjusted capital and an addition for variations in expected credit losses. Annual expected credit losses should equal average losses over a normal business cycle. The addition should reflect variations in losses within the business cycle. A figure corresponding to three times annual expected losses was therefore added to risk-adjusted capital to ensure that DnB NOR would be adequately capitalised to meet unexpected losses at any time within a normal business cycle, even with an uneven distribution of expected losses. The risk covered by the addition is now included directly in risk-adjusted capital for credit risk through maturity adjustment. The minimum capital requirement now equals risk-adjusted capital.

#### Minimum capital requirements

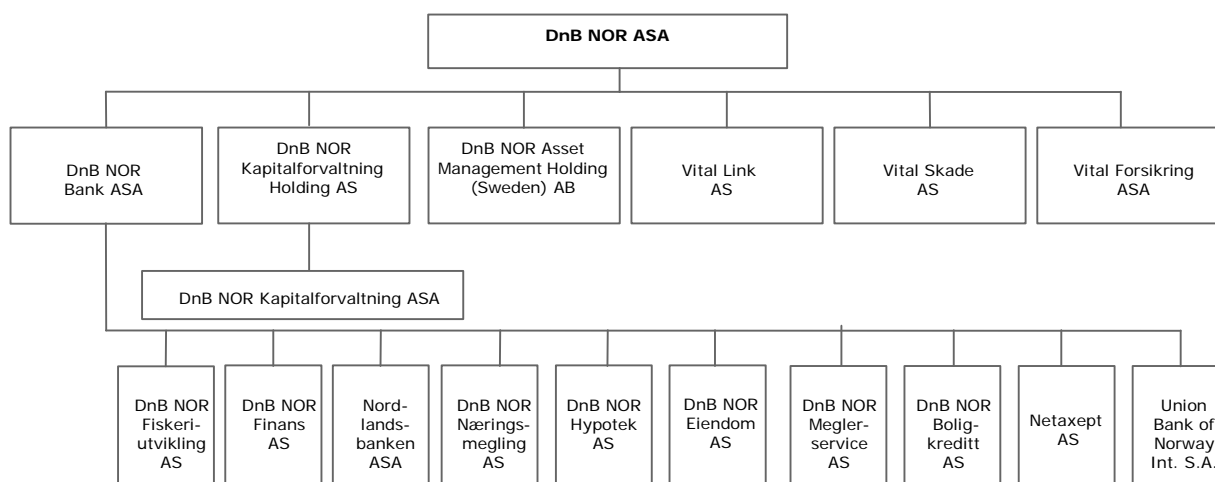
NOK million



## 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-June 2005.

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



## Changes in group structure

### 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 in chapters 3B, 4 and 5, including financial information, has been prepared as though these companies are no longer part of the Group. In the Group accounts according to IFRS in section 2, accounts for the companies are combined under the item "profit from discontinuing operations after taxes".

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.

**Sale of Aurora Salmon AS**

Through Nordlandsbanken Invest AS, DnB NOR sold its wholly owned subsidiary Aurora Salmon AS to Lerøy Seafood Group ASA (LSG). Nordlandsbanken Invest received shares in LSG as partial settlement for the shares in Aurora Salmon, thus bringing DnB NOR's holding in LSG to 5.89 per cent. Gain on the sale of Aurora amounted to NOK 59 million in the second quarter accounts, see table on page 32.

**Sale of shares in Pan Fish ASA**

DnB NOR Bank ASA sold its 24 per cent holding in Pan Fish ASA to institutional investors. After the transition to IFRS, Pan Fish has been recorded as an associated company in the group accounts. Gain on the sale of shares in Pan Fish amounted to NOK 314 million in the second quarter accounts, see table on page 32.

**Establishment of new banking group in the Baltic region – DnB NORD**

In Norway, DnB NOR sees only a potential for organic growth, while further expansion must take place outside domestic borders. The Baltic region represents a large growth area, and on 21 June 2005, DnB NOR decided to establish a banking group under the name DnB NORD in cooperation with Norddeutsche Landesbank Girozentrale (NORD/LB), with operations in Denmark, Finland, Estonia, Latvia, Lithuania and Poland. DnB NOR will obtain a significant strategic position in important expanding markets through the agreement. The new entity will be owned 51 per cent by DnB NOR Bank and 49 per cent by NORD/LB. The new bank is scheduled to become operative as from January 2006.

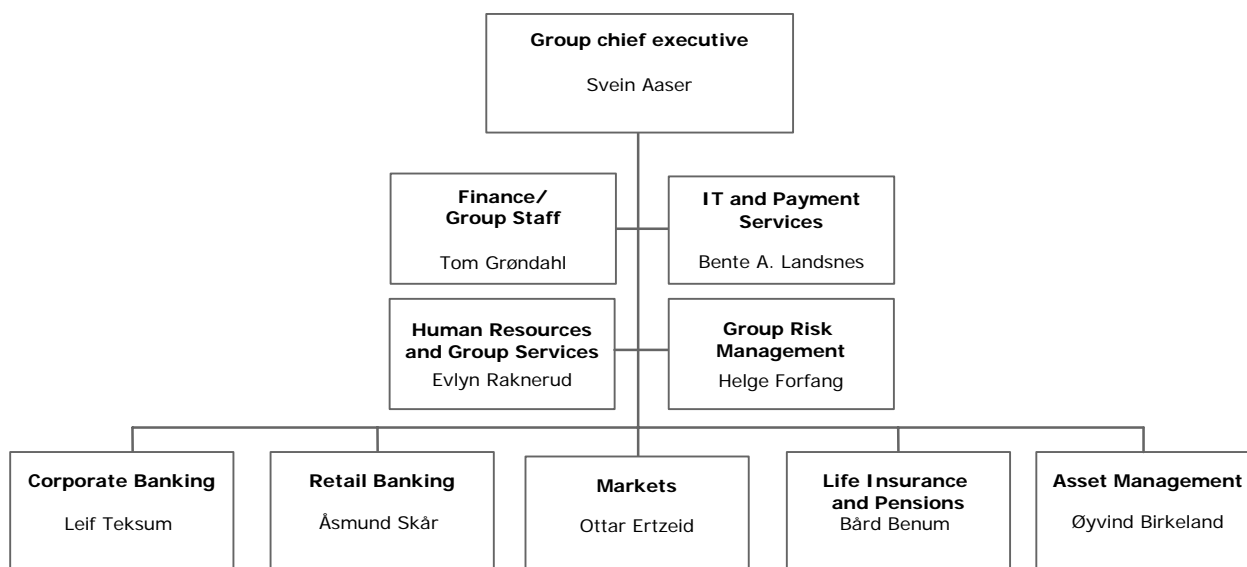
DnB NORD will have a sound position in the Baltic Sea region from day one, with 1 450 employees, 111 branch offices, more than 550 000 customers and total assets of EUR 2.7 billion, corresponding to NOK 21 billion. DnB NOR will pay EUR 157.5 million, or NOK 1 240 million, for 51 per cent of the shares in DnB NORD.

In a parallel move, DnB NOR Bank will take over NORD/LB's operations in Sweden, which had extended credits totalling EUR 1 349 million as at 31 December 2004, corresponding to NOK 10.6 billion.

## 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-June 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. 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 second quarter of 2005, such income totalled NOK 215 million. Double entries are eliminated in the group accounts. For figures for the business areas presented according to IFRS, see section 2.

For figures for the business areas presented according to NGAAP, see section 2, 3B, 4 and 5. Goodwill amortisation is not charged the business areas according to NGAAP. The effect of internal transactions between the Group's trading portfolio and banking portfolio are not eliminated in figures for the business areas presented according to NGAAP.

## 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>

#### Realised synergies <sup>4)</sup>

<i>Amounts in NOK million and full time positions</i>	Staff reductions 2003-2004	Staff reductions 1st half 2005	Total staff reductions 2003-2005	Cost synergies 1st half 2005
Retail Banking	454	174	628	206
Corporate Banking	145	51	196	77
DnB NOR Markets	101	0	101	54
Asset Management <sup>1)</sup>	71	8	79	37
Staff units/other <sup>2)</sup>	149	31	180	266
<b>Total</b>	<b>920</b>	<b>264</b>	<b>1 184</b>	<b>640</b>
Life Insurance and Pensions <sup>1) 5)</sup>	58	36	94	55
<b>Total including Life Insurance and Pensions</b>	<b>978<sup>6)</sup></b>	<b>300<sup>7)</sup></b>	<b>1 278</b>	<b>695</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. Restructuring provisions of NOK 250 million in Life Insurance and Pensions are not included.

4) Excluding operations sold

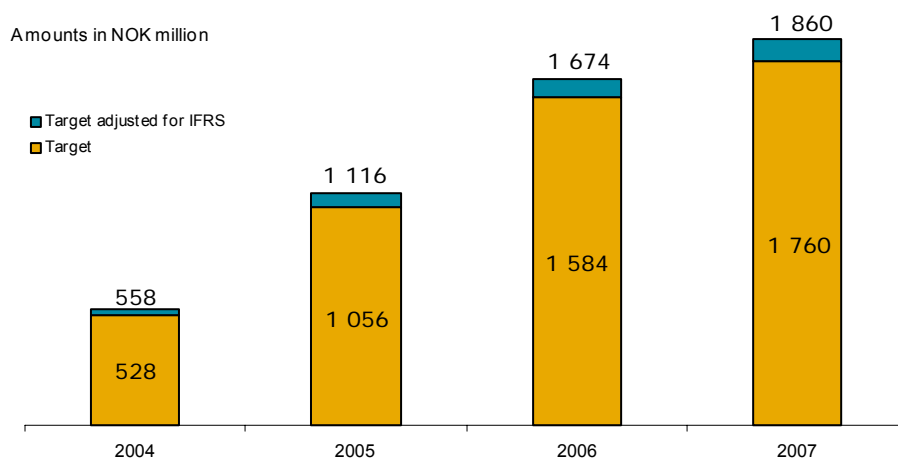
5) Based on IFRS principles, total cost synergy for Life Insurance and Pensions are included

6) Total staff reductions in DnB NOR in 2004 represented 869 full-time positions. In addition to realised staff synergies of 800 full-time positions, 28 full-time positions were eliminated due to general measures to streamline operations. The remaining staff cuts are temporary

7) Total staff reductions in DnB NOR in 2005 represented 325 full-time positions compared with reported synergies of 300. Adjusted for the sale of Aurora Salmon AS, staff was increased by 19 full-time positions due to strategic priorities. In addition to realised staff synergies of 300 full-time positions, 30 full-time positions were eliminated due to general measures to streamline operations

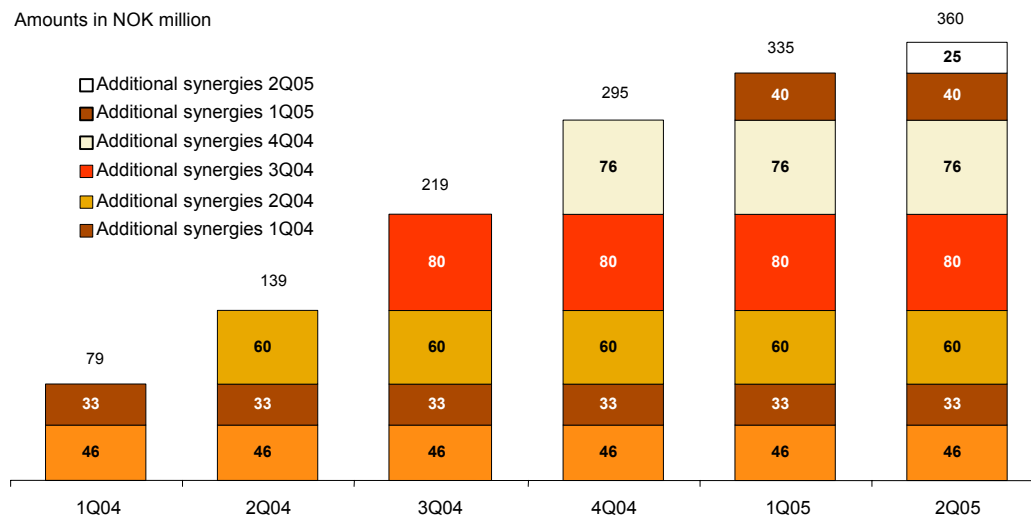


## DnB NOR's cost synergy targets



## Accumulated cost synergies<sup>1)</sup>

- Profit and loss effect 2003: NOK 93 million
- Profit and loss effect 2004: NOK 732 million
- Profit and loss effect first half 2005: NOK 695 million



1) Cost synergies include synergy effects accruing to policyholders in Life Insurance and Pensions. 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".

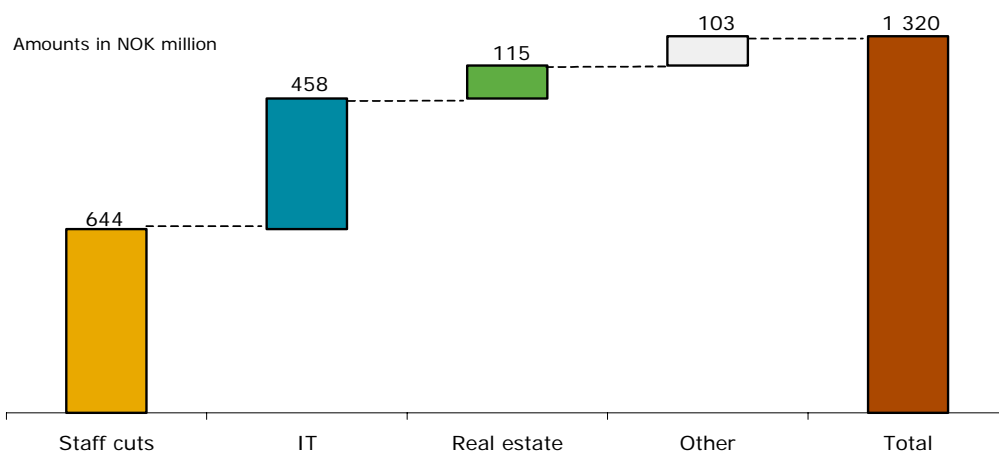
## Changes in total operating expenses

<i>Amounts in NOK million</i>	1st half 2005	Changes	1st half 2004
Total operating expenses	6 445	(1 284)	7 729
Restructuring expenses	-	(930)	930
<b>Total adjusted ordinary operating expenses</b>	<b>6 445</b>	<b>(354)</b>	<b>6 799</b>
Of which:			
Wage settlements		71	
Performance-based pay		49	
Marketing		48	
Other, incl. new activities		(45)	
Merger synergies <sup>1)</sup>		(477)	

1) Merger synergies	477
Cost synergies first half 2004	219
Cost synergies first half 2005	695

## Use of restructuring provisions

### Accumulated as of second quarter 2005



- NOK 828 million and NOK 74 million of the provisions were used in 2004 and 2003, respectively
- 71 per cent of total restructuring provisions of NOK 1 860 million have been used to date

## Transition to IFRS and accounting principles

### Transitional effects

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. Effects of the transition from NGAAP to IFRS on the Group's profits for the second quarter and first half of 2004 as well as equity as at 30 June 2004 are presented in note 1 in the second quarter report. Effects resulting from the transition to IFRS are described in further detail in note 1 to the first quarter report 2005.

A description of transitional changes resulting from the transition to IFRS is presented in the "Supplementary Information for Investors and Analysts – 1Q 05". Furthermore, a description of the transitional effects for selected 2004 profit and loss and balance sheet items is provided in "IFRS – new international accounting principles, restated 2004 figures", issued in April 2005.

### Accounting principles

A description of the accounting principles applied by the Group in preparing the accounts for the second quarter of 2005 is found in "Supplementary Information for Investors and Analysts – 1Q 05". 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. See description of the fair value option below. 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 second 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.

In June 2005, IASB (International Accounting Standards Board) issued the Fair Value Option (FVO). FVO allows for the recording of liabilities outside the trading portfolio at fair value. The standard is expected to receive EU approval during autumn 2005. The DnB NOR Group will consider applying FVO in order to reduce inconsistency in the accounts resulting from collectively managed balance sheet items being assessed according to different valuation principles. The use of FVO could result in changes in the DnB NOR Group's opening balance sheet.

IFRS is under revision, and there may be changes during 2005 based on amendments to or new interpretations of existing standards, the introduction of new standards as well as in the way the standards are put into practise. 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 the principles used in preparing the accounts for the second quarter of 2005.

The accounting principles are 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.

### Pro forma accounting figures

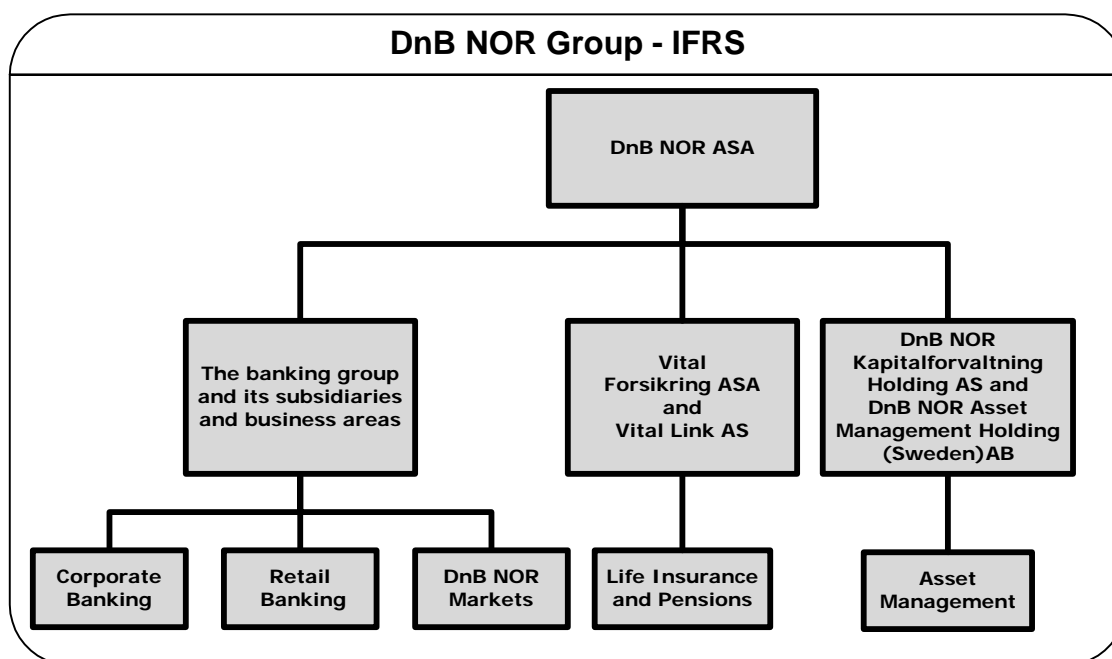
As stated above, the DnB NOR Group implemented IAS 39 – Financial Instruments, IFRS 2 – Share-based Payments, IFRS 4 – Insurance Contracts and IFRS 5 – Discontinuing Operations as of 1 January 2005. However, the accounts include pro forma figures for 2004 prepared as if the DnB NOR Group had implemented these standards as of 1 January 2004. Still, the pro forma figures are not 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 application of principles, however, they will be of limited information value.



## Section 2

# Financial results DnB NOR Group according to IFRS

Unless otherwise specified,  
figures are based on IFRS



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

Amounts in NOK million						1st half	
	2Q05	1Q05	4Q04	3Q04	2Q04	2005	2004
Ordinary operating profit <sup>1)</sup>	2 920	2 752	2 991	2 490	2 645	5 672	4 979
Pre-tax operating profit before write-downs	2 920	2 752	2 852	2 490	2 645	5 672	4 049
Pre-tax operating profit	3 253	2 633	2 798	2 657	2 596	5 885	5 028
Profit for the period	2 440	1 974	2 475	1 943	1 876	4 414	3 822
Cost/income ratio (per cent) <sup>1)</sup>	52.6	53.8	53.2	56.5	55.7	53.2	57.7
Return on equity (per cent)	18.6	15.3	20.5	16.7	16.4	17.0	16.5
Earnings per share (NOK)	1.82	1.49	1.87	1.47	1.42	3.30	2.90
Total combined assets at end of period (NOK billion)	1 325	1 298	1 246	1 261	1 277	1 325	1 277
Core capital ratio at end of period (per cent) <sup>2)</sup>	7.5	7.6	7.6	7.3	7.2	7.5	7.2

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

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

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

Amounts in NOK million						1st half	
	2Q05	1Q05	4Q04	3Q04	2Q04	2005	2004
Net interest income and credit commissions	3 407	3 350	3 436	3 401	3 401	6 757	6 543
Net other operating income	2 755	2 605	2 960	2 320	2 575	5 360	5 235
Total operating expenses	3 241	3 203	3 545	3 231	3 331	6 445	7 729
Pre-tax operating profit before write-downs	2 920	2 752	2 852	2 490	2 645	5 672	4 049
Net gains on fixed and intangible assets	455	17	(33)	3	(10)	472	943
Write-downs on loans and guarantees	123	136	21	(164)	39	259	(36)
Pre-tax operating profit	3 253	2 633	2 798	2 657	2 596	5 885	5 028
Taxes	813	658	323	714	719	1 471	1 285
Profit from discontinuing operations after taxes	0	0	0	0	0	0	79
<b>Profit for the period</b>	<b>2 440</b>	<b>1 974</b>	<b>2 475</b>	<b>1 943</b>	<b>1 876</b>	<b>4 414</b>	<b>3 822</b>

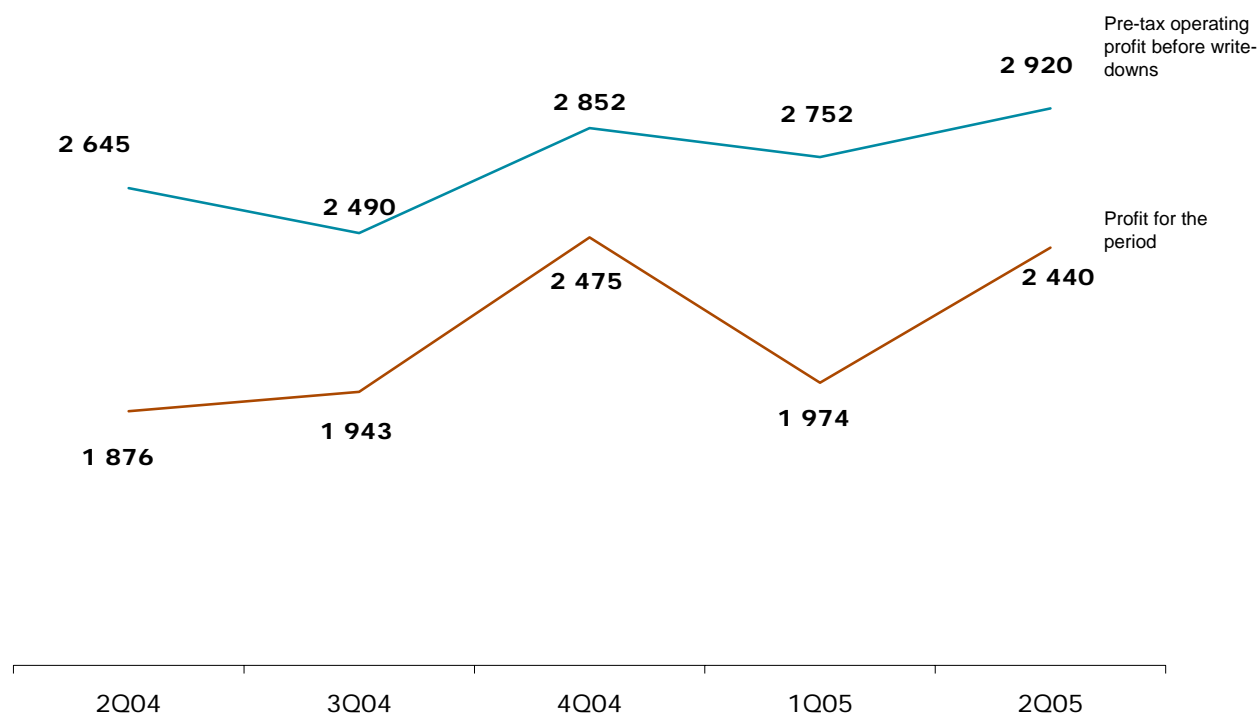
**Balance sheets – condensed – IFRS**

Amounts in NOK billion	30 June 2005	31 March 2005	1 Jan. 2005	30 Sept. 2004	30 June 2004	1 Jan. 2004
Cash and lending to/deposits with credit institutions	65.4	56.7	34.2	43.2	76.1	63.1
Net lending to customers	621.9	600.8	583.2	576.5	568.4	545.4
Commercial paper, bonds, etc.	183.8	182.5	172.1	173.0	174.1	159.2
Shareholdings, etc.	31.7	32.3	31.0	28.7	28.3	24.9
Fixed and intangible assets	30.3	31.2	31.1	29.7	29.8	29.6
Financial assets - customers bearing the risk	10.8	10.4	9.7	9.2	8.9	7.3
Other assets	49.0	45.9	51.5	55.2	46.1	53.7
<b>Total assets</b>	<b>992.9</b>	<b>959.8</b>	<b>912.8</b>	<b>915.5</b>	<b>931.8</b>	<b>883.1</b>
Loans and deposits from credit institutions	94.2	87.2	59.2	73.7	109.2	89.3
Deposits from customers	383.0	368.4	354.0	350.1	352.2	330.6
Borrowings through the issue of securities	205.6	200.0	192.8	191.9	191.6	181.8
Financial liabilities - customers bearing the risk	10.8	10.4	9.7	9.2	8.9	7.3
Liabilities to life insurance policyholders	162.1	158.0	153.5	149.7	147.1	137.7
Other liabilities and provisions	61.5	57.9	68.2	68.3	51.4	67.5
Primary capital	75.8	78.0	75.4	72.6	71.4	68.8
<b>Total liabilities and equity</b>	<b>992.9</b>	<b>959.8</b>	<b>912.8</b>	<b>915.5</b>	<b>931.8</b>	<b>883.1</b>

For full profit and loss accounts and balance sheets, see pages 32-33.

## Profits – IFRS

NOK million



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

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.

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

### Extracts from profit and loss accounts, second quarter - IFRS

	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	
	2Q05	2Q04	2Q05	2Q04	2Q05	2Q04	2Q05	2Q04	2Q05	2Q04	2Q05	2Q04
<i>Amounts in NOK million</i>												
Corporate Banking	2 064	2 002	800	843	15	17	1 264	1 160	(307)	21	1 572	1 138
Retail Banking	2 691	2 601	1 546	1 634	8	8	1 145	967	105	85	1 040	882
DnB NOR Markets	649	617	294	264	3	4	355	353	0	0	355	353
Life Insurance and Pensions	555	563	291	296	2	3	264	266	0	0	264	266
Asset Management	240	232	164	172	1	1	76	60	0	0	76	60
Double entries, eliminations	(215)	(128)	0	0			(215)	(128)	0	0	(215)	(128)
Group Centre	258	141	219	133	(29)	(33)	39	8	(130)	(70)	169	78
Eliminations	(80)	(52)	(72)	(11)			(7)	(42)	0	13	(7)	(54)
DnB NOR Group	6 162	5 976	3 241	3 331	0	0	2 920	2 645	(333)	49	3 253	2 596

### Extracts from profit and loss accounts, first half - IFRS

	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	
	First half 2005	First half 2004	First half 2005	First half 2004	First half 2005	First half 2004	First half 2005	First half 2004	First half 2005	First half 2004	First half 2005	First half 2004
<i>Amounts in NOK million</i>												
Corporate Banking	4 136	4 012	1 609	1 700	30	33	2 528	2 312	(195)	(10)	2 722	2 322
Retail Banking	5 179	4 965	3 054	3 250	16	17	2 125	1 715	176	117	1 950	1 598
DnB NOR Markets	1 311	1 284	591	572	7	8	720	712	0	0	720	712
Life Insurance and Pensions	1 159	1 105	578	593	3	5	581	511	0	0	581	511
Asset Management	490	452	333	353	1	2	156	99	0	0	156	99
Double entries, eliminations	(437)	(306)	0	0			(437)	(306)	0	0	(437)	(306)
Group Centre <sup>2)</sup>	456	388	447	1 317	(57)	(66)	8	(930)	(194)	(1 100)	202	170
Eliminations	(177)	(122)	(167)	(56)			(9)	(66)	0	12	(9)	(78)
DnB NOR Group	12 117	11 778	6 445	7 729	0	0	5 672	4 049	(214)	(979)	5 885	5 028

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.



(Pro forma accounting figures prior to 2005)

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

<i>Group Centre - pre-tax operating profit in NOK million</i>	First half	
	2005	2004
Income on equities	239	180
Group write-downs	110	92
Net gains on fixed and intangible assets	18	992
Portfolio hedging, Treasury	11	(10)
Unallocated gains/(losses)	(2)	71
Funding costs on goodwill	(49)	(54)
Ownership-related expenses (costs relating to shareholders, investor relations, strategic planning etc.)	(102)	(77)
Goodwill impairments	0	(105)
Restructuring provisions, DnB NOR merger	0	(930)
Other	(22)	12
Pre-tax operating profit	202	170

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.

**Extracts from profit and loss accounts - NGAAP**

<i>Amounts in NOK million</i>	Net interest income		Net other operating income		Total operating expenses		Pre-tax operating profit before losses		Net losses on loans and long-term securities		Pre-tax operating profit	
	First half		First half		First half		First half		First half		First half	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Corporate Banking	2 879	2 888	1 132	1 035	1 559	1 603	2 451	2 320	6	122	2 446	2 197
Retail Banking	3 710	3 584	1 405	1 374	3 067	3 263	2 048	1 695	88	59	1 960	1 636
DnB NOR Markets	93	136	1 294	1 127	591	572	796	692	0	(3)	796	695
Life Insurance and Pensions	0	0	581	511	0	0	581	511	0	0	581	511
Asset Management	8	6	479	446	333	353	154	99	(3)	0	156	99
Discontinuing operations	0	250	0	1 005	0	135	0	1 120	0	23	0	1 097
Double entries, eliminations	(5)	3	(432)	(309)	0	0	(437)	(306)	0	0	(437)	(306)
Other operations	(164)	(248)	440	405	695	1 489	(419)	(1 332)	1	(23)	(420)	(1 309)
Eliminations	(18)	(26)	(141)	(182)	(167)	(69)	9	(139)	0	12	9	(151)
DnB NOR Group	6 504	6 592	4 757	5 413	6 078	7 346	5 184	4 659	92	191	5 092	4 468

For more detailed figures for the business areas according to NGAAP, see sections 3B, 4 and 5.

**Net interest income – IFRS****Changes in net interest income – IFRS**

<i>Amounts in NOK million</i>	2Q05	Change	2Q04
<b>Net interest income</b>	<b>3 407</b>	<b>6</b>	<b>3 401</b>
Of which:			
Lending and deposit volumes		230	
Lending and deposit spreads		(190)	
Interbank funding and interest rate instruments		(97)	
Net result on equity, share investments and fixed assets		45	
Levies to the banks' guarantee fund		28	
Other		(10)	

<i>Amounts in NOK million</i>	2Q05	Change	1Q05
<b>Net interest income</b>	<b>3 407</b>	<b>57</b>	<b>3 350</b>
Of which:			
Lending and deposit volumes		82	
Lending and deposit spreads		(82)	
Interbank funding and interest rate instruments		(34)	
Interest day		35	
Net costs on equity, share investments and fixed assets		31	
Other		25	

**Interest rate spreads in Corporate Banking and Retail Banking - IFRS**

<i>Per cent</i>	2Q05			2Q04		
	Lending	Deposits	Total	Lending	Deposits	Total
Corporate Banking	1.45	0.58	2.03	1.64	0.52	2.16
Retail Banking	1.62	0.78	2.40	1.74	0.79	2.53
<b>Total</b>	<b>1.54</b>	<b>0.69</b>	<b>2.24</b>	<b>1.70</b>	<b>0.66</b>	<b>2.36</b>

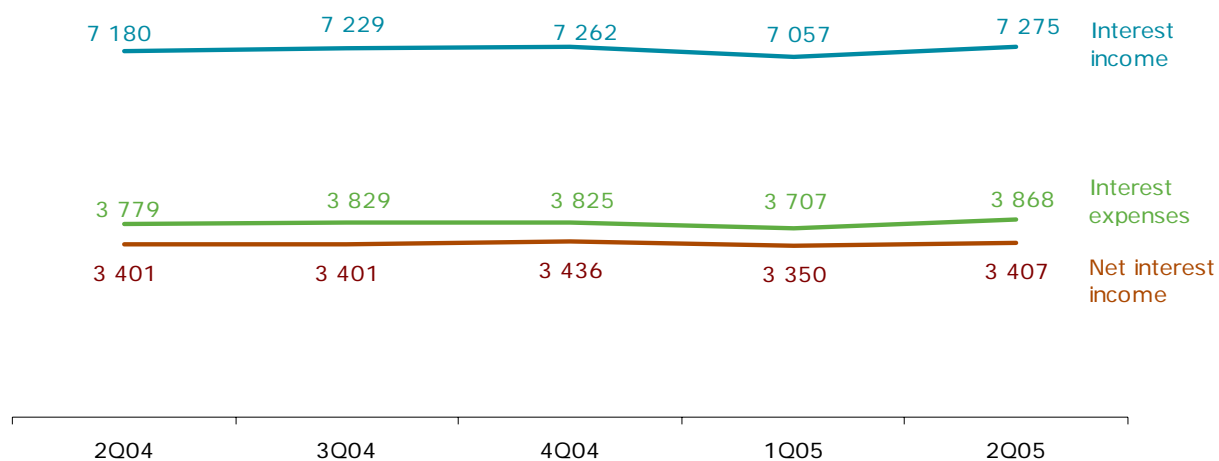
**Changes in net interest income 2Q04-2Q05 due to changes in (IFRS):**

<i>Amounts in NOK million</i>	Volume	Interest rate spreads	Total
Lending	192	(223)	(31)
Deposits	38	33	72
<b>Total</b>	<b>230</b>	<b>(190)</b>	<b>40</b>

For details on developments in spreads and volumes in the banking business, see Sections 3A and 3B. The spread and volume development analyses are the same according to both IFRS and NGAAP.

## Net interest income – IFRS

NOK million



**Net other operating income – IFRS**

Amounts in NOK million	2Q05	1Q05	4Q04	3Q04	2Q04	1st half	
						2005	2004
Money transfer and interbank transactions	505	459	512	525	499	964	954
Asset management services	269	282	287	251	251	551	511
Credit broking, guarantees etc.	65	54	56	67	64	119	120
Real estate broking	175	123	155	145	172	298	278
Custodial services	60	39	49	40	39	99	81
Securities trading	72	83	44	49	41	155	130
Sale of insurance products through the banking network	92	98	82	59	61	190	147
Other income from banking services	109	93	112	84	101	202	223
Net gains on share investments	93	87	102	17	(13)	180	139
Corporate finance etc.	81	95	83	42	82	176	122
Other income	164	223	192	167	218	388	463
Net income from Life Insurance and Pension operations	555	604	800	512	563	1 159	1 105
FX and interest rate instruments <sup>1)</sup>	514	366	486	363	498	880	962
<b>Net other operating income</b>	<b>2 755</b>	<b>2 605</b>	<b>2 960</b>	<b>2 320</b>	<b>2 575</b>	<b>5 360</b>	<b>5 235</b>
As a percentage of total income	44.7	43.8	46.3	40.6	43.1	44.2	44.4

1) Of which:

Customer trading in FX and interest rate instruments, DnB NOR Markets - NGAAP	251	333	259	209	219	585	469
Trading in FX and interest rate instruments, DnB NOR Markets - NGAAP	147	111	178	110	168	258	328
IFRS adjustments	116	(78)	49	44	111	38	165

**Changes in net other operating income – IFRS**

Amounts in NOK million	2Q05	Change	2Q04
<b>Net other operating income</b>	<b>2 755</b>	<b>180</b>	<b>2 575</b>
Of which:			
Commissions receivable on banking services		113	
Net gains on financial instruments		122	
Investments in associated companies		(17)	
Net income from life insurance and pension operations		(7)	
Other income		(32)	

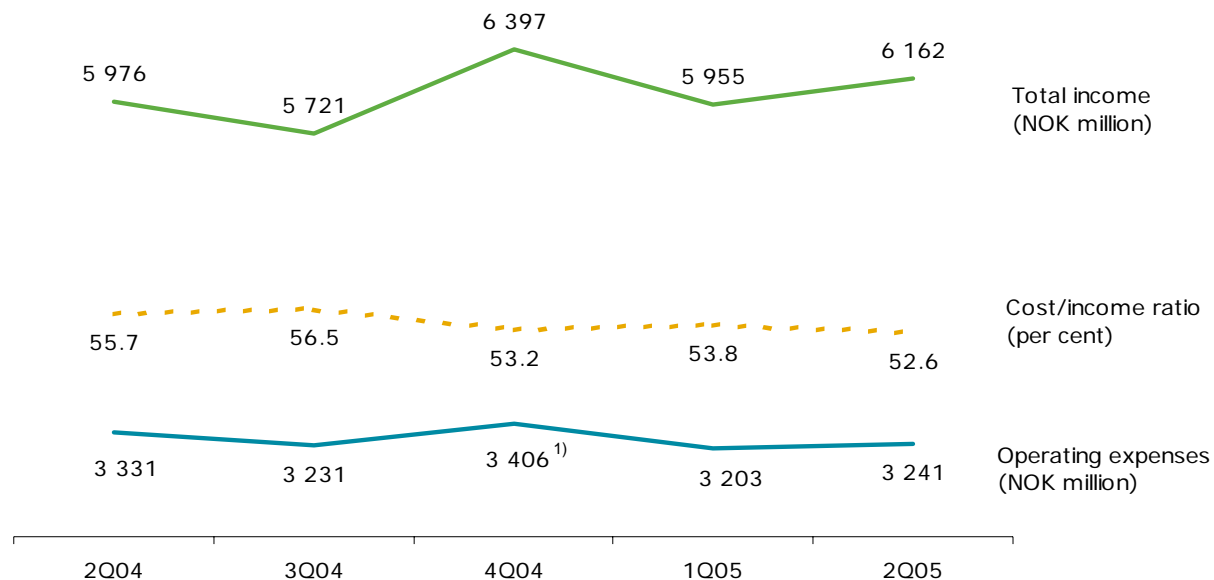
## Operating expenses – IFRS

Amounts in NOK million						1st half	
	2Q05	1Q05	4Q04	3Q04	2Q04	2005	2004
Staff costs	1 666	1 706	1 711	1 695	1 691	3 371	3 468
Other costs	1 411	1 337	1 458	1 306	1 403	2 747	2 838
Depreciation, impairment changes on fixed and intangible assets	165	161	238	230	237	326	494
Total ordinary operating expenses	3 241	3 203	3 406	3 231	3 331	6 445	6 799
Other	0	0	139	0	0	0	930
<b>Total operating expenses</b>	<b>3 241</b>	<b>3 203</b>	<b>3 545</b>	<b>3 231</b>	<b>3 331</b>	<b>6 445</b>	<b>7 729</b>

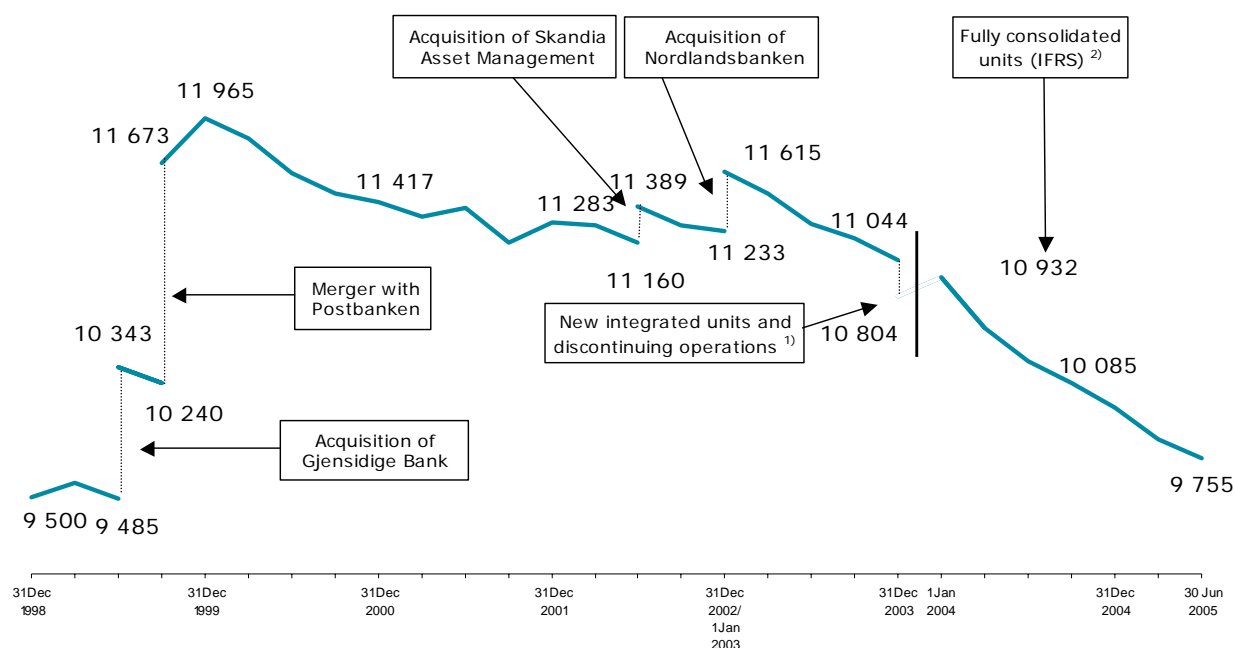
## Changes in total operating expenses – IFRS

Amounts in NOK million	2Q05	Change	2Q04
<b>Total operating expenses</b>	<b>3 241</b>	<b>(90)</b>	<b>3 331</b>
Of which:			
Wage settlements		35	
Performance-based pay		31	
Marketing		20	
Other, incl. new activities		45	
Merger synergies		(221)	

## Cost/income ratio – IFRS



1) Excluding allocations to employee funds

**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>**

	30 June 2005	Other changes	Changes in group structure resulting from the merger	31 Dec. 2004
<i>Full-time positions</i>				
Corporate Banking	1 798	(33)		1 831
Retail Banking	4 128	(160)		4 288
DnB NOR Markets	521	(9)		531
Life Insurance and Pensions	880	(46)		926
Asset Management	294	(16)		310
Discontinuing operations <sup>2)</sup>	0	0	(5)	5
Staff and support units	2 053	(21)		2 073
New subsidiaries according to IFRS <sup>3)</sup>	82	(40)		122
<b>Total</b>	<b>9 755</b>	<b>(325)</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 pages 16-18.
- 2) A reduction of five full-time positions resulted from the sale of Postbanken EiendomsMegling on 3 January 2005.
- 3) A reduction of 44 full-time positions resulted from the sale of Aurora Salmon AS in June 2005.

## IT expenses – IFRS

Amounts in NOK million	2Q05	1Q05	4Q04	3Q04	2Q04	1st half	
						2005	2004
IT operating expenses	423	399	379	417	430	822	887
Systems development expenses	145	142	143	143	134	287	297
Life Insurance and Pensions	103	98	122	110	118	200	231
<b>Total IT expenses <sup>1)</sup></b>	<b>671</b>	<b>639</b>	<b>644</b>	<b>669</b>	<b>682</b>	<b>1 310</b>	<b>1 415</b>

1) Including salaries and indirect costs.

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

Amounts in NOK million	Provisions as at 30 June 2005	Expenses	Provisions as at 1 Jan. 2005
DnB NOR merger	540	418 <sup>*)</sup>	958
Other restructuring provisions	30	10	40
<b>Total</b>	<b>570</b>	<b>428</b>	<b>998</b>
<sup>*)</sup> Of which:			
IT		185	
Staff cuts		158	
Real estate		60	
Other		15	

1) For information on synergies, see pages 16-18.

## Net gains on fixed and intangible assets - IFRS

Amounts in NOK million

	2Q05
Gain on the sale of Pan Fish	314
Gain on the sale of Aurora	59
Gain on the sale of Akersgaten (real estate)	64
Other	18
<b>Total</b>	<b>455</b>

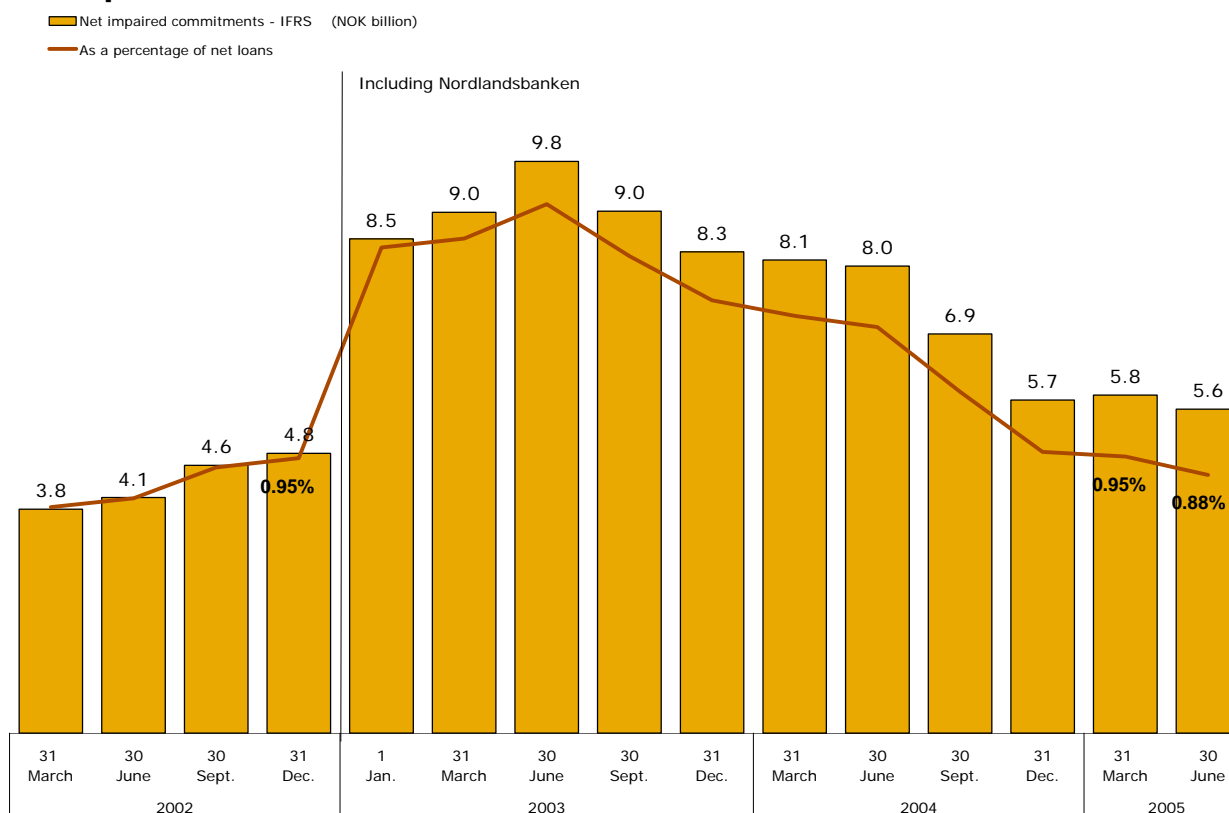
## Write-downs on loans and guarantees – IFRS

### Write-downs (profit and loss accounts) – IFRS

Amounts in NOK million

	2Q05	1Q05	4Q04	3Q04	2Q04	1st half	
						2005	2004
Individual write-downs	183	186	90	(95)	108	369	102
Group write-downs	(60)	(50)	(69)	(69)	(69)	(110)	(138)
<b>Write-downs</b>	<b>123</b>	<b>136</b>	<b>21</b>	<b>(164)</b>	<b>39</b>	<b>259</b>	<b>(36)</b>

## Net impaired commitments - IFRS



For further details on losses and non-performing loans according to NGAAP, see Section 3A.



## Capital adequacy – NGAAP

### Development in primary capital and capital ratios – NGAAP <sup>1)</sup>

<i>Amounts in NOK million</i>	30 June 2005	31 Dec. 2004
Share capital	13 369	13 271
Other equity	33 631	33 327
Total equity	47 000	46 598
Perpetual subordinated loan capital securities <sup>2) 3)</sup>	5 592	5 531
Reductions:		
Pension funds above pension commitments	(1 249)	(1 141)
Goodwill	(4 437)	(4 902)
Deferred tax assets	(715)	(728)
Other intangible assets etc.	(246)	(299)
Core capital	45 945	45 059
Perpetual subordinated loan capital <sup>2) 3)</sup>	5 995	5 367
Term subordinated loan capital <sup>3)</sup>	13 084	13 538
Net supplementary capital	19 078	18 905
Deductions	126	455
Total eligible primary capital <sup>4)</sup>	64 897	63 509
<b>Total risk-weighted volume</b>	<b>634 057</b>	<b>591 906</b>
Core capital ratio (%)	7.2	7.6
Capital ratio (%)	10.2	10.7
Core capital ratio incl. 50 per cent of profit for the period (%)	7.5	
Capital ratio incl. 50 per cent of profit for the period (%)	10.5	
Core capital ratio excluding life insurance (%)	8.3	8.5
Capital ratio excluding life insurance (%)	10.3	10.7

1) The Financial Supervisory Authority of Norway 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 589 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 second quarter of 2005 was NOK 813 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 previous accounts, the DnB NOR Group incorporated profits from life insurance operations according to the equity method, whereby taxes were netted against income.

## Financial results DnB NOR Group – IFRS

### Full profit and loss accounts – IFRS

						1st half	
Amounts in NOK million	2Q05	1Q05	4Q04	3Q04	2Q04	2005	2004
Interest income	7 275	7 057	7 262	7 229	7 180	14 332	14 562
Interest expenses	3 868	3 707	3 825	3 829	3 779	7 575	8 018
<b>Net interest income and credit commissions</b>	<b>3 407</b>	<b>3 350</b>	<b>3 436</b>	<b>3 401</b>	<b>3 401</b>	<b>6 757</b>	<b>6 543</b>
Commissions and fees receivable etc.	2 081	2 026	2 015	1 923	1 963	4 107	3 919
Commissions and fees payable etc.	577	587	563	564	585	1 164	1 140
Net gains on financial instruments at fair value	576	453	563	354	484	1 029	1 093
Net gains on financial assets in life insurance and profits from insurance operations	267	337	539	240	292	604	551
Net realised gains on investment securities (AFS)	31	0	26	25	1	31	8
Profit from companies accounted for by the equity method	34	61	2	13	51	95	79
Other income	343	316	379	329	369	658	725
<b>Net other operating income</b>	<b>2 755</b>	<b>2 605</b>	<b>2 960</b>	<b>2 320</b>	<b>2 575</b>	<b>5 360</b>	<b>5 235</b>
Staff costs	1 666	1 706	1 711	1 695	1 691	3 371	3 468
Other costs	1 411	1 337	1 597	1 306	1 403	2 747	3 768
Depreciation, impairment on fixed and intangible assets	165	161	238	230	237	326	494
<b>Total operating expenses</b>	<b>3 241</b>	<b>3 203</b>	<b>3 545</b>	<b>3 231</b>	<b>3 331</b>	<b>6 445</b>	<b>7 729</b>
<b>Pre-tax operating profit before write-downs</b>	<b>2 920</b>	<b>2 752</b>	<b>2 852</b>	<b>2 490</b>	<b>2 645</b>	<b>5 672</b>	<b>4 049</b>
Net gains on fixed and intangible assets	455	17	(33)	3	(10)	472	943
Write-downs on loans and guarantees	123	136	21	(164)	39	259	(36)
<b>Pre-tax operating profit</b>	<b>3 253</b>	<b>2 633</b>	<b>2 798</b>	<b>2 657</b>	<b>2 596</b>	<b>5 885</b>	<b>5 028</b>
Taxes	813	658	323	714	719	1 471	1 285
Profit from discontinuing operations after taxes	0	0	0	0	0	0	79
<b>Profit for the period</b>	<b>2 440</b>	<b>1 974</b>	<b>2 475</b>	<b>1 943</b>	<b>1 876</b>	<b>4 414</b>	<b>3 822</b>
Earnings per share	1.82	1.49	1.87	1.47	1.42	3.30	2.90

(Pro forma accounting figures prior to 2005)

**Full balance sheets – IFRS**

<i>Amounts in NOK million</i>	30 June 2005	31 March 2005	1 Jan. 2005	30 Sept. 2004	30 June 2004	1 Jan. 2004
Cash and deposits with central banks	1 593	7 366	8 780	12 802	5 496	8 570
Lending to and deposits with credit institutions	63 825	49 342	25 397	30 448	70 591	54 496
Gross lending to customers	626 712	605 593	588 153	581 935	574 002	551 646
- Accumulated write-downs	(4 778)	(4 788)	(4 981)	(5 427)	(5 597)	(6 294)
Net lending to customers	621 934	600 805	583 172	576 508	568 405	545 352
Trading securities - commercial paper and bonds	57 148	52 999	48 470	48 470	48 470	32 221
Trading securities - shareholdings etc.	412	1 270	1 117	1 117	1 117	272
Financial assets - customers bearing the risk	10 766	10 354	9 747	9 230	8 942	7 287
Other financial instruments at fair value through profit and loss - commercial paper and bonds	75 010	75 152	67 966	67 898	69 837	79 550
Other financial instruments at fair value through profit and loss - shareholdings etc.	29 680	29 288	28 078	25 695	25 382	22 660
Financial derivative instruments	37 021	34 384	41 148	36 493	30 262	37 693
Financial derivative instruments used for hedging	2 189	1 200	1 828	1 828	1 828	1 504
Shareholdings - available for sale	210	298	303	271	231	480
Commercial paper and bonds - held to maturity	51 656	54 390	55 645	56 588	55 837	47 414
Investment property	18 335	18 725	18 616	16 934	16 829	16 884
Investments in associated companies	1 382	1 452	1 507	1 641	1 606	1 495
Intangible assets	5 399	5 524	5 574	5 847	6 034	6 089
Deferred tax assets	416	427	406	350	355	183
Fixed assets	5 990	6 240	6 189	6 250	6 327	6 303
Biological assets	147	247	278	278	278	183
Discontinuing operations	0	0	25	25	25	1 479
Accrued income and prepaid expenses	2 207	2 596	2 311	2 145	2 429	2 029
Other assets	7 586	7 737	6 220	14 722	11 540	10 968
<b>Total assets</b>	<b>992 904</b>	<b>959 797</b>	<b>912 779</b>	<b>915 539</b>	<b>931 820</b>	<b>883 113</b>
Loans and deposits from credit institutions	94 150	87 222	59 174	73 734	109 198	89 346
Deposits from customers	382 959	368 358	353 957	350 132	352 210	330 635
Financial derivative instruments	36 636	33 822	44 134	39 796	31 700	43 850
Securities issued	205 636	200 006	192 812	191 869	191 558	181 775
Insurance liabilities - customers bearing the risk	10 766	10 354	9 747	9 230	8 942	7 287
Liabilities to life insurance policyholders	162 143	157 972	153 488	149 713	147 127	137 693
Other liabilities	16 552	14 594	14 721	15 394	9 526	12 673
Accrued expenses and prepaid income	3 161	4 103	3 822	8 004	5 039	4 943
Discontinuing operations	0	0	24	24	24	1 227
Provisions	5 101	5 374	5 486	5 047	5 086	4 844
Subordinated loan capital	24 283	25 523	25 256	24 981	25 679	24 504
<b>Total liabilities</b>	<b>941 387</b>	<b>907 328</b>	<b>862 620</b>	<b>867 925</b>	<b>886 088</b>	<b>838 778</b>
Minority interests	42	33	33	44	41	8
Revaluation reserve	90	116	122	92	92	92
Share capital	13 369	13 366	13 271	13 220	13 220	13 090
Other reserves and retained earnings	38 016	38 954	36 734	34 259	32 379	31 144
<b>Total equity</b>	<b>51 517</b>	<b>52 470</b>	<b>50 159</b>	<b>47 614</b>	<b>45 732</b>	<b>44 334</b>
<b>Total liabilities and equity</b>	<b>992 904</b>	<b>959 797</b>	<b>912 779</b>	<b>915 539</b>	<b>931 820</b>	<b>883 113</b>

## Key figures – IFRS

	2Q05	1Q05	4Q04	3Q04	2Q04	1st half	
						2005	2004
<b>Interest rate analysis</b>							
1 Combined average spread for lending and deposits (%)	2.24	2.29	2.39	2.39	2.36	2.26	2.34
2 Spread for ordinary lending to customers (%)	1.54	1.61	1.66	1.67	1.70	1.57	1.66
3 Spread for deposits from customers (%)	0.69	0.68	0.73	0.72	0.66	0.69	0.68
<b>Rate of return/profitability</b>							
4 Net other operating income, per cent of total income	44.7	43.7	46.3	40.6	43.1	44.2	44.4
5 Cost/income ratio (%)	52.6	53.8	53.2	56.5	55.7	53.2	57.7
6 Return on equity (%)	18.6	15.3	20.5	16.7	16.4	17.0	16.5
7 Average equity including allocated dividend (NOK million)	51 754	51 282	48 848	46 631	45 734	51 550	45 495
<b>Financial strength</b>							
8 Core (Tier 1) capital ratio at end of period (%)	7.2	7.4	7.6	6.9	6.9	7.2	6.9
9 Core (Tier 1) capital ratio incl. 50 % of profit for the period (%)	7.5	7.6	-	7.3	7.2	7.5	7.2
10 Capital adequacy ratio at end of period (%)	10.2	10.5	10.7	10.0	10.1	10.2	10.1
11 Capital adequacy ratio incl. 50 % of profit for the period (%)	10.5	10.6	-	10.4	10.4	10.5	10.4
12 Core capital at end of period (NOK million)	45 945	45 628	45 059	40 850	40 760	45 945	40 760
13 Total eligible primary capital at end of period (NOK million)	64 897	64 309	63 509	59 137	59 672	64 897	59 672
14 Risk-weighted volume at end of period (NOK million)	634 057	615 011	591 906	591 794	588 370	634 057	588 370
<b>Loan portfolio and impairments</b>							
15 Write-downs relative to gross lending annualised (%)	0.08	0.09	0.01	(0.11)	0.03	0.08	(0.01)
16 Impaired commitments, per cent of net lending	0.88	0.95	0.97	1.17	1.40	0.88	1.40
17 Accumulated write-downs relative to total gross lending (%)	0.76	0.79	0.85	0.93	0.98	0.76	0.98
18 Net impaired commitments at end of period (NOK million)	5 571	5 815	5 726	6 864	8 031	5 571	8 031
<b>Liquidity</b>							
19 Ratio of customer deposits to net lending at end of period	61.6	61.3	60.7	60.7	62.0	61.6	62.0
<b>Total assets owned or managed by DnB NOR</b>							
20 Assets under management at end of period (NOK billion)	505	506	496	504	502	505	502
21 Average total combined assets (NOK billion)	1 311	1 272	1 253	1 269	1 269	1 292	1 261
22 Total combined assets at end of period (NOK billion)	1 325	1 298	1 246	1 261	1 277	1 325	1 277
23 Customer savings at end of period (NOK billion)	894	883	857	861	861	894	861
<b>Staff</b>							
24 Number of full-time positions at end of period	9 755	9 874	10 085	10 242	10 385	9 755	10 385
25 - of which in Life Insurance and Pensions	880	894	926	994	970	880	970
<b>The DnB NOR share</b>							
26 Number of shares at end of period (1 000)	1 336 875	1 336 875	1 327 139	1 321 957	1 321 957	1 336 875	1 321 957
27 Average number of shares (1 000)	1 336 875	1 327 139	1 325 899	1 321 957	1 321 957	1 332 088	1 315 918
28 Earnings per share (NOK)	1.82	1.49	1.87	1.47	1.42	3.30	2.90
29 Total shareholder's return (%)	4.2	8.4	12.2	12.6	10.5	13.0	12.0
30 Equity per share including accrued dividend at end of period (NOK)	38.54	39.25	37.79	36.02	34.59	38.54	34.59
31 Share price at end of period (NOK)	68.25	64.75	59.75	53.25	47.30	68.25	47.30
32 Price/book value	1.77	1.65	1.58	1.48	1.37	1.77	1.37
33 Market capitalisation (NOK billion)	91.2	86.6	79.3	70.4	62.5	91.2	62.5

**Definitions**

1,2,3 Excluding discontinuing operations.

4 Including operations in Life Insurance and Pensions.

5 Expenses/Total income, including operations in Life Insurance and Pensions.

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

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, dividend, available-for-sale assets, translation differences and other revaluations recognised directly in equity. Average equity excluding minority interests and cash flow hedge reserves.

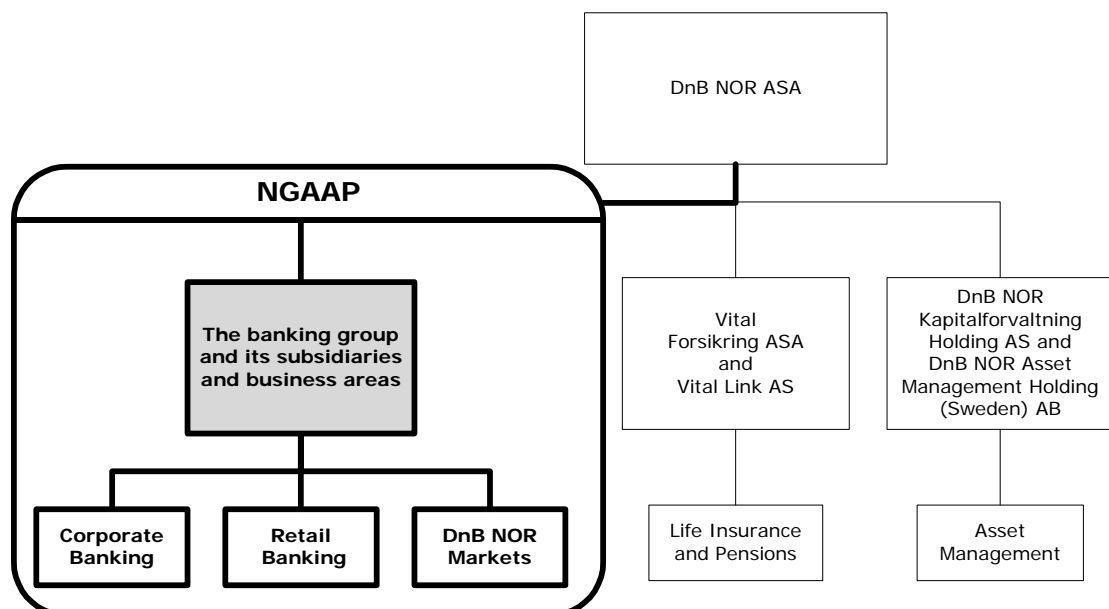
28 Excluding discontinuing operations. Earnings excluding minority interests. Holdings of own shares are not included in the average number of shares.

31 The last quoted share price on Oslo Børs at end of period relative to the book value of equity at end of period.

## Section 3A

# 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	2Q05	1Q05	4Q04	3Q04	2Q04	1st half	
						2005	2004 <sup>1)</sup>
Pre-tax operating profit before losses	2 387	2 318	2 187	2 135	2 653	4 705	4 922
Pre-tax operating profit	2 432	2 178	2 172	2 280	2 584	4 610	4 731
Profit for the period	1 775	1 590	1 668	1 663	1 887	3 366	3 455
Cost/income ratio excl. goodwill (per cent)	53.3	53.2	56.6	55.5	50.1	53.2	56.3
Cost/income ratio (per cent)	54.6	54.5	58.0	56.3	51.6	54.5	57.9
Return on equity excl. goodwill (per cent)	18.3	17.2	16.4	16.6	20.1	17.8	19.0
Return on equity (per cent)	17.6	16.5	15.7	16.3	19.3	17.1	18.1
Core capital ratio at end of period (per cent) <sup>2)</sup>	7.4	7.4	7.5	7.7	7.5	7.4	7.5

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	2Q05	1Q05	4Q04	3Q04	2Q04	1st half	
						2005	2004
Net interest income and credit commissions	3 306	3 236	3 337	3 322	3 339	6 542	6 716
Net other ordinary operating income	1 916	1 824	1 879	1 603	1 778	3 740	3 632
Ordinary operating expenses	2 831	2 772	2 887	2 746	2 822	5 603	5 959
Ordinary operating profit	2 390	2 288	2 329	2 179	2 295	4 678	4 390
Net gains on the sale of fixed assets	36	31	(6)	(40)	365	67	1 344
Other expenses	39	2	135	5	6	40	812
Pre-tax operating profit before losses	2 387	2 318	2 187	2 135	2 653	4 705	4 922
Net losses on loans etc.	(40)	134	70	(121)	82	94	218
Net gains on long-term securities	5	(5)	55	24	13	0	27
Pre-tax operating profit	2 432	2 178	2 172	2 280	2 584	4 610	4 731
Taxes	657	588	504	617	696	1 245	1 276
<b>Profit for the period</b>	<b>1 775</b>	<b>1 590</b>	<b>1 668</b>	<b>1 663</b>	<b>1 887</b>	<b>3 366</b>	<b>3 455</b>

### Balance sheets

Amounts in NOK billion	30 June 2005	31 March 2005	31 Dec. 2004	30 Sept. 2004	30 June 2004	31 Dec. 2003
Cash and lending to/deposits with credit institutions	59.2	51.2	30.4	36.9	70.9	36.6
Net lending to customers	617.2	597.0	577.4	570.7	562.4	565.9
Commercial paper, bonds, etc.	68.2	68.4	63.0	65.4	68.2	59.7
Shareholdings, etc.	3.9	6.1	6.0	5.7	5.5	5.3
Fixed and intangible assets	6.4	6.7	6.8	7.2	7.3	7.7
Other assets	30.7	28.9	29.0	31.7	23.2	29.7
<b>Total assets</b>	<b>785.6</b>	<b>758.3</b>	<b>712.5</b>	<b>717.5</b>	<b>737.7</b>	<b>704.9</b>
Loans and deposits from credit institutions	84.1	77.2	48.9	63.5	99.0	78.5
Deposits from customers	393.0	375.5	360.2	354.5	356.3	337.8
Borrowings through the issue of securities	207.1	199.6	192.4	192.3	192.1	181.9
Other liabilities and provisions	36.2	42.3	49.1	41.7	25.9	46.4
Primary capital	65.2	63.7	61.8	65.4	64.4	60.3
<b>Total liabilities and equity</b>	<b>785.6</b>	<b>758.3</b>	<b>712.5</b>	<b>717.5</b>	<b>737.7</b>	<b>704.9</b>
Average total assets for the year to date	760.0	746.7	739.3	738.3	733.9	693.4
Ratio of deposits to net lending (%)	63.7	62.9	62.4	62.1	63.4	59.7
Ratio of average deposits to average net lending (%)	62.8	63.2	62.5	62.4	61.9	63.0

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

## Net interest income – banking group - NGAAP

Amounts in NOK million							1st half
	2Q05	1Q05	4Q04	3Q04	2Q04	2005	2004
Interest on loans to and deposits with credit institutions	369	384	402	421	526	753	998
Interest and credit commissions on instalment loans	4 967	4 853	4 893	4 859	4 814	9 820	10 053
Interest and credit commissions on overdraft and working capital facilities	667	630	641	633	649	1 297	1 291
Interest and credit commissions on building loans	80	73	74	67	64	153	127
Leasing income	127	126	124	125	123	254	464
Factoring income	17	14	16	14	13	31	49
Front-end fees, etc.	257	223	256	272	242	479	473
Interest on other loans to customers	31	32	66	78	44	64	106
Total interest income on loans to customers	6 146	5 952	6 071	6 048	5 949	12 097	12 563
Interest on commercial paper and bonds	488	520	556	522	568	1 008	993
Other interest income	107	92	84	106	18	199	40
<b>Total interest income</b>	<b>7 109</b>	<b>6 948</b>	<b>7 112</b>	<b>7 097</b>	<b>7 062</b>	<b>14 057</b>	<b>14 594</b>
Interest on loans and deposits from credit institutions	500	481	413	430	456	981	951
Interest on demand deposits from customers	822	758	832	794	792	1 580	1 764
Interest on time deposits from customers	178	169	52	53	46	347	96
Interest on special-term deposits from customers	263	265	256	240	253	528	551
Total interest expenses on deposits from customers	1 263	1 192	1 140	1 087	1 092	2 455	2 412
Interest on securities issued	1 476	1 406	1 362	1 154	1 049	2 881	2 070
Interest on subordinated loan capital	224	208	195	183	171	432	346
Levies to the banks' guarantee fund	0	0	60	70	28	0	139
Other interest expenses	341	425	605	851	927	766	1 961
<b>Total interest expenses</b>	<b>3 803</b>	<b>3 712</b>	<b>3 775</b>	<b>3 775</b>	<b>3 723</b>	<b>7 515</b>	<b>7 878</b>
<b>Net interest income</b>	<b>3 306</b>	<b>3 236</b>	<b>3 337</b>	<b>3 322</b>	<b>3 339</b>	<b>6 542</b>	<b>6 716</b>

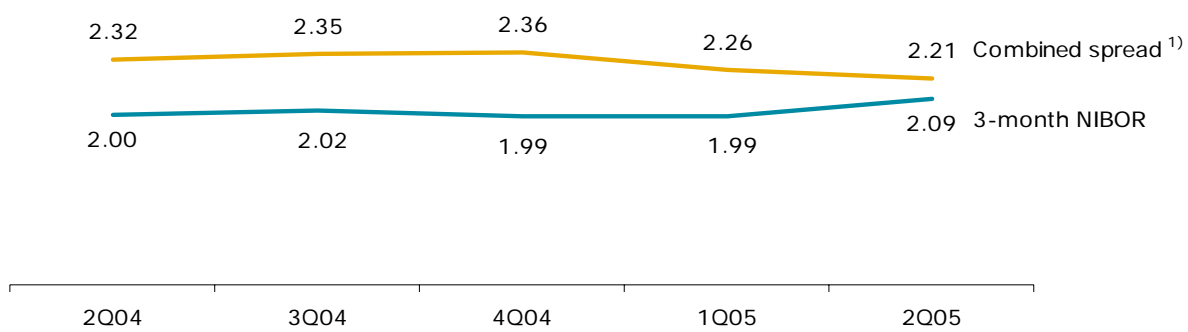
## Deposit volumes split by interest rate intervals

Amounts in NOK billion	0-0.25%	0.26-1.00%	1.01-2.00%	>2.00 %	Currency deposits/ other agreements	Total
Retail customers <sup>1)</sup>	46	19	101	24		190
Corporate customers	18	13	99	30	43	203
<b>Total June 2005</b>	<b>64</b>	<b>32</b>	<b>200</b>	<b>54</b>	<b>43</b>	<b>393</b>
<b>Total June 2004</b>	<b>75</b>	<b>32</b>	<b>193</b>	<b>14</b>	<b>42</b>	<b>356</b>

1) Including the effects of notified interest rate adjustments.

## Developments in average interest rate spreads

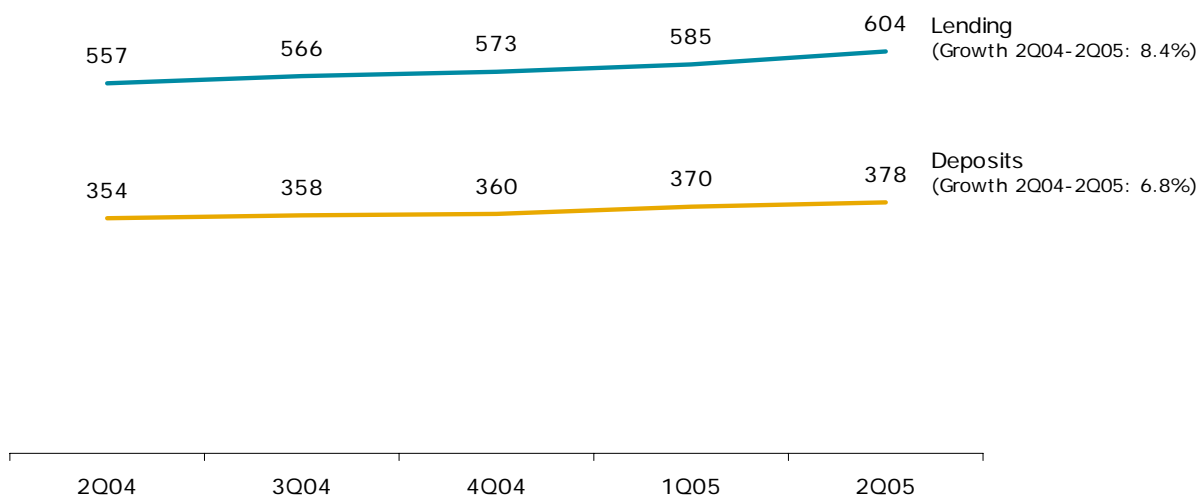
Per cent



1) Combined spread for lending and deposits.

## Developments in average volumes

NOK billion





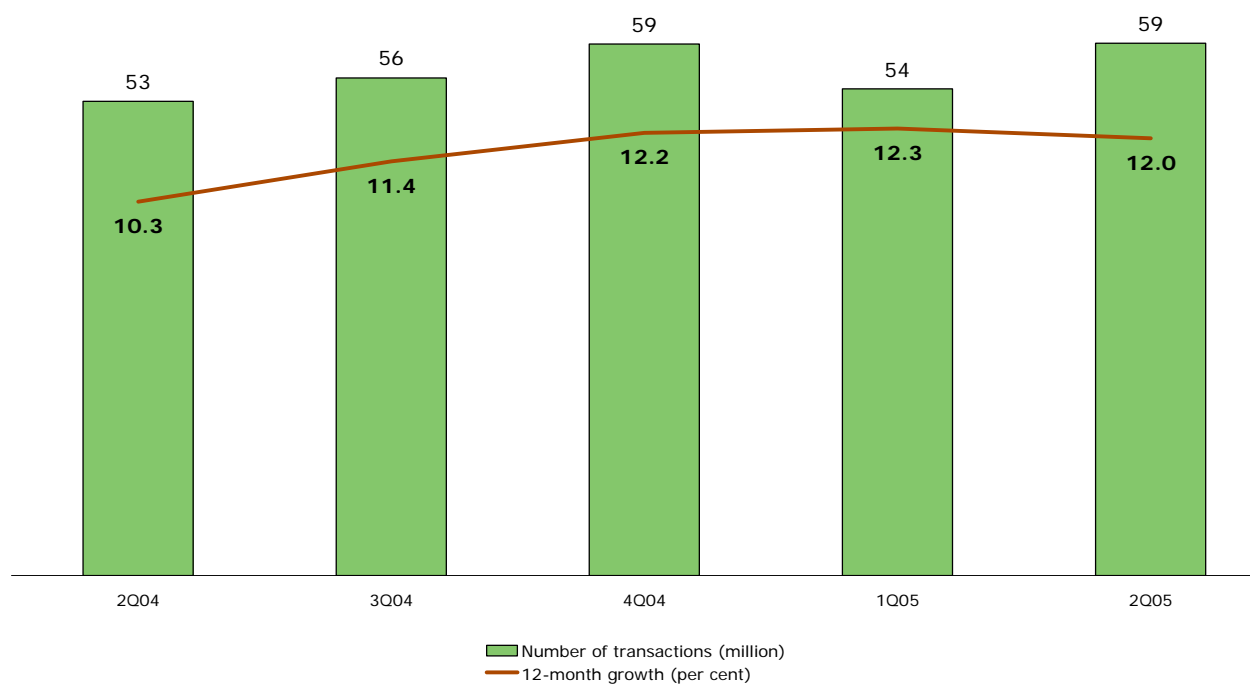
## Net other operating income – banking group - NGAAP

Amounts in NOK million							1st half
	2Q05	1Q05	4Q04	3Q04	2Q04	2005	2004
Dividends	114	30	23	18	88	143	102
Money transfer fees receivable	796	733	807	831	811	1 528	1 558
Fees on asset management services <sup>1)</sup>	42	41	54	34	(34)	83	77
Fees on custodial services	85	68	67	59	64	153	126
Fees on securities broking (incl. corporate finance)	165	188	134	103	132	353	276
Guarantee commissions	96	93	99	90	104	189	200
Interbank fees	44	45	44	44	46	89	94
Credit broking commissions	46	27	35	39	28	73	51
Sales commissions on insurance products	73	72	71	48	46	146	106
Sundry commissions and fees receivable on banking services	198	195	180	167	165	393	369
Total commissions and fees receivable	1 546	1 463	1 491	1 416	1 362	3 008	2 856
Money transfer fees payable	278	253	276	287	294	531	573
Fees on custodial services payable	25	29	18	20	25	54	46
Interbank fees	56	64	60	61	62	120	122
Sundry commissions and fees payable on banking services	162	164	137	137	95	325	274
Total commissions and fees payable	521	510	491	504	475	1 030	1 014
Net gains on short-term shareholdings	8	61	15	(3)	(20)	69	(1)
Net gains on commercial paper and bonds	87	(75)	74	153	(258)	12	(17)
Net gains on trading in foreign exchange and financial derivatives <sup>2)</sup>	423	254	577	472	1 519	677	1 831
Net gains on other short-term interest rate instruments <sup>2)</sup>	(108)	274	(181)	(281)	(852)	166	(966)
Net gains on foreign exchange and financial instruments	409	514	486	342	388	923	848
Operating income on real estate	1	2	2	11	9	3	26
Rental income	41	14	49	23	42	55	93
Fees on real estate broking	175	123	155	145	172	298	318
Share of profit in associated companies	20	26	35	43	81	46	140
Miscellaneous operating income	130	163	129	108	111	293	264
Total sundry ordinary operating income	368	327	370	331	414	695	841
Gains on the sale of fixed assets	36	31	(6)	(40)	365	67	1 344
<b>Net other operating income</b>	<b>1 952</b>	<b>1 855</b>	<b>1 872</b>	<b>1 563</b>	<b>2 143</b>	<b>3 807</b>	<b>4 976</b>
<i>As a percentage of total income <sup>3)</sup></i>	<i>37.1</i>	<i>36.4</i>	<i>35.9</i>	<i>32.0</i>	<i>39.1</i>	<i>36.8</i>	<i>37.5</i>

1) The reduction in the second quarter of 2004 can be ascribed to the transfer of operations from the banking group to other entities within the Group.

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

3) Gains on the sale of operations are not included in the calculation in the first half of 2004.

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

## Net gains on foreign exchange and financial instruments

Amounts in NOK million							1st half	
	2Q05	1Q05	4Q04	3Q04	2Q04		2005	2004
Net gains on short-term shareholdings	8	61	15	(3)	(20)		69	(1)
Net gains on commercial paper and bonds	87	(75)	74	153	(258)		12	(17)
Net gains on trading in foreign exchange and financial derivatives	423	254	577	472	1 519		677	1 831
Net gains on other short-term interest rate instruments	(108)	274	(181)	(281)	(852)		166	(966)
<b>Net gains on foreign exchange and financial instruments</b>	<b>409</b>	<b>514</b>	<b>486</b>	<b>342</b>	<b>388</b>		<b>923</b>	<b>848</b>
Of which:								
DnB NOR Markets (I+II)	406	460	440	331	384		867	804
Banking portfolio, equity investments	0	44	12	(15)	(17)		44	(7)
Banking portfolio, other	3	10	33	26	21		12	51

## Total income in DnB NOR Markets

Amounts in NOK million							1st half	
	2Q05	1Q05	4Q04	3Q04	2Q04		2005	2004
<b>Customer business</b>								
Net gains on trading in foreign exchange and financial instruments (I)	251	331	254	210	217		582	466
Net interest income	62	49	61	53	56		111	101
Other income	205	223	187	154	154		428	322
<b>Total income customer business</b>	<b>519</b>	<b>603</b>	<b>501</b>	<b>417</b>	<b>427</b>		<b>1 122</b>	<b>890</b>
<b>Trading/market making</b>								
Net gains on trading in foreign exchange and financial instruments (II)	155	129	186	121	167		285	337
Net interest income	(24)	(17)	(14)	15	1		(41)	14
Other income	1	(2)	4	(2)	4		(1)	1
<b>Total income trading/market making</b>	<b>133</b>	<b>110</b>	<b>176</b>	<b>135</b>	<b>172</b>		<b>243</b>	<b>353</b>
<b>Total income customer business and trading/market making</b>	<b>651</b>	<b>713</b>	<b>677</b>	<b>552</b>	<b>599</b>		<b>1 365</b>	<b>1 242</b>
Interest on allocated equity	13	10	10	10	10		23	21
<b>Total income DnB NOR Markets</b>	<b>664</b>	<b>723</b>	<b>688</b>	<b>562</b>	<b>608</b>		<b>1 387</b>	<b>1 263</b>

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

Amounts in NOK million	30 June 2005	31 March 2005	31 Dec. 2004	30 Sept. 2004	30 June 2004	31 Dec. 2003
Commercial paper and bonds	92	80	104	88	61	57
Short-term shareholdings	143	97	110	65	94	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>	30 June 2005		31 Dec. 2004	
	Book value	Market value	Book value	Market value
<b>Commercial paper and bonds</b>				
Trading portfolio	58 637	58 637	50 436	50 436
Banking portfolio	9 571	9 662	12 549	12 653
Total commercial paper and bonds	68 207	68 299	62 986	63 090
<b>Short-term shareholdings</b>				
Trading portfolio	412	412	1 115	1 115
Banking portfolio	1 419	1 563	2 708	2 818
Total short-term shareholdings	1 831	1 974	3 823	3 933

## Major short-term shareholdings as at 30 June 2005

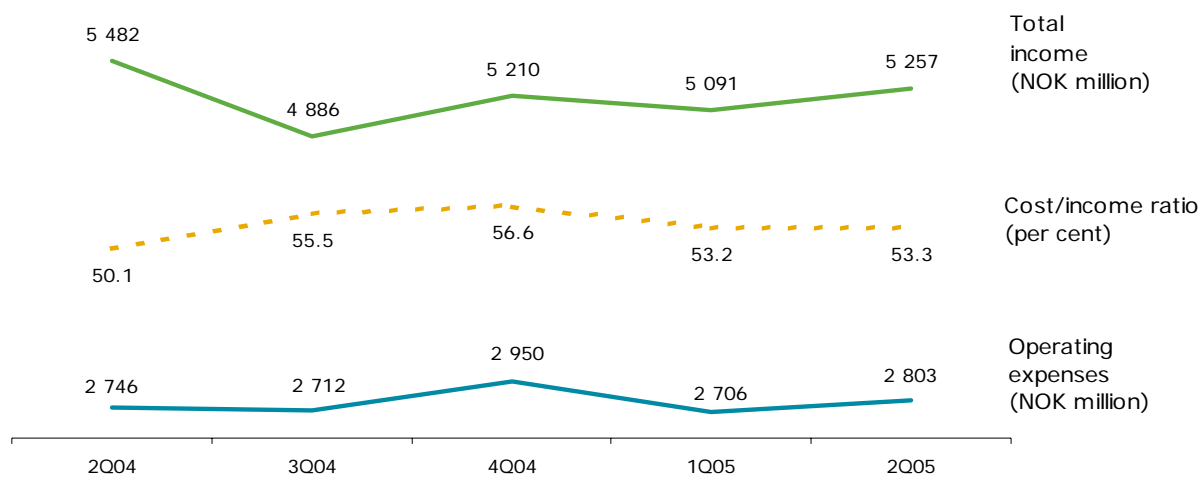
<i>Amounts in NOK million</i>	Book value	Market value
IT Fornebu Eiendom	148	114
OVDs	84	116
Troms Fylkes Dampskibsselskap	55	33
Viking Ship Finance	37	65
Euroclear	36	36
Lerøy Seafood	25	46
Orkla	23	96
KS Venturos Technology III	22	7
EFD-Elva Fritz Dusseldorf	20	20
Tomra Systems	20	10
Industrifinans SMB III	19	9
iTet	17	-
Saltens Bilruter	14	14
iTicket	14	14
Whitecliff	13	9
Scan-Sense	13	-
Equity funds, total	443	450
Other, banking portfolio	416	522
<b>Total banking portfolio</b>	<b>1 419</b>	<b>1 563</b>
Trading portfolio	412	412
<b>Total</b>	<b>1 831</b>	<b>1 974</b>

## Operating expenses – banking group - NGAAP

Amounts in NOK million						1st half	
	2005	1Q05	4Q04	3Q04	2Q04	2005	2004
Ordinary salaries	1 059	1 075	1 088	1 048	1 020	2 135	2 169
Employer's national insurance contributions	150	160	115	157	166	310	351
Pension expenses	126	140	159	157	152	266	324
Social expenses	72	58	51	66	50	130	106
Total salaries and other ordinary personnel expenses	1 407	1 434	1 413	1 428	1 387	2 841	2 951
Fees	140	120	87	118	113	260	236
EDP expenses	308	289	289	314	332	597	680
Postage, telecommunications and office supplies	140	125	151	130	144	265	323
Marketing and public relations	112	107	145	78	93	219	187
Travel expenses	39	32	34	36	47	71	86
Reimbursement to Norway Post for transactions executed <sup>1)</sup>	132	125	161	145	144	258	269
Training expenses	10	9	6	8	13	19	24
Sundry administrative expenses	55	46	53	34	46	101	85
Total administrative expenses	936	853	925	863	931	1 789	1 890
Goodwill amortisation	67	67	72	39	83	135	181
Other depreciation	128	127	136	130	135	255	282
Total depreciation	195	194	208	169	218	390	462
Operating expenses on properties and premises	234	206	231	213	216	440	463
Operating expenses on machinery, vehicles and office equipment	23	18	24	15	16	41	37
Miscellaneous ordinary operating expenses	37	67	86	58	54	103	156
Total sundry ordinary operating expenses	293	291	341	286	286	584	655
Allocations to employee funds	0	0	134	0	0	0	0
Restructuring expenses	0	0	0	0	0	0	805
Losses on the sale of fixed assets	39	2	3	1	6	40	7
Write-downs on rental contracts and fixed assets	0	0	(3)	4	0	0	0
Total other expenses	39	2	135	5	6	40	812
<b>Total operating expenses</b>	<b>2 870</b>	<b>2 773</b>	<b>3 022</b>	<b>2 751</b>	<b>2 828</b>	<b>5 644</b>	<b>6 771</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	30 June 2005	Other changes	Changes in group structure resulting from the merger	31 Dec. 2004
Corporate Banking	1 798	(33)		1 831
Retail Banking	4 128	(160)		4 288
DnB NOR Markets	521	(9)		531
Discontinuing operations <sup>2)</sup>	-	-	(5)	5
Staff and support units	2 053	(21)		2 073
<b>Total</b>	<b>8 500</b>	<b>(224)</b>	<b>(5)</b>	<b>8 728</b>

1) Figures do not include seasonal employees. For information on synergies, see pages 16-18.

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

Amounts in NOK million	2Q05	1Q05	4Q04	3Q04	2Q04	1st half	
						2005	2004
New losses	203	335	289	289	229	539	825
Reversals on specified losses	243	201	219	410	147	445	607
<b>Net losses</b>	<b>(40)</b>	<b>134</b>	<b>70</b>	<b>(121)</b>	<b>82</b>	<b>94</b>	<b>218</b>

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

Amounts in NOK million	2Q05	1Q05	4Q04	3Q04	2Q04	1st half	
						2005	2004
Retail Banking	88	0	(26)	54	62	88	72
Corporate Banking	(128)	134	57	(175)	19	6	123
Discontinuing operations							23
Other units	0	0	39	0	1	0	0
<b>Net losses</b>	<b>(40)</b>	<b>134</b>	<b>70</b>	<b>(121)</b>	<b>82</b>	<b>94</b>	<b>218</b>

1) Expected loan losses represented 0.27 per cent of the loan portfolio at the end of June 2005 (0.30 per cent at the end of 2004).

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

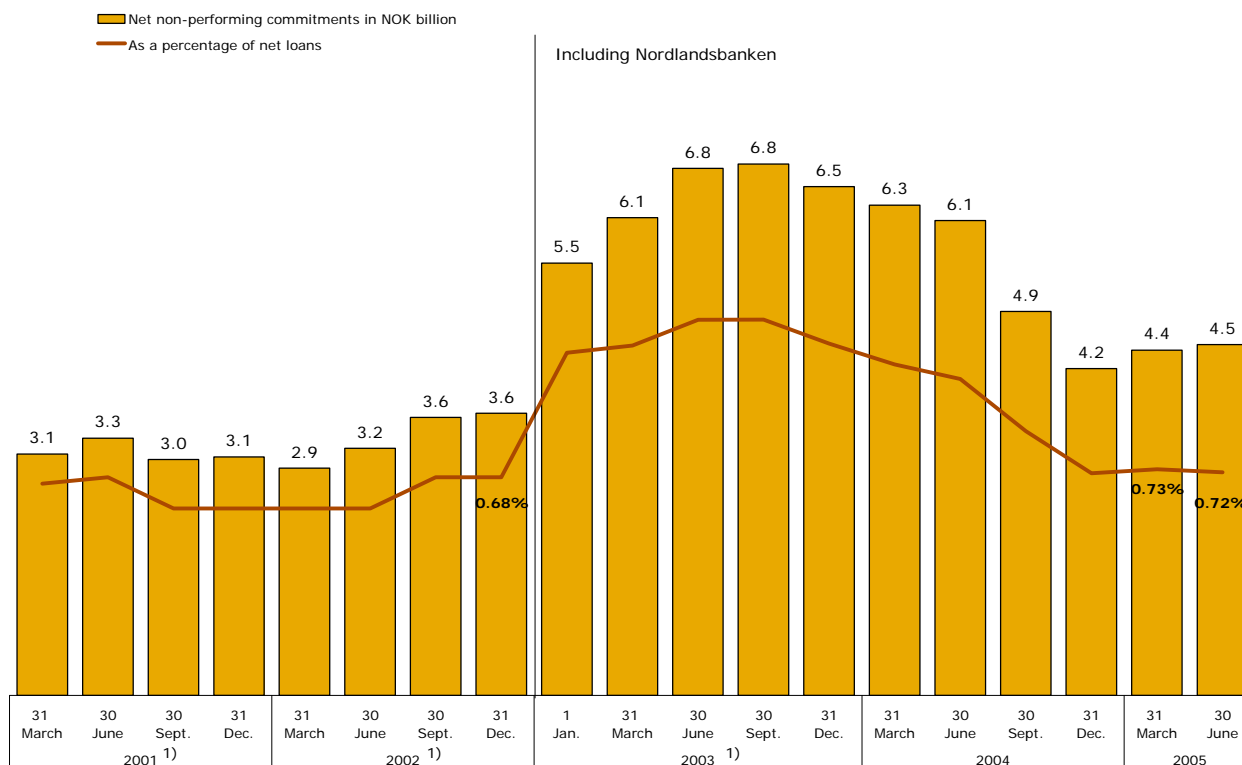
Amounts in NOK million	2Q05	1Q05	4Q04	3Q04	2Q04	1st half	
						2005	2004
Retail customers	91	6	(76)	62	51	97	71
International shipping	17	3	(7)	(14)	(25)	20	(25)
Real estate	(14)	(10)	19	(4)	5	(24)	(9)
Manufacturing	19	2	61	(231)	5	21	66
Services and management	(3)	0	13	7	(19)	(3)	(235)
Trade	6	37	(5)	30	(7)	43	25
Oil and gas	0	(7)	(7)	(30)	0	(7)	(4)
Transportation and communication	6	4	2	5	6	10	18
Building and construction	(4)	8	9	7	(1)	4	46
Power and water supply	0	2	0	0	1	2	0
Fishing	11	21	44	20	70	32	115
Other sectors <sup>2)</sup>	(241)	68	10	25	(3)	(173)	151
<b>Total customers</b>	<b>(112)</b>	<b>134</b>	<b>63</b>	<b>(123)</b>	<b>84</b>	<b>22</b>	<b>220</b>
Credit institutions	72	0	7	2	(2)	72	(2)
<b>Net losses</b>	<b>(40)</b>	<b>134</b>	<b>70</b>	<b>(121)</b>	<b>82</b>	<b>94</b>	<b>218</b>

1) Expected loan losses represented 0.27 per cent of the loan portfolio at the end of June 2005 (0.30 per cent at the end of 2004).

2) Including net losses and reversals in Pan Fish. According to NGAAP Pan Fish was classified as repossessed assets. Following the sale of the shares in Pan Fish, losses of NOK 223 million were reversed in the second quarter of 2005, see page 30.

## 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	30 June 2005	31 March 2005	31 Dec. 2004	30 Sept. 2004	30 June 2004	31 Dec. 2003
<b>Non-performing commitments</b>						
Net non-accruing commitments	3 559	3 313	3 235	3 346	3 531	4 411
Net accruing commitments	944	1 119	961	1 583	2 519	2 121
<b>Total net non-performing commitments</b>	<b>4 503</b>	<b>4 432</b>	<b>4 196</b>	<b>4 929</b>	<b>6 050</b>	<b>6 531</b>
<b>Doubtful commitments</b>						
Net non-accruing commitments	334	1 124	851	845	621	430
Net accruing commitments	1 040	524	927	1 338	1 654	1 440
<b>Total net doubtful commitments</b>	<b>1 374</b>	<b>1 648</b>	<b>1 778</b>	<b>2 183</b>	<b>2 275</b>	<b>1 870</b>
<b>Total net non-performing and doubtful commitments</b>	<b>5 877</b>	<b>6 080</b>	<b>5 974</b>	<b>7 112</b>	<b>8 325</b>	<b>8 401</b>



## Lending – banking group - NGAAP

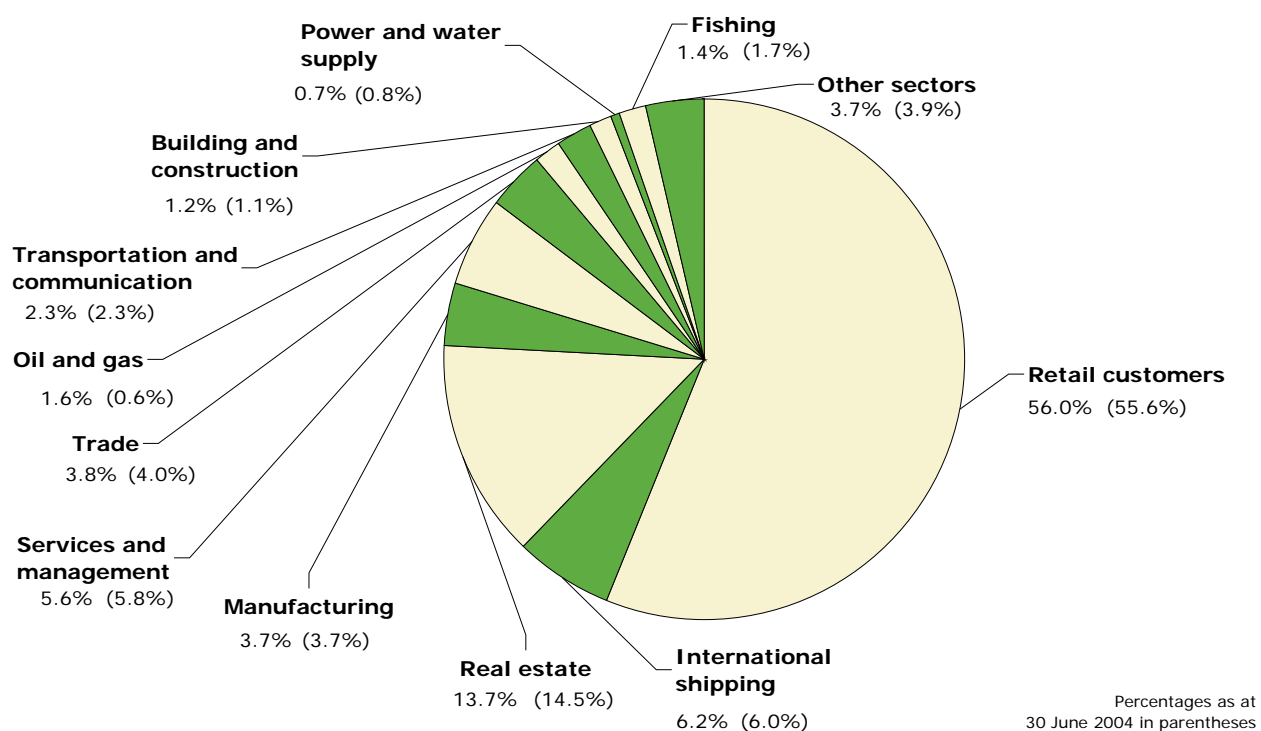
### Lending to principal sectors <sup>1) 2)</sup>

<i>Amounts in NOK billion</i>	30 June 2005	31 March 2005	31 Dec. 2004	30 Sept. 2004	30 June 2004	31 Dec. 2003
Retail customers	347.8	338.0	330.8	322.1	314.6	301.6
International shipping	38.6	33.8	32.0	32.6	33.9	31.2
Real estate	84.7	82.9	82.9	82.0	81.9	82.2
Manufacturing	22.9	23.4	20.4	22.4	20.8	24.8
Services and management	34.6	34.6	32.5	33.0	33.0	38.7
Trade	23.7	24.2	21.2	22.1	22.4	23.8
Oil and gas	10.2	6.3	4.8	3.6	3.6	4.2
Transportation and communication	14.2	13.6	13.0	12.9	13.0	14.0
Building and construction	7.3	6.6	6.2	6.1	6.2	8.4
Power and water supply	4.6	4.8	4.7	4.9	4.8	6.3
Fishing	8.9	9.2	9.0	9.3	9.4	10.4
Other sectors, of which:						
Hotels and restaurants	3.8	3.7	3.6	3.9	4.0	4.1
Agriculture and forestry	4.6	4.5	4.5	4.3	4.3	4.7
Central and local government	2.7	2.5	1.4	1.8	2.3	2.1
Other	12.2	12.4	13.9	13.1	11.7	13.1
<b>Total</b>	<b>620.8</b>	<b>600.5</b>	<b>580.9</b>	<b>574.2</b>	<b>566.0</b>	<b>569.6</b>
Of which residential mortgages						
within 80% of collateral value	321.8	312.7	307.9	293.8	288.6	257.7
above 80% of collateral value	10.2	11.4	11.1	9.2	9.4	8.9
<b>Total</b>	<b>332.0</b>	<b>324.1</b>	<b>319.0</b>	<b>303.0</b>	<b>298.0</b>	<b>266.6</b>

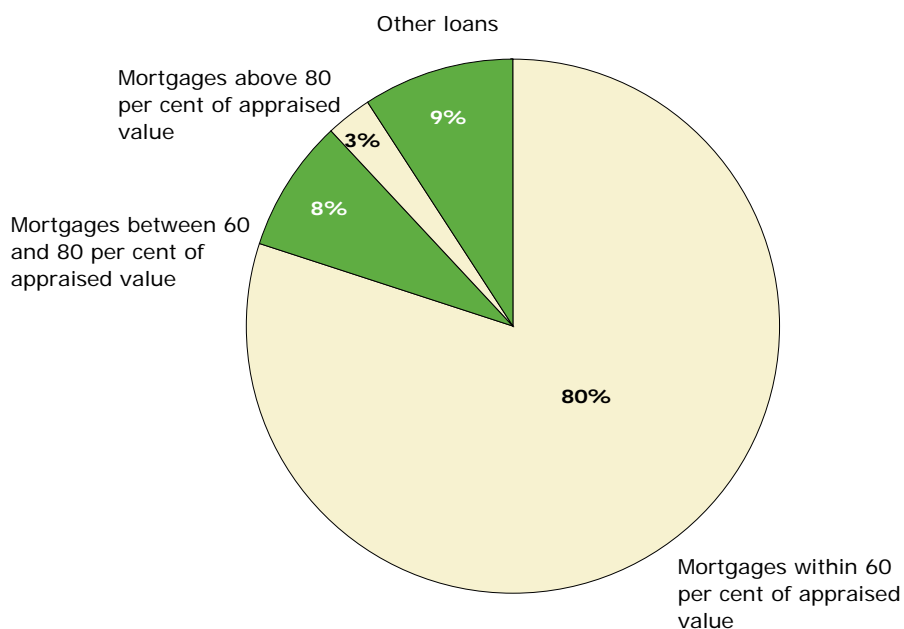
1) Split according to official industry definitions which may differ from DnB NOR's business area reporting.

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

## Lending to principal sectors as at 30 June 2005



## Retail market lending as at 30 June 2005



## Customer savings – banking group - NGAAP

### Deposits

<i>Amounts in NOK billion</i>	30 June 2005	31 March 2005	31 Dec. 2004	30 Sept. 2004	30 June 2004	31 Dec. 2003
Retail customers	190	176	173	173	178	167
Corporate customers	203	200	187	181	178	171
<b>Total <sup>1)</sup></b>	<b>393</b>	<b>376</b>	<b>360</b>	<b>354</b>	<b>356</b>	<b>338</b>

1) of which:

NOK	351	334	325	320	324	316
other currencies	42	42	35	34	32	22

## Capital adequacy – banking group - NGAAP

### Developments in primary capital and capital ratios

<i>Amounts in NOK million</i>	DnB NOR Bank ASA		DnB NOR Bank Group	
	30 June 2005	31 Dec. 2004	30 June 2005	31 Dec. 2004
Share capital	16 964	16 964	16 964	16 964
Other equity	17 831	17 781	20 784	20 774
Total equity	34 795	34 745	37 749	37 738
Perpetual subordinated loan capital securities <sup>1) 2)</sup>	5 358	5 270	5 592	5 531
Reductions:				
Pension funds above pension commitments	(814)	(814)	(855)	(853)
Goodwill	(1 356)	(1 460)	(1 824)	(1 967)
Deferred tax assets	(705)	(717)	(634)	(646)
Other intangible assets etc.	(59)	(78)	(68)	(88)
Core capital	37 218	36 945	39 960	39 715
Perpetual subordinated loan capital <sup>1) 2)</sup>	5 895	5 528	5 995	5 367
Term subordinated loan capital <sup>2)</sup>	12 423	12 565	13 054	13 538
Net supplementary capital	18 317	18 092	19 078	18 905
Deductions	2 242	2 514	2 242	2 514
Total eligible primary capital <sup>3)</sup>	53 294	52 523	56 796	56 105
<b>Total risk-weighted volume</b>	<b>512 179</b>	<b>480 291</b>	<b>561 352</b>	<b>528 240</b>
Core capital ratio (%)	7.3	7.7	7.1	7.5
Capital ratio (%)	10.4	10.9	10.1	10.6
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 (%)	10.7		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 589 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 31.

## Financial results – banking group - NGAAP

### Profit and loss accounts - details

Amounts in NOK million	1st half					
	2Q05	1Q05	4Q04	3Q04	2Q04	2004
Interest income	7 109	6 948	7 112	7 097	7 062	14 057
Interest expenses	3 803	3 712	3 775	3 775	3 723	7 515
<b>Net interest income and credit commissions</b>	<b>3 306</b>	<b>3 236</b>	<b>3 337</b>	<b>3 322</b>	<b>3 339</b>	<b>6 542</b>
Dividends	114	30	23	18	88	143
Commissions and fees receivable	1 546	1 463	1 491	1 416	1 362	3 008
Commissions and fees payable	521	510	491	504	475	1 030
Net gains on foreign exchange and financial instruments	409	514	486	342	388	923
Sundry ordinary operating income	368	327	370	331	414	695
Gains on the sale of fixed assets	36	31	(6)	(40)	365	67
<b>Net other operating income</b>	<b>1 952</b>	<b>1 855</b>	<b>1 872</b>	<b>1 563</b>	<b>2 143</b>	<b>3 807</b>
Salaries and other ordinary personnel expenses	1 407	1 434	1 413	1 428	1 387	2 841
Administrative expenses	936	853	925	863	931	1 789
Depreciation	195	194	208	169	218	390
Sundry ordinary operating expenses	293	291	341	286	286	584
Other expenses	39	2	135	5	6	40
<b>Total operating expenses</b>	<b>2 870</b>	<b>2 773</b>	<b>3 022</b>	<b>2 751</b>	<b>2 828</b>	<b>5 644</b>
<b>Pre-tax operating profit before losses</b>	<b>2 387</b>	<b>2 318</b>	<b>2 187</b>	<b>2 135</b>	<b>2 653</b>	<b>4 705</b>
Net losses on loans, etc.	(40)	134	70	(121)	82	94
Net gains on long-term securities	5	(5)	55	24	13	(0)
<b>Pre-tax operating profit</b>	<b>2 432</b>	<b>2 178</b>	<b>2 172</b>	<b>2 280</b>	<b>2 584</b>	<b>4 610</b>
Taxes	657	588	504	617	696	1 245
<b>Profit for the period</b>	<b>1 775</b>	<b>1 590</b>	<b>1 668</b>	<b>1 663</b>	<b>1 887</b>	<b>3 366</b>
Earnings per share	10.47	9.37	9.83	9.80	11.12	19.84
Average total assets	773 396	746 656	742 289	747 255	744 761	760 026

### Balance sheets - details

Amounts in NOK million	30 June 2005	31 March 2005	31 Dec. 2004	30 Sept. 2004	30 June 2004	31 Dec. 2003
Cash and deposits with central banks	1 593	7 366	8 780	12 802	5 496	8 565
Lending to and deposits with credit institutions	57 643	43 804	21 604	24 052	65 436	28 060
Gross lending to customers	623 856	603 638	584 230	577 929	569 813	573 973
– Specified loan-loss provisions	(3 105)	(3 094)	(3 255)	(3 701)	(3 870)	(4 329)
– Unspecified loan-loss provisions	(3 534)	(3 534)	(3 534)	(3 534)	(3 534)	(3 714)
Net lending to customers	617 217	597 010	577 441	570 694	562 408	565 929
Repossessed assets	285	412	538	580	414	576
Commercial paper and bonds	68 207	68 352	62 986	65 365	68 248	59 677
Shareholdings etc.	2 597	4 873	4 611	4 176	4 085	3 905
Investments in associated companies	1 262	1 264	1 354	1 492	1 456	1 384
Intangible assets	2 463	2 540	2 637	2 993	3 082	3 294
Fixed assets	3 949	4 197	4 155	4 178	4 254	4 454
Other assets	25 069	23 361	22 943	26 012	17 409	23 618
Prepayments and accrued income	5 327	5 109	5 477	5 121	5 386	5 484
<b>Total assets</b>	<b>785 612</b>	<b>758 288</b>	<b>712 526</b>	<b>717 466</b>	<b>737 673</b>	<b>704 946</b>
Loans and deposits from credit institutions	84 107	77 175	48 950	63 511	98 975	78 508
Deposits from customers	392 995	375 533	360 240	354 487	356 340	337 807
Securities issued	207 137	199 575	192 410	192 310	192 101	181 949
Other liabilities	27 053	33 600	41 140	31 234	16 567	37 820
Accrued expenses and prepaid revenues	6 455	5 816	5 013	7 944	6 733	5 999
Provisions for commitments	2 668	2 927	2 994	2 549	2 566	2 570
Subordinated loan capital	24 082	24 308	24 040	23 718	24 293	23 709
Share capital	16 964	16 964	16 964	16 964	16 964	16 964
Equity reserves	20 784	20 799	20 774	19 629	19 680	19 620
Profit for the period	3 366	1 590	0	5 118	3 455	0
<b>Total liabilities and equity</b>	<b>785 612</b>	<b>758 288</b>	<b>712 526</b>	<b>717 466</b>	<b>737 673</b>	<b>704 946</b>

## Key figures – banking group - NGAAP

						1st half	
						2005	2004
<b>Interest rate analysis</b>							
1	Combined average spread for lending and deposits (%)	2.21	2.26	2.36	2.35	2.32	2.23
2	Spread for ordinary lending to customers (%)	1.52	1.59	1.64	1.64	1.67	1.55
3	Spread for deposits from customers (%)	0.69	0.67	0.72	0.71	0.65	0.68
<b>Financial strength</b>							
4	Core (Tier 1) capital ratio at end of period (%)	7.1	7.3	7.5	7.2	7.2	7.1
5	Core (Tier 1) capital ratio incl. 50 per cent of profit for the period (%)	7.4	7.4	7.5	7.7	7.5	7.4
6	Capital adequacy ratio at end of period (%)	10.1	10.3	10.6	10.4	10.5	10.1
7	Capital adequacy ratio incl. 50 % of profit for the period (%)	10.4	10.4	-	10.9	10.8	10.4
8	Core capital at end of period (NOK million)	39 960	39 915	39 715	38 293	38 232	39 960
9	Total eligible primary capital at end of period (NOK million)	56 796	56 457	56 105	55 433	55 924	56 796
10	Risk-weighted volume at end of period (NOK million)	561 352	549 528	528 240	533 292	532 107	561 352
<b>Loan portfolio and loan-loss provisions</b>							
11	Loan-loss ratio annualised (%)	(0.03)	0.09	0.05	(0.08)	0.06	0.03
12	Non-performing and doubtful commitments, % of total lending	0.94	1.01	1.02	1.23	1.46	0.94
13	Loan-loss provisions relative to total gross lending (%)	1.06	1.11	1.16	1.25	1.30	1.06
14	Non-performing commitments at end of period	4 503	4 432	4 196	4 929	6 050	4 503
15	Doubtful commitments at end of period	1 374	1 648	1 778	2 183	2 275	1 374
<b>Liquidity</b>							
16	Ratio of customer deposits to net lending at end of period (%)	63.7	62.9	62.4	62.1	63.4	63.7

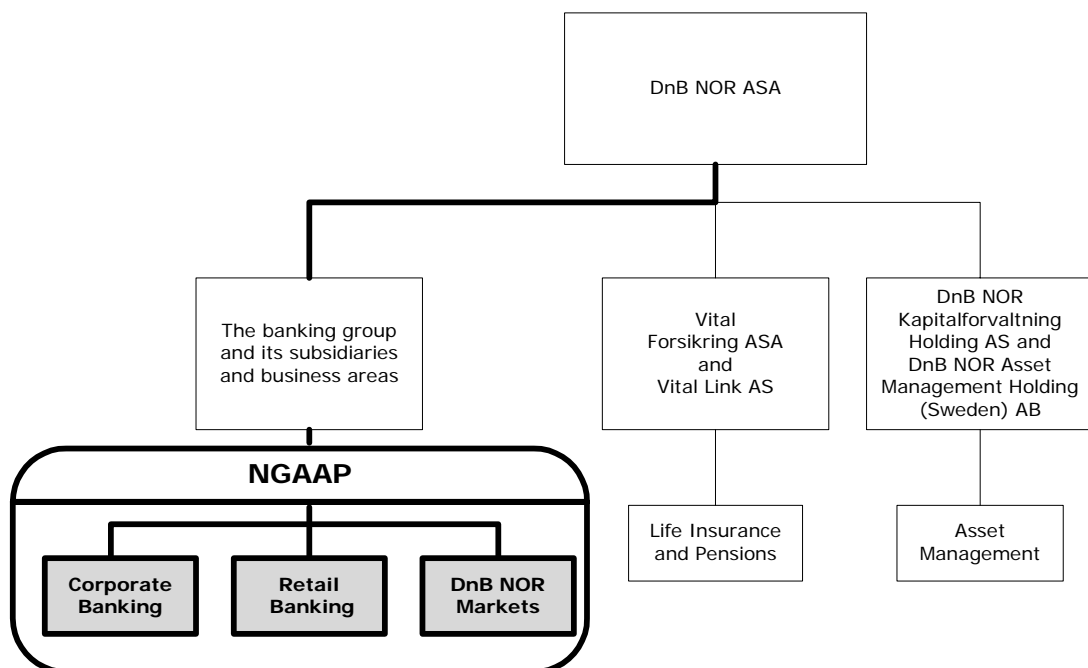
### Definitions

- 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.



## Section 3B

# 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 the 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

Amounts in NOK million	2Q05	1Q05	4Q04	3Q04	2Q04	1st half	
						2005	2004
Net interest income from operations	1 347	1 302	1 305	1 429	1 361	2 649	2 658
Interest on allocated capital (BIS)	121	109	112	112	110	230	231
Net interest income	1 468	1 411	1 417	1 541	1 471	2 879	2 888
Net other operating income	558	574	671	441	487	1 132	1 035
Total income	2 026	1 985	2 088	1 982	1 958	4 011	3 923
Operating expenses	783	776	771	769	794	1 559	1 603
Pre-tax operating profit before losses	1 242	1 209	1 316	1 214	1 163	2 451	2 320
Net losses on loans and long-term securities	(128)	134	54	(175)	20	6	122
Pre-tax operating profit	1 370	1 075	1 262	1 388	1 143	2 446	2 197
Net lending to customers (NOK billion) <sup>1)</sup>	261.5	252.4	248.6	245.6	246.6	256.9	246.5
Deposits from customers (NOK billion) <sup>1)</sup>	184.1	179.6	171.0	162.7	166.4	181.8	164.0
Cost/income ratio excl. goodwill (%)	38.7	39.0	36.9	38.7	40.5	38.8	40.8
Ratio of deposits to lending (%)	70.4	71.2	68.8	66.2	67.5	70.8	66.5
Return on equity BIS (% p.a.)	17.4	14.2	16.5	18.0	15.2	15.9	14.6

1) Average balances.

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

- Corporate Banking showed healthy performance in a market characterised by fierce competition. There was a rise in total income, while non-interest income and reduced costs compensated for narrow spreads. In addition, sound portfolio quality coupled with a healthy economic trend ensured low losses
- There was a slight decrease in net interest income from operations in the first half of 2005 compared with the year-earlier period as a result of a decline in spreads which was partly offset by rising volumes of loans and deposits. Exchange rate movements also had a negative impact on ordinary net interest income
- The average combined spread was 2.05 per cent in the first half of 2005, compared with 2.17 per cent in the corresponding period in 2004. Portfolio quality improved further in the first half of 2005. Intense competition in the market caused continued pressure on spreads. Pricing reflected credit risk
- Net other operating income was up NOK 96 million from the first half of 2004. Due to higher market activity, there was a positive trend in income from interest products, corporate finance services and custody. However, income growth from these areas was outweighed by reduced income from payment transfers and from lower margins on guarantees
- Average lending and guarantees to customers increased by NOK 15.5 billion from the first half of 2004 to the corresponding period of 2005. Average deposits were up NOK 18 billion from the first half of 2004 to the first half of 2005



- Adjusted for exchange rate movements, there was an increase of NOK 23 billion in loans and guarantees from the first half of 2004 to the corresponding period in 2005
- A total of NOK 73.8 billion in syndicated credits was arranged for customers, in cooperation with DnB NOR Markets, in the first half of 2005. Furthermore, NOK 42.1 billion in commercial paper and bonds was issued in the same period
- New provisions on loans and guarantees totalled NOK 376 million. Reversals on provisions totalled NOK 189.9 million, and recoveries amounted to NOK 180.1 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. It has been decided to establish a full-service branch in Shanghai which is currently at the planning stage
- The bank maintained its position in the Norwegian SME market in the first half of 2005. 4 400 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 launched new customer loyalty programmes for SME clients during the second quarter. The programmes 'Partner' and 'Partner pluss' include agreements on the use of the Internet banking applications and credit cards as well as favourable prices on a number of the Group's products. The new initiatives aim to strengthen Corporate Banking's offering to this customer segment
- 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 71 000 customers make use of DnB NOR's extensive range of Internet services and Internet-based financial products, and more than 1 million visits to the Internet banks' corporate pages are registered each month. A new and improved Internet bank for corporate clients will be launched within 2005
- 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, excluding off-balance sheet instruments <sup>1)</sup>

Per cent	30 April 2005	31 March 2005	31 Dec. 2004	30 Sept. 2004	30 June 2004
Of total lending to corporate clients <sup>2)</sup>	15.1	15.1	15.2	15.3	15.4
Of deposits from corporate clients <sup>3)</sup>	37.7	37.8	38.1	39.4	38.2

Per cent	31 March 2004	31 Dec. 2003	30 Sept. 2003	30 June 2003	31 March 2003
Of total lending to corporate clients <sup>2)</sup>	15.8	16.0	15.6	15.8	15.9
Of deposits from corporate clients <sup>3)</sup>	38.9	38.4	39.9	39.3	40.4

1) Updated according to adjusted data from Norges Bank.

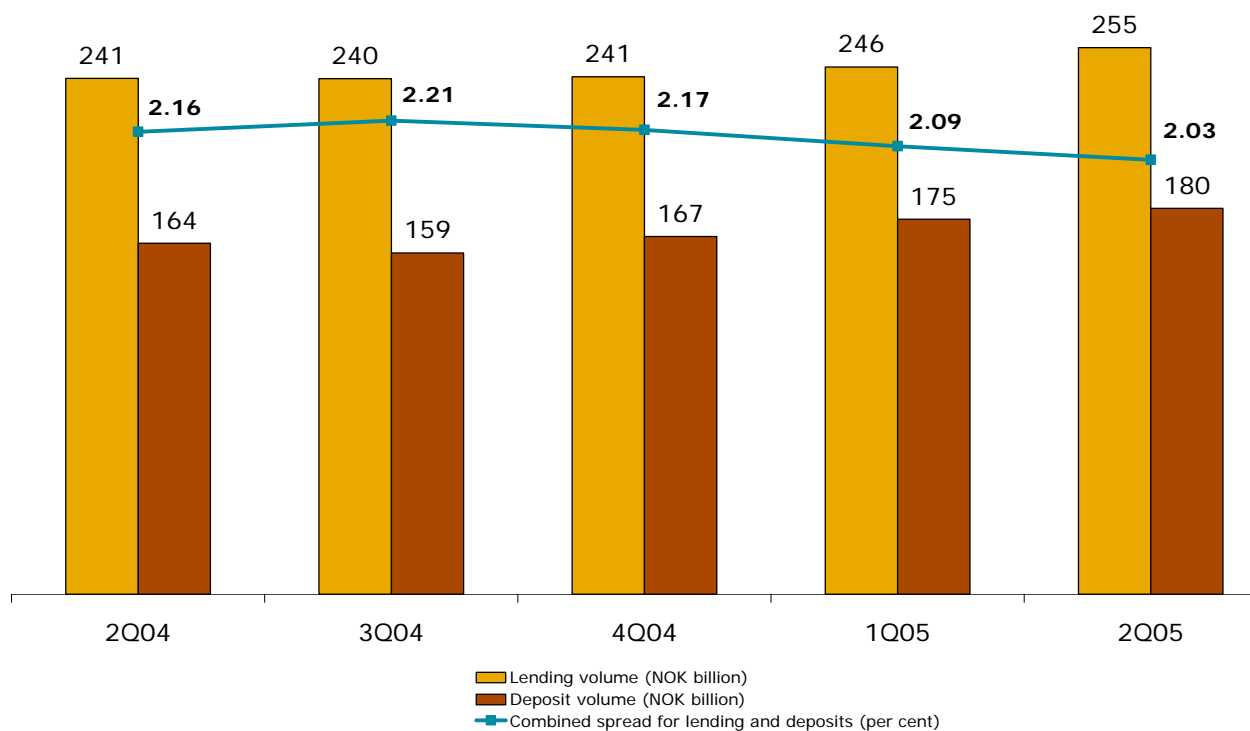
2) Overall lending includes all credits extended to Norwegian customers by domestic commercial and savings banks, state banks, insurance companies, finance companies and foreign institutions, as well as bonds and commercial paper. Excluding lending to financial institutions, central government and social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

3) Domestic savings and commercial banks. Excluding deposits from financial institutions, central government and social security services.

Source: Norges Bank, DnB NOR

### Average total volume

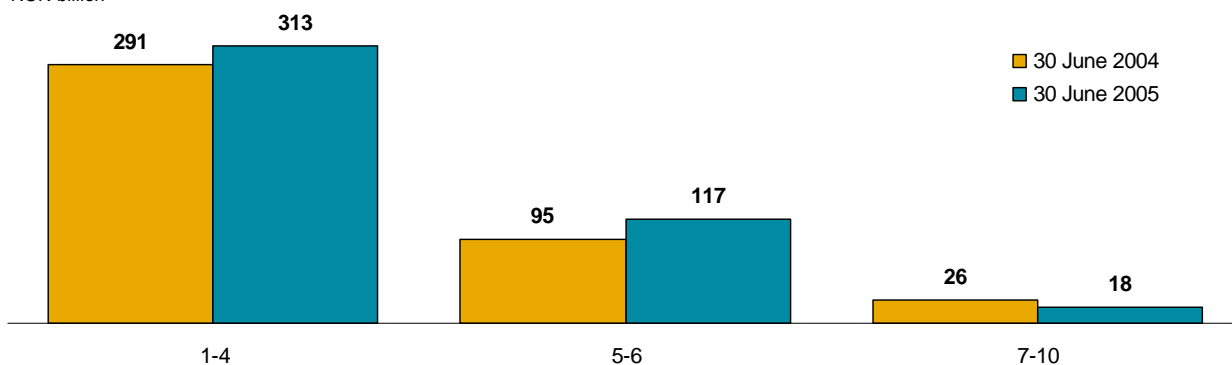
Amounts in NOK billion	2Q05	1Q05	4Q04	3Q04	2Q04	1st half	
						2005	2004
Loans	261	252	249	246	247	257	247
Guarantees	53	54	50	52	46	54	49
Total loans and guarantees	315	306	298	297	292	311	295
Adjusted for exchange rate movements	315	306	297	293	288	311	288
Commercial paper	14	14	19	17	20	28	33
Syndicated loans	38	36	31	13	30	74	44
Bond issues	8	6	8	3	7	14	11

**Spread and average lending and deposit volumes**

1) Excluding loans to and deposits with credit institutions.

**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 as well as management support

**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, and staff synergies corresponding to 196 full-time positions had been achieved by end-June 2005
- At end-June 2005, the business area had a staff of 1 798 full-time positions, with 1 654 in Norway, of which 550 in subsidiaries, as well as 144 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 officers, remuneration varies from division to division

**Cooperation with other group entities**

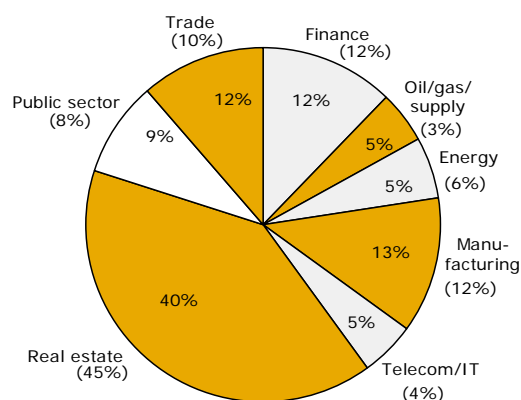
Through extensive cooperation with other business areas and support functions in the Group, particularly within corporate finance and FX and interest rate instruments, corporate customers are offered a broad range of financial services and life insurance and pension products.

## Nordic Corporate Division and International Corporate and Institutions Division

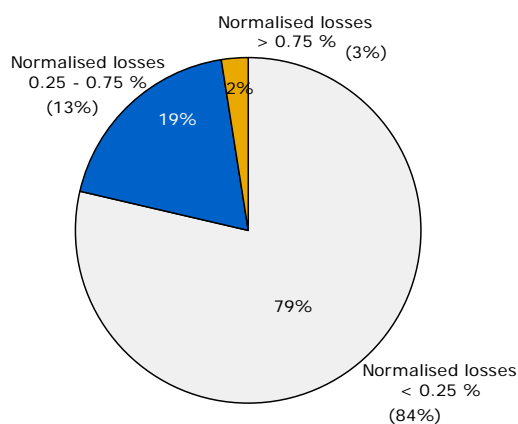
### Average volumes

Amounts in NOK billion	2Q05	1Q05	4Q04	3Q04	2Q04	1st half	
						2005	2004
Net lending to customers	79	78	81	78	79	79	80
Guarantees	32	33	28	29	27	32	28
Customer deposits	79	76	75	71	76	77	74

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



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



1) Figures as at 30 June 2005. Percentages as at 30 June 2004 in parentheses.

### Business profile

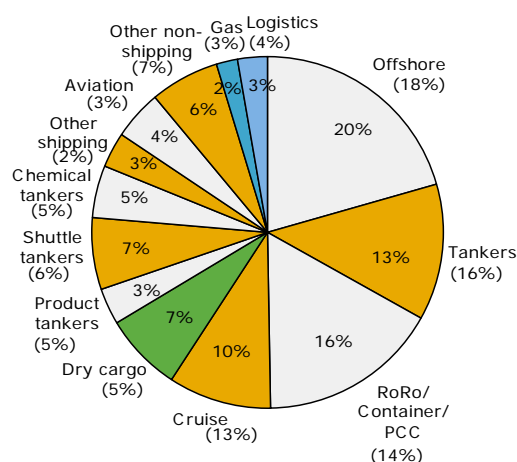
- Corporate Banking serves large Nordic corporates, the Norwegian public sector, international companies that do business in Norway, international customers in the oil, energy, TMT and pulp & paper industries as well as financial institutions
- DnB NOR is market leader in the large corporate segment 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 16.4 billion at end-June 2005

## Shipping Division

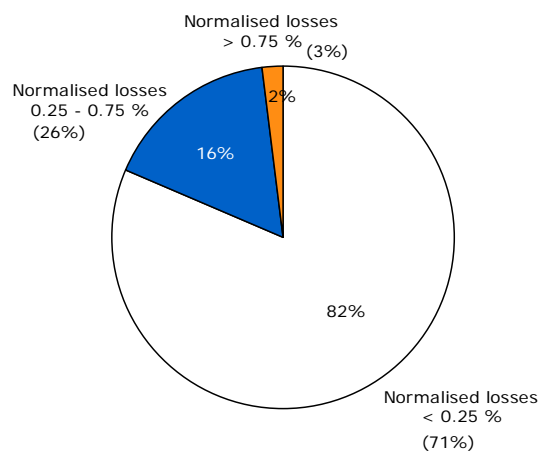
### Average volumes

Amounts in NOK billion	2Q05	1Q05	4Q04	3Q04	2Q04	1st half	
						2005	2004
Net lending to customers	46	42	39	39	39	44	38
Guarantees	11	11	11	13	11	11	11
Customer deposits	26	24	20	19	18	25	18

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



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



1) Figures as at 30 June 2005. Percentages as at 30 June 2004 in parentheses.

### Business profile

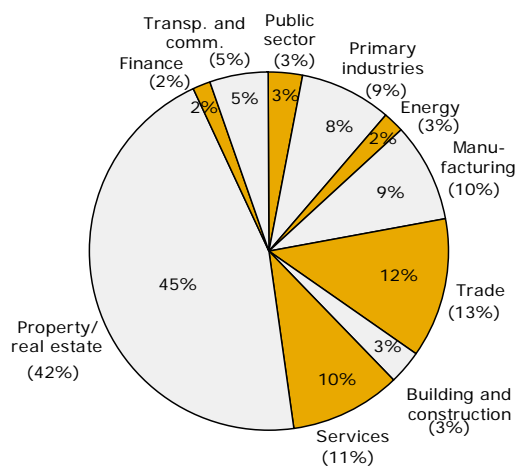
- Provides commercial and investment banking services to high-quality Norwegian and international shipping and offshore clients from the Group's offices in Oslo, Bergen, London, New York and Singapore
- The Shipping Division aims to achieve satisfactory growth in risk-adjusted profitability by maintaining 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

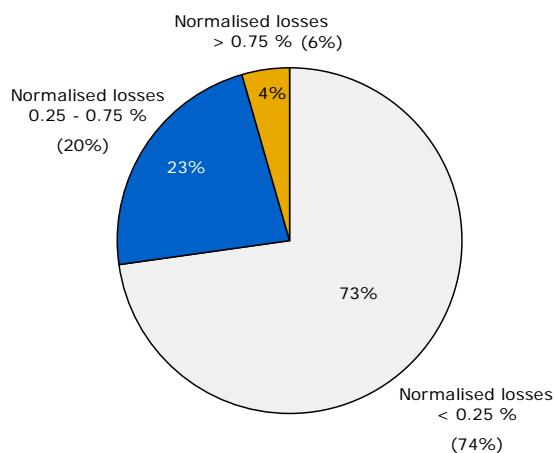
### Average volumes

Amounts in NOK billion	2Q05	1Q05	4Q04	3Q04	2Q04	1st half	
						2005	2004
Net lending to customers	106	104	100	103	101	105	101
Guarantees	9	9	9	9	10	9	10
Customer deposits	76	76	73	70	69	76	70

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



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



1) Figures as at 30 June 2005. Percentages as at 30 June 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

Amounts in NOK billion	2Q05	1Q05	4Q04	3Q04	2Q04	1st half	
						2005	2004
Net lending to customers	10	10	10	11	11	10	11
Guarantees	1	1	1	1	1	1	1
Customer deposits	3	3	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 part of a large national financial institution

## DnB NOR Finans

### Average volumes

Amounts in NOK billion	2Q05	1Q05	4Q04	3Q04	2Q04	1st half	
						2005	2004
Net lending to customers	20	19	18	17	17	19	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 29 per cent increase in new leasing and loan contracts in the first half of 2005 compared with the first half of 2004
- The value of processed factoring invoices was up 19 per cent in the first half 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. Integration of branches in DnB NOR has been completed and the number of branches are 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	2Q05	1Q05	4Q04	3Q04	2Q04	1st half	
						2005	2004
Net interest income from operations	1 802	1 775	1 804	1 797	1 829	3 577	3 461
Interest on allocated capital (BIS)	70	63	64	62	59	133	123
Net interest income	1 872	1 838	1 868	1 859	1 888	3 710	3 584
Net other operating income	761	644	696	686	701	1 405	1 374
Total income	2 633	2 482	2 564	2 545	2 589	5 115	4 958
Operating expenses	1 552	1 514	1 630	1 579	1 641	3 067	3 263
Pre-tax operating profit before losses	1 081	968	934	966	948	2 048	1 695
Net losses on loans and long-term securities	88	(0)	(25)	54	49	88	59
Pre-tax operating profit	992	968	959	912	899	1 960	1 636
Net lending to customers (NOK billion) <sup>1)</sup>	342.1	333.3	326.6	318.8	306.2	337.7	301.6
Deposits from customers (NOK billion) <sup>1)</sup>	194.3	190.9	189.3	190.9	185.9	192.6	185.2
Cost/income ratio excl. goodwill (%)	58.7	60.8	63.3	61.8	63.1	59.7	65.6
Ratio of deposits to lending (%)	56.8	57.3	58.0	59.9	60.7	57.0	61.4
Return on equity BIS (% p.a.)	21.8	22.1	22.0	21.3	22.2	22.0	20.5

1) Average balances.

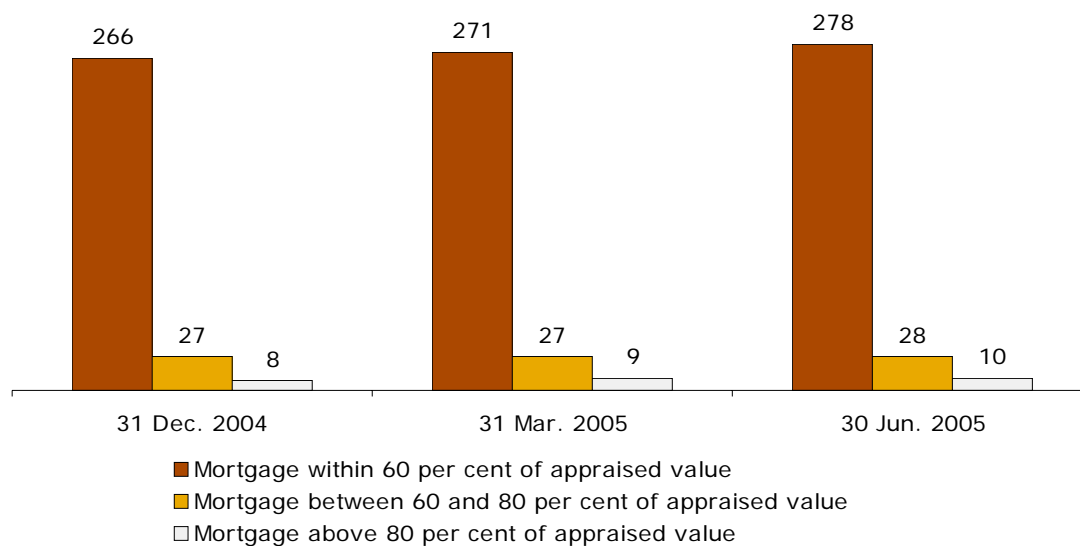
### Comments to the financial performance in the first half of 2005

- Satisfactory profits in the first half of 2005 – return on equity 22 per cent
- Cost income ratio excl. goodwill improved to 59.7 per cent
- Net interest income increased by NOK 126 million, mainly due to higher lending volume
- Lending spreads represented 1.6 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. Deposits increased by NOK 7 billion or 4 per cent
- Net other operating income increased by NOK 31 million or 2 per cent, mainly due to higher income from payment services and commission income from the sale of insurance products
- Expenses were scaled back by 6 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



Total lending in Retail Banking amounted to NOK 349 billion as at 30 June 2005 of which NOK 316 billion was residential mortgages.

## Customers/markets

- Serving more than 2.2 million private individuals
- More than 427 000 housing loan customers
- 956 000 customers subscribe to loyalty programmes of which more than 500 000 customers to the new DnB NOR programmes and more than 350 000 customers to Postbanken Leve
- 1 100 000 clients use the Group's Internet banks
- dnbnor.no and postbanken.no are Norway's largest Internet banks
- 24.3 million payment transactions were carried out through the Internet banks in the first half of 2005, compared with 20.0 million in the corresponding period of 2004
- 737 000 customers have agreed to receive notices such as account statements via e-mail

## Retail Banking market shares

Per cent	31 May 2005	31 March 2005	31 Dec. 2004	30 Sept. 2004	30 June 2004
Total lending to households <sup>1)</sup>	30.7	30.9	31.0	31.2	31.1
Bank deposits from households <sup>2)</sup>	36.3	36.5	36.7	36.8	36.9

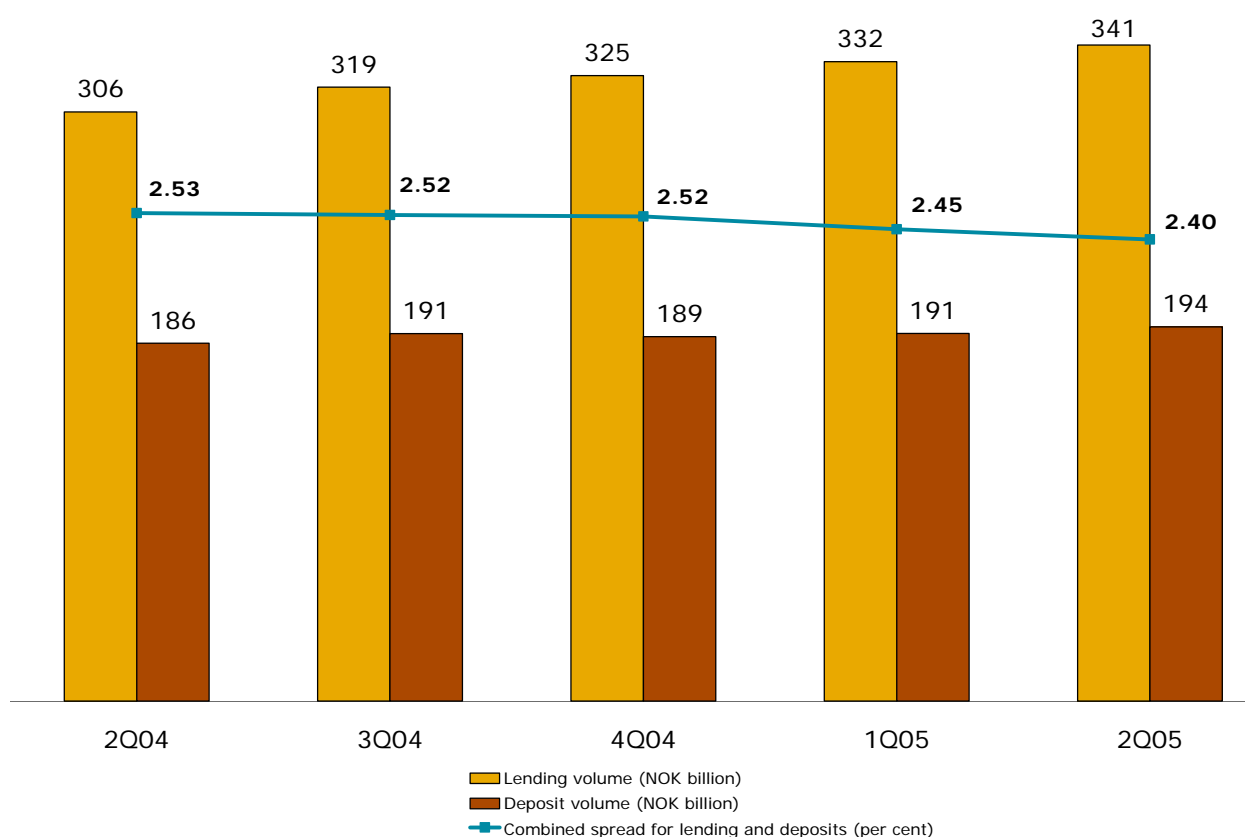
  

Per cent	31 March 2004	31 Dec. 2003	30 Sept. 2003	30 June 2003	31 March 2003
Total lending to households <sup>1)</sup>	31.0	30.9	30.7	30.2	30.2
Bank deposits from households <sup>2)</sup>	37.2	37.4	37.6	37.7	37.9

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's, Postbanken's and Nordlandsbanken's branch offices
- The postal network
- Internet and telephone
- Investment Advisory Services

Retail Banking has a long-term cooperation agreement with Gjensidige 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. 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. The existing agreement will remain effective until 31 December 2005. A new agreement is signed by DnB NOR Bank ASA and Norway Post, and will take effect from January 2006 to December 2012.

- Postbanken and Norway Post have established joint service solutions provided through 1 201 in-store postal outlets, where customers can carry out everyday banking transactions in their local stores
- 3.7 million payment transactions were carried out through these channels during the first half of 2005, compared with 8.3 million transactions for the full year 2004

### New products

- Credit line secured by residential property/real estate
- Special-term deposit account, minimum deposit NOK 1 million
- Debt financing of Vital products
- Mutual fund, Postbanken Fremtid

### Employees

The number of full-time positions within Retail Banking totalled 4 128 at the end of June 2005. Staff synergies corresponding to 628 full-time positions have been realised.

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 77 outlets located in DnB NOR branches as at 30 June 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**

<i>Amounts in NOK million</i>	2Q05	1Q05	4Q04	3Q04	2Q04	1st half	
						2005	2004
DnB NOR Eiendom	4 757	3 361	3 538	3 607	4 749	8 118	8 805
NordMegler (Nordlandsbanken)	111	68	66	81	93	179	159
Total properties sold	4 868	3 429	3 604	3 688	4 842	8 297	8 964
Market share, per cent <sup>1)</sup>	18	13	14	14	18	15	17

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 9 599 million at end-June 2004 to NOK 10 316 million end-June 2005
- Consumer finance activities generated healthy profits in the first half of 2005
- DnB NOR Kort is Norway's leading card issuer. As at 30 June 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 operates as an agent and assumes no risk on it's own.

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 half of 2005 totalled NOK 265 million, an increase of 20 per cent from the first half of 2004. Academic associations account for 48 per cent of total premiums. Sales through the Internet banking application continued to show strong growth, with total premiums of NOK 59 million, up from NOK 40 million in the first half of 2004. Commission income increased from NOK 43 million in the first half of 2004 to NOK 49 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 banking 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

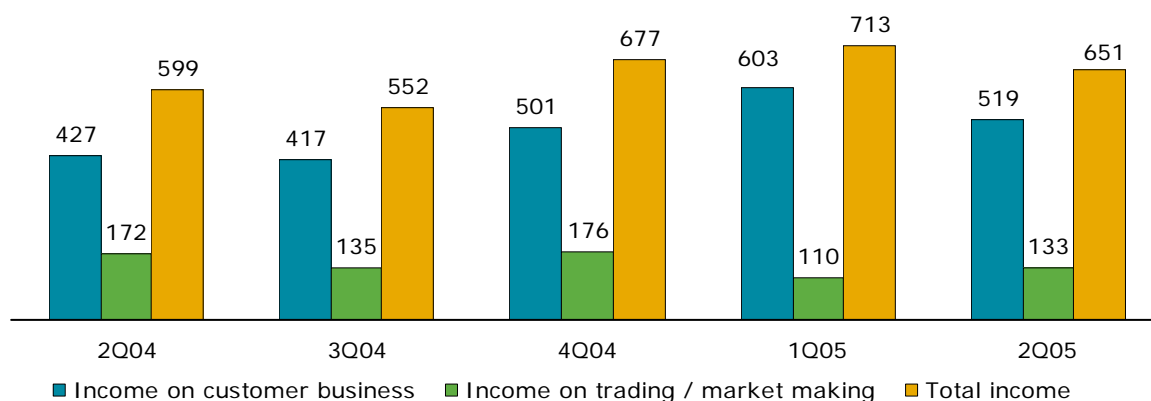
<i>Amounts in NOK million</i>	2Q05	1Q05	4Q04	3Q04	2Q04	1st half	
						2005	2004
Net interest income from operations	39	32	47	68	57	71	115
Interest on allocated capital (BIS)	13	10	10	10	10	23	21
Net interest income	51	42	58	78	67	93	136
Net other operating income	613	681	630	484	542	1 294	1 127
Total income	664	723	688	562	608	1 387	1 263
Operating expenses	294	297	274	245	264	591	572
Pre-tax operating profit before losses	370	426	414	317	344	796	692
Net losses on loans and long-term securities	0	0	0	0	0	0	(3)
Pre-tax operating profit	370	426	413	317	344	796	695
Cost/income ratio excl. goodwill (%)	44.2	41.1	39.8	43.5	43.4	42.6	45.3
Return on equity BIS (% p.a.)	45.1	61.7	58.4	48.2	51.3	52.7	50.5

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

- DnB NOR Markets achieved record-high revenues and profits in the first half of 2005
- The business area recorded a very satisfactory cost/income ratio and a sound return on equity
- All merger synergies were fully realised in 2004
- Total revenues increased by NOK 124 million, or 10 per cent
- Market making/trading revenues decreased by NOK 110 million from a high level
- Wider credit margins in the bond portfolio had a negative impact on profits for the second quarter of 2005
- Income on customer business increased by NOK 232 million, or 26 per cent
- Customer demand for currency products remained strong and demand for NOK interest rate hedging products increased
- Record-high activity within equities sales
- Corporate finance revenues more than doubled, reflecting high equity capital market activity. DnB NOR Markets was the arranger for half of the 20 initial public offerings in Norway in the first half of 2005
- Pre-tax profit increased 15 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
- During the second quarter, DnB NOR launched "Bankinnskudd med Aktivaavkastning", a capital-guaranteed product where customer returns reflect developments in share, bond, currency and commodity indices based on a selection of investment strategies

**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 the first quarter of 2005 of 33 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
- DnB NOR Markets was the largest equity brokerage house on Oslo Børs (the Oslo Stock Exchange) in the first half of 2005
- Leading position within derivatives and structured products in Norway
- 25.6 and 72.2 per cent respectively of customer trading in equity options and forward contracts on Oslo Børs was handled by DnB NOR Markets in the first half 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 56 per cent for limited companies and 33 per cent for bonds
- DnB NOR Markets was named Best Equity House in Norway by Euromoney in July 2005

**Employees**

- DnB NOR Markets has a staff of 521 full-time positions located in offices in Norway and abroad.
- DnB NOR Markets 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>	2Q05	1Q05	4Q04	3Q04	2Q04	1st half	
						2005	2004
FX and interest rate derivatives	237	244	228	209	207	481	440
Investment products	144	216	148	102	130	360	281
Corporate finance	78	97	70	60	42	175	79
Securities services	60	45	55	47	48	105	91
Total customer revenues	519	603	501	417	427	1 122	890
Market making/trading revenues	133	110	176	135	172	243	353
Interest income on allocated capital	13	10	10	10	10	23	21
Total revenues	664	723	688	562	608	1 387	1 263
Operating expenses	294	297	274	245	264	591	572
Net losses on loans and long-term securities	0	0	0	0	0	0	( 3)
Pre-tax operating profit	370	426	413	317	344	796	695

<i>Amounts in NOK million</i>	2004	Pro forma	Pro forma
		2003	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	41	87	127
Total revenues	2 513	2 502	2 146
Operating expenses	1 090	1 171	1 165
Net losses on loans and long-term securities	( 3)	( 1)	( 38)
Pre-tax operating profit	1 426	1 332	1 020

**Risk profile**

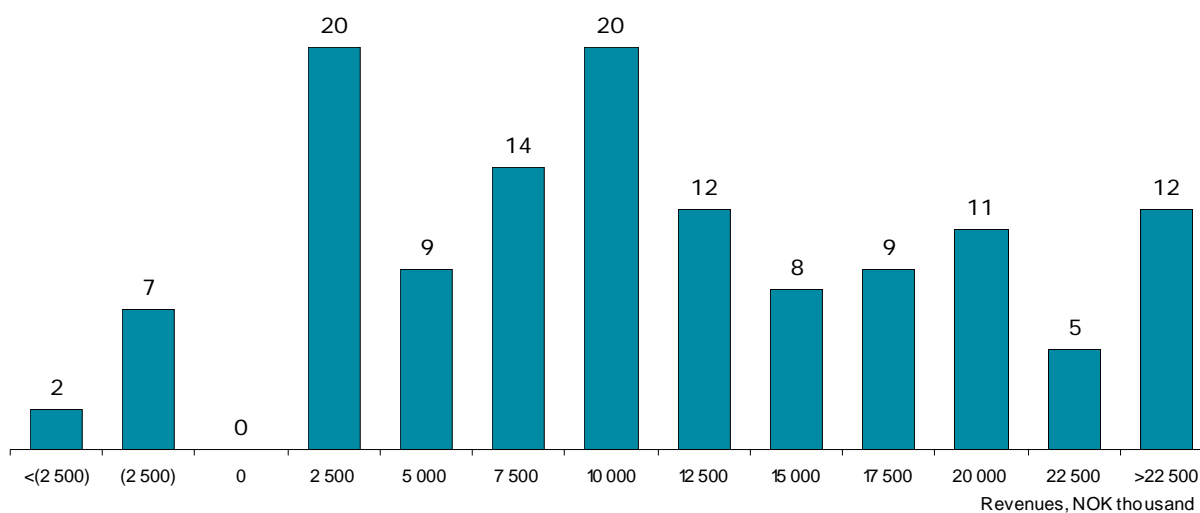
DnB NOR Markets has a moderate risk profile. Customer activities represent the main business. Trading activities support customer activities with products and prices, with focus on Norwegian krone products.

**Daily revenue statistics for DnB NOR Markets**

<i>Amounts in NOK thousand</i>	1st half 2005	1st half 2004	2004	Pro forma 2003
Minimum	(8 651)	(3 239)	(3 676)	(3 007)
Maximum	75 549	41 772	62 056	51 894
Average	10 755	9 785	9 616	9 654
Loss days	9	5	10	3
Gain days	120	124	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 half of 2005.

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

<i>Amounts in NOK thousand</i>	30 June 2005 Actual	1st half Average	1st half Maximum	1st half Minimum
Currency risk	4 180	4 893	12 720	913
Interest rate risk	15 680	13 734	20 920	4 770
Diversification effects	(3 580)	(4 004)		
Total	16 280	14 623		



### 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 30 June 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 1 month	From 1 month to 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	Total
<b>Trading portfolio</b>						
NOK	18	44	9	123	143	15
USD	6	39	6	10	5	32
EURO	3	1	6	2	30	26
GBP	0	2	0	1	0	1
Other currencies	2	3	8	3	1	10
<b>Banking portfolio</b>						
NOK	14	161	111	78	29	16
<b>Total</b>						
NOK	32	117	120	200	173	1
USD	6	39	6	10	5	32
EURO	3	1	6	2	30	26
GBP	0	2	0	1	0	1
Other currencies	2	3	8	3	1	10

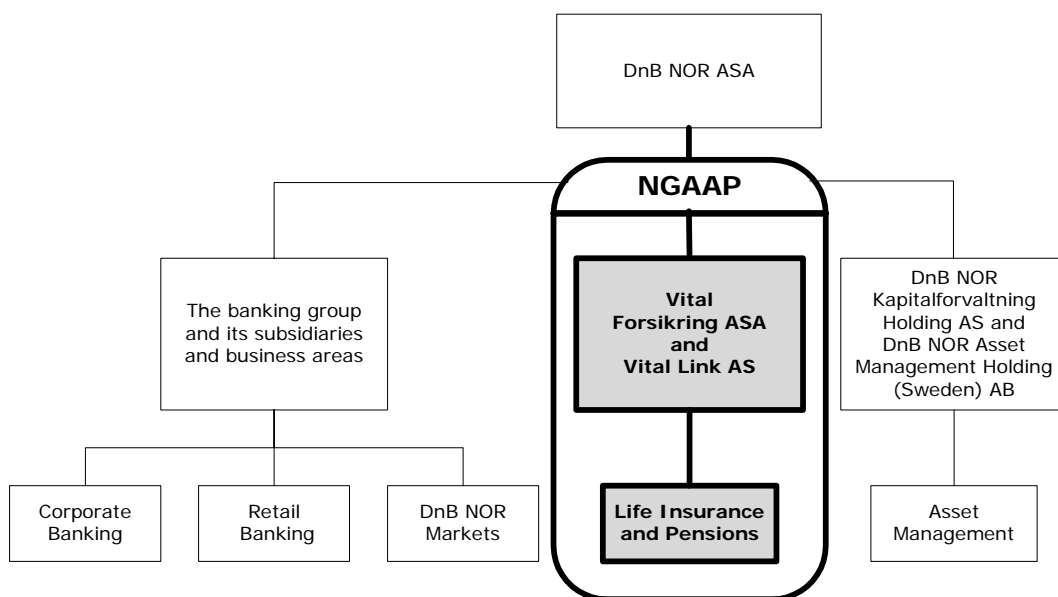
The table does not include administrative interest rate risk and interest rate risk relating to non-interest-earning assets.



## Section 4

# Financial results Life Insurance and Pensions according to NGAAP

For IFRS figures, see pages 83-84



## 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 second quarter of 2005.

### Financial results according to NGAAP

The analyses on pages 77-82 below are prepared on the basis of 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 results according to IFRS

As of 1 January 2005, Vital Forsikring ASA including subsidiaries and Vital Link AS are fully consolidated in the DnB NOR Group's accounts.

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 according to IFRS incorporated in the DnB NOR Group's accounts based on the same principles that apply to the rest of the DnB NOR 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 in the pro forma figures. This practice has been continued in profit and loss accounts as of 1 January 2005.

On pages 83-84 below, the profit and loss accounts and balance sheets for Life Insurance and Pensions as included in the DnB NOR Group's accounts according to IFRS are included.

## Financial performance – Life Insurance and Pensions

Amounts in NOK million	2Q05	1Q05	4Q04	3Q04	2Q04	1st half	
						2005	2004
Interest result <sup>1) 2)</sup>	543	1 635	502	577	1 697	2 178	2 758
Risk result <sup>3)</sup>	38	(31)	(44)	(11)	(111)	7	(257)
Administration result <sup>4)</sup>	(29)	(38)	(287)	(31)	(44)	(67)	(69)
Other <sup>2)</sup>	-	-	245	(24)	(52)	-	(90)
Transferred to/(from) security reserve	-	(1)	(3)	(4)	3	(1)	7
Profit for distribution <sup>5)</sup>	552	1 567	419	515	1 487	2 119	2 335
Funds transferred to/(from) policyholders	289	1 247	(74)	280	1 220	1 536	1 827
Tax charge	(8)	(10)	(161)	11	47	(17)	86
<b>Profit life insurance</b>	<b>270</b>	<b>330</b>	<b>653</b>	<b>224</b>	<b>221</b>	<b>600</b>	<b>422</b>
Net profit /(loss) in Vital Link	1	(2)	16	(2)	(1)	(1)	3
Net profit from Life Insurance and Pensions	271	328	670	222	220	599	425
Goodwill amortisation Life Insurance and Pensions	25	25	25	25	25	51	51
<b>Net profit from Life Insurance and Pensions in the group accounts</b>	<b>246</b>	<b>303</b>	<b>645</b>	<b>197</b>	<b>195</b>	<b>548</b>	<b>374</b>
+ Goodwill amortisation Life Insurance and Pensions	25	25	25	25	25	51	51
+ Taxes	(7)	(11)	(175)	11	46	(18)	86
<b>Pre-tax operating profit for the business area</b>	<b>264</b>	<b>317</b>	<b>494</b>	<b>233</b>	<b>266</b>	<b>581</b>	<b>511</b>

1) For developments in the asset mix, return on assets and financial result in life insurance, see tables on page 81.

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 32 million was charged to the risk result for the second quarter of 2005 to strengthen disability provisions, compared with NOK 80 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 – life insurance

Amounts in NOK million	2Q05	1Q05	4Q04	3Q04	2Q04	1st half	
						2005	2004
Profit for distribution	552	1 567	419	515	1 487	2 119	2 335
from operations subject to profit sharing <sup>1)</sup>	549	1 565	162	539	1 541	2 114	2 425
- Funds transferred to policyholders	289	1 247	(74)	280	1 220	1 536	1 827
- Profit for allocation to the owner and taxes	260	318	236	259	321	578	598
from operations not subject to profit sharing	3	2	257	(24)	(53)	5	(90)

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
- a margin of policyholders' funds
- a 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 – Life Insurance and Pensions**

	30 June 2005	31 Mar. 2005	31 Dec. 2004	30 Sept. 2004	30 June 2004	Pro forma 31 Dec. 2003
<i>Amounts in NOK million</i>						
Policyholders' funds life insurance <sup>1)</sup>	161 515	157 670	152 443	149 074	146 501	136 970
of which group pension - defined benefit <sup>2)</sup>	102 090	100 718	96 092	94 618	92 266	84 915
of which group pension - defined contribution <sup>2)</sup>	289	246	193	163	148	88
Policyholders' funds unit linked	10 766	10 358	9 746	9 230	8 947	7 292
of which group pension - defined contribution <sup>2)</sup>	490	451	364	304	253	167

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

2) Insurance provisions.

						1st half	
<i>Amounts in NOK million</i>	2Q05	1Q05	4Q04	3Q04	2Q04	2005	2004
Solvency capital (NOK million) <sup>1)</sup>	22 432	20 033	19 630	19 112	17 896	22 432	17 896
Return on equity <sup>2)</sup>	11.6	14.6	28.5	12.1	14.4	13.1	14.1
Expenses in per cent of insurance provisions <sup>3)</sup>	0.85	0.88	0.87	0.87	0.93	0.87	0.93

1) Life insurance. For the composition of solvency capital, see table on page 82.

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 half of 2005 – Life Insurance and Pensions**

- 6.1 per cent growth in total assets compared with year-end 2004, to NOK 186 billion
- Net inflow of transfers NOK 1.5 billion
- Recorded return on assets 3.1 per cent and value-adjusted return on assets 3.3 per cent
- A NOK 2,8 million rise in solvency capital from year-end 2004 to NOK 22.4 billion
- A NOK 70 million rise in pre-tax operating profit
- 20 per cent increase in total premiums due from group pension schemes
- 56 per cent increase in policyholders' funds from defined-contribution pension schemes
- Preparations for the introduction of statutory occupational pension schemes are on schedule
- Market shares by end-March are stable:
  - 41 per cent within unit linked operations
  - 49 per cent within traditional life insurance, excluding KLP (Municipalities' pension funds)

**Premium income – Life Insurance and Pensions**

						1st half	
Amounts in NOK million	2Q05	1Q05	4Q04	3Q04	2Q04	2005	2004
Total premiums due <sup>1) 2) 3)</sup>	3 734	5 720	4 535	3 057	2 380	9 454	8 392
Inflow of reserves <sup>4)</sup>	1 003	1 461	896	1 041	2 245	2 464	3 773
Outflow of reserves <sup>5)</sup>	492	502	234	545	594	994	1 392
Net premiums paid	4 245	6 679	5 197	3 552	4 032	10 924	10 774
Outflow of premiums	492	502	234	545	594	994	1 392
<b>Total premium income</b>	<b>4 737</b>	<b>7 181</b>	<b>5 431</b>	<b>4 098</b>	<b>4 625</b>	<b>11 918</b>	<b>12 165</b>

1) Of which group pension - defined benefit

2) Of which group pension - defined contribution

3) Premium income from operations sold in 2004 are not included. The figures amount to

4) Of which transfers between Vital companies

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 – Life Insurance and Pensions**

Per cent	31 Mar. 2005	31 Dec. 2004	31 Mar. 2004
Of insurance funds including unit linked products <sup>1)</sup>	34.9	34.6	35.7
- Retail market	50.2	51.3	53.1
- Corporate market <sup>1)</sup>	29.3	28.7	29.4
Of insurance funds for unit linked products	40.8	40.6	40.2

All premiums include reserves transferred from other life insurance companies.

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

1) Annulment of a large reinsurance contract in the fourth quarter of 2004 resulted in a decline in the business area's market shares of insurance funds including unit linked products and of insurance funds in the corporate market of 0.7 and 0.9 percentage points respectively.

**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.

**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 business areas extensive distribution network, where other business areas in the Group play a principal role
- In the second quarter of 2005, other business areas accounted for 64.9 per cent of the sales of Life Insurance and Pensions' products in the retail market, compared with 62.8 per cent in the corresponding period of 2004

**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 – Life Insurance and Pensions**

	30 June 2005	30 June 2004
Life insurance	852	941
Unit link	29	29
<b>Total</b>	<b>880</b>	<b>970</b>

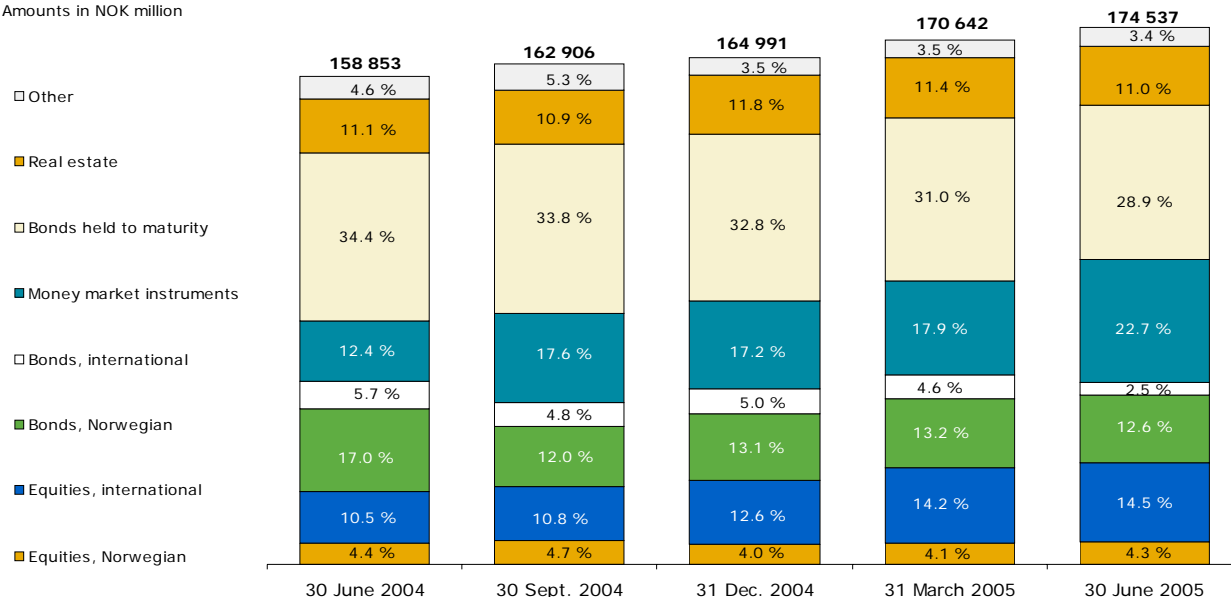
**Balance sheets – Life Insurance and Pensions**

	30 June 2005	31 Mar. 2005	31 Dec. 2004	30 Sept. 2004	30 June 2004	Pro forma 31 Dec. 2003
<i>Amounts in NOK million</i>						
<b>Financial assets</b>						
Norwegian equities <sup>1)</sup>	7 959	7 509	7 077	7 684	6 958	7 518
International equities <sup>2)</sup>	19 376	18 241	17 476	15 062	15 731	12 023
Norwegian bonds <sup>3)</sup>	26 439	27 694	26 636	27 442	27 014	23 687
International bonds <sup>4)</sup>	17 955	16 579	18 776	16 880	16 324	15 746
Money market instruments <sup>5)</sup>	27 201	22 111	15 654	14 475	13 272	21 034
Bonds held to maturity	50 515	52 955	54 172	55 020	54 619	46 723
Real estate	19 167	19 518	19 410	17 723	17 613	17 633
Assets related to unit linked insurance business	10 766	10 353	9 741	9 230	8 942	7 287
Other	6 529	6 593	6 203	8 956	7 696	6 157
<b>Total assets</b>	<b>185 906</b>	<b>181 552</b>	<b>175 145</b>	<b>172 472</b>	<b>168 169</b>	<b>157 808</b>
<b>Equity</b>	<b>7 932</b>	<b>7 638</b>	<b>7 307</b>	<b>6 639</b>	<b>6 417</b>	<b>5 991</b>
Subordinated loan capital	2 577	2 538	2 519	2 566	2 689	2 732
Securities adjustment reserve	3 966	2 670	3 538	1 966	1 862	2 448
Insurance provisions						0
Premium reserve	150 080	147 189	140 701	139 112	136 185	126 193
Additional allocations	2 331	2 340	2 357	2 053	2 059	2 050
Premium fund and pension regulation fund	5 352	5 367	5 992	5 601	6 124	5 678
Security reserve	200	200	201	202	206	200
Other reserves	584	577	545	636	562	1 018
Provisions in unit linked insurance business	10 766	10 353	9 741	9 230	8 942	7 287
Other liabilities	2 119	2 681	2 244	4 467	3 123	4 212
<b>Total equity and liabilities</b>	<b>185 906</b>	<b>181 552</b>	<b>175 145</b>	<b>172 472</b>	<b>168 169</b>	<b>157 808</b>
Net exposure after adjustment for derivative contracts:						
1) Norwegian equities	7 480	7 058	6 664	7 684	6 958	7 518
2) International equities	25 382	24 178	20 787	17 659	16 685	12 023
Share of investments in hedge funds	1 485	1 454	1 447	1 406	1 443	1 712
3) Norwegian bonds	22 051	22 516	21 649	19 595	27 014	23 687
4) International bonds	4 433	7 829	8 199	7 855	9 020	15 746
5) Money market instruments	39 583	30 553	28 320	28 749	19 622	21 034



**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**

Amounts in NOK million							1st half
	2Q05	1Q05	4Q04	3Q04	2Q04	2005	2004
Financial assets							
Norwegian equities	11.7	8.5	9.5	7.8	5.9	20.2	20.8
International equities	3.9	3.7	0.6	(3.5)	1.6	7.6	7.2
Norwegian bonds	2.5	0.8	1.9	2.5	(0.4)	3.3	2.3
International bonds	3.0	0.5	2.0	2.8	(1.3)	3.5	1.5
Money market instruments	0.6	0.5	0.5	0.7	0.4	1.1	1.1
Long-term bonds	1.4	1.4	1.5	1.4	1.3	2.8	2.8
Real estate	1.7	1.7	3.8	1.6	1.4	3.4	3.3
<b>Value-adjusted return on assets I <sup>1)</sup></b>	<b>2.0</b>	<b>1.3</b>	<b>2.5</b>	<b>1.3</b>	<b>1.0</b>	<b>3.3</b>	<b>3.2</b>
Value-adjusted return on assets II <sup>2)</sup>	2.3	1.1	2.7	1.7	0.3	3.4	3.2
Recorded return on assets <sup>3)</sup>	1.2	1.9	1.5	1.3	2.1	3.1	3.7
Value-adjusted return on assets I, annualised <sup>1)</sup>	8.0	5.4	10.0	5.1	3.9	6.8	6.6
Value-adjusted return on assets II, annualised <sup>2)</sup>	9.2	4.6	10.8	6.9	1.0	6.9	6.6

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.

**Financial results – life insurance**

						1st half	
Amounts in NOK million	2Q05	1Q05	4Q04	3Q04	2Q04	2005	2004
Net result from equities	1 592	1 351	766	(99)	572	2 943	2 268
Net result from other asset classes	1 725	860	2 784	2 161	872	2 585	2 618
Value-adjusted financial result <sup>1)</sup>	3 316	2 211	3 550	2 062	1 444	5 527	4 886
Guaranteed return on policyholders' funds	1 477	1 444	1 176	1 381	1 372	2 921	2 714
Financial result	1 839	767	2 374	681	72	2 606	2 172
+ From/(to) securities adjustment reserve	(1 296)	868	(1 572)	(104)	1 625	(428)	586
+ Transferred to additional allocations	0	0	300	0	0	0	0
Recorded interest result	543	1 635	502	577	1 697	2 178	2 758

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

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

	30 June 2005	31 Mar. 2005	31 Dec. 2004	30 Sept. 2004	30 June 2004	Pro forma 31 Dec. 2003
<i>Amounts in NOK million</i>						
Interim profit, accumulated	2 119	1 567	-	2 850	2 335	-
Securities adjustment reserve	3 966	2 670	3 538	1 966	1 862	2 448
Additional allocations	2 331	2 340	2 357	2 053	2 059	2 050
Security reserve	196	196	197	200	204	197
Equity	7 156	7 156	7 156	5 856	5 856	5 856
Subordinated loan capital and perpetual subordinated loan capital securities	2 482	2 468	2 449	2 496	2 619	2 662
Unrealised gains on long-term securities	4 183	3 637	3 935	3 692	2 961	2 842
<b>Solvency capital</b>	<b>22 432</b>	<b>20 033</b>	<b>19 630</b>	<b>19 112</b>	<b>17 896</b>	<b>16 056</b>
<b>Buffer capital <sup>2)</sup></b>	<b>10 930</b>	<b>9 089</b>	<b>8 577</b>	<b>8 328</b>	<b>7 938</b>	<b>6 335</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**

	30 June 2005	31 Mar. 2005	31 Dec. 2004	30 Sept. 2004	30 June 2004	Pro forma 31 Dec. 2003
<i>Amounts in NOK million</i>						
<b>Capital adequacy <sup>1)</sup></b>						
Total eligible primary capital	9 035	9 032	8 953	7 661	7 760	7 724
Capital adequacy ratio (%)	12.8	14.1	14.1	12.7	13.1	13.8
Core capital	6 806	6 803	6 801	5 497	5 480	5 390
Core capital (%)	9.6	10.6	10.7	9.1	9.3	9.6
Risk-weighted assets	70 689	64 220	63 325	60 566	59 129	56 151
<b>Solvency margin capital <sup>2)</sup></b>						
Solvency margin capital	10 307	10 308	10 238	8 777	8 881	8 838
Solvency margin capital exceeding minimum requirement	3 651	3 605	3 949	2 358	2 598	3 045
Solvency margin capital in per cent of solvency margin capital requirement (%)	155	154	163	137	141	153

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.

**Profit and loss accounts – IFRS <sup>1)</sup>**

<i>Amounts in NOK million</i>	2Q05	1Q05	4Q04	3Q04	2Q04	1st half	
						2005	2004
Interest income							
Interest expenses							
<b>Net interest income and credit commissions</b>							
Commissions and fees receivable etc.	369	361	352	345	349	730	708
Commissions and fees payable etc.	118	125	121	104	110	243	217
Net gains on financial instruments at fair value							
Net gains on financial assets in life insurance and profits from insurance operations	267	337	539	240	293	604	551
Net realised gains on investment securities (AFS)							
Profit from companies accounted for by the equity method							
Other income	37	31	31	31	31	68	62
<b>Net other operating income</b>	<b>555</b>	<b>604</b>	<b>800</b>	<b>512</b>	<b>563</b>	<b>1 159</b>	<b>1 105</b>
Staff costs	153	137	159	159	174	290	337
Other costs	118	119	112	89	86	237	187
Depreciation, impairment on fixed and intangible assets	20	31	36	29	35	51	69
<b>Total operating expenses</b>	<b>291</b>	<b>287</b>	<b>306</b>	<b>278</b>	<b>296</b>	<b>578</b>	<b>593</b>
<b>Pre-tax operating profit before write-downs</b>	<b>264</b>	<b>317</b>	<b>494</b>	<b>233</b>	<b>266</b>	<b>581</b>	<b>511</b>
Net gains on fixed and intangible assets							
Write-downs on loans and guarantees							
<b>Pre-tax operating profit</b>	<b>264</b>	<b>317</b>	<b>494</b>	<b>233</b>	<b>266</b>	<b>581</b>	<b>511</b>
Taxes	(7)	(11)	(176)	11	46	(18)	86
Profit from discontinuing operations after taxes							
<b>Profit for the period</b>	<b>271</b>	<b>328</b>	<b>670</b>	<b>222</b>	<b>220</b>	<b>599</b>	<b>425</b>

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

**Balance sheets – IFRS <sup>1)</sup>**

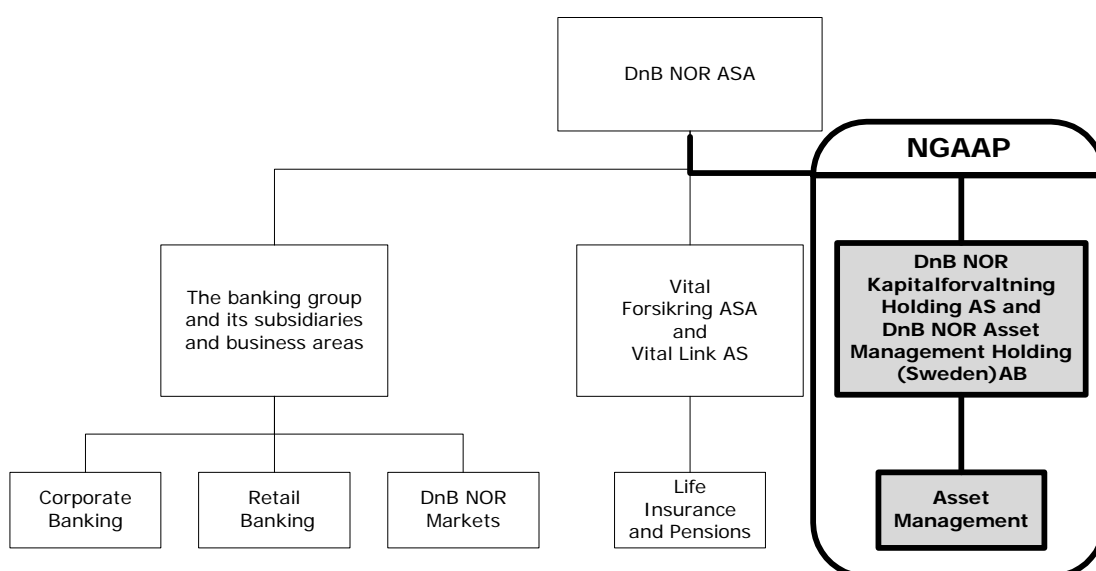
Amounts in NOK million	30 June 2005	31 March 2005	1 Jan. 2005	30 Sept. 2004	30 June 2004	1 Jan. 2004
Cash and deposits with central banks						
Lending to and deposits with credit institutions	7 341	6 095	5 165	5 995	5 147	4 206
Gross lending to customers						
- Accumulated write-downs						
Net lending to customers						
Trading securities - commercial paper and bonds						
Trading securities - shareholdings etc.						
Financial assets - customers bearing the risk	10 766	10 354	9 747	9 230	8 942	7 287
Other financial instruments at fair value through profit and loss						
- commercial paper and bonds	65 348	61 361	55 313	53 708	52 866	53 744
Other financial instruments at fair value through profit and loss						
- shareholdings etc.	27 037	25 496	24 371	22 565	22 509	19 398
Financial derivative instruments	272	472	2 189	612	140	442
Financial derivative instruments used for hedging						
Shareholdings- available for sale						
Commercial paper and bonds - held to maturity	51 656	54 390	55 645	56 588	55 837	47 414
Investment property	18 161	18 552	18 445	16 763	16 658	16 687
Investments in associated companies	14	14	14	14	14	14
Intangible assets	231	270	292	334	359	416
Deferred tax assets	30	0	0	0	0	0
Fixed assets	1 104	1 116	1 094	1 083	1 085	1 067
Biological assets						
Discontinuing operations						
Accrued income and prepaid expenses	32	4	4	38	31	64
Other assets	3 373	2 744	2 830	5 505	4 895	7 026
<b>Total assets</b>	<b>185 364</b>	<b>180 870</b>	<b>175 109</b>	<b>172 434</b>	<b>168 483</b>	<b>157 765</b>
Loans and deposits from credit institutions						
Deposits from customers						
Financial derivative instruments					353	
Securities issued						
Insurance liabilities - customers bearing the risk	10 766	10 354	9 747	9 230	8 942	7 287
Liabilities to life insurance policyholders	162 143	157 972	153 488	149 713	147 127	137 693
Other liabilities	1 048	699	922	1 628	2 047	2 832
Accrued expenses and prepaid income	552	1 317	761	2 027	275	663
Discontinuing operations						
Provisions						
Deferred tax liabilities	405	412	423	680	674	598
Subordinated loan capital	2 577	2 538	2 519	2 566	2 689	2 732
<b>Total liabilities</b>	<b>177 491</b>	<b>173 293</b>	<b>167 860</b>	<b>165 844</b>	<b>162 108</b>	<b>151 805</b>
Minority interests						
Revaluation changes						
Share capital	2 423	2 418	2 418	2 418	2 418	2 418
Other reserves and retained earnings	5 450	5 159	4 831	4 172	3 956	3 541
<b>Total equity</b>	<b>7 873</b>	<b>7 577</b>	<b>7 249</b>	<b>6 591</b>	<b>6 375</b>	<b>5 960</b>
<b>Total liabilities and equity</b>	<b>185 364</b>	<b>180 870</b>	<b>175 109</b>	<b>172 434</b>	<b>168 483</b>	<b>157 765</b>

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

## Section 5

# Financial results Asset Management according to NGAAP

There are no significant adjustments  
between NGAAP and IFRS



## 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 half of 2005 synergies reduced staff by eight full-time positions. In addition new preliminary vacancies reduced staff by eight full-time positions. Planned staff reductions in connection with the merger was 70 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

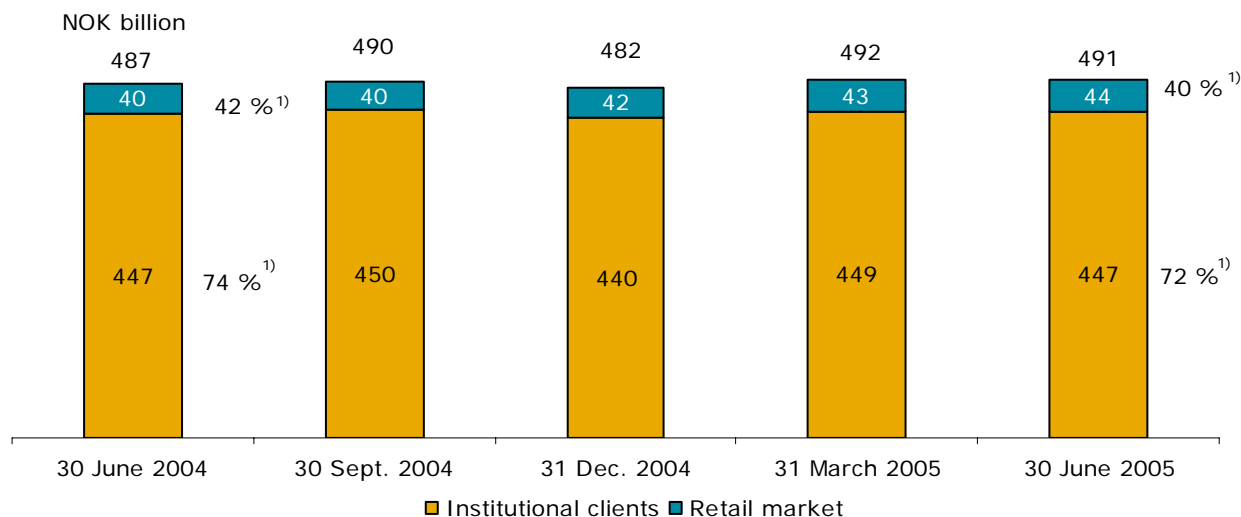
Amounts in NOK million	2Q05	1Q05	4Q04	3Q04	2Q04	1st half	
						2005	2004
Net interest income from operations	(2)	(1)	(1)	3	(3)	(3)	(7)
Interest on allocated capital <sup>1)</sup>	6	6	6	6	6	12	13
Net interest income	4	5	5	9	3	8	6
Commission income							
- from retail customers	84	85	95	96	80	169	169
- from institutional clients	148	157	139	127	145	305	278
Other income	1	3	8	13	4	5	(1)
Total income	237	250	248	246	232	487	452
Operating expenses	164	169	172	156	172	333	353
Pre-tax operating profit	73	81	76	90	60	154	99
Net losses on loans and long-term securities	(3)					(3)	
Pre-tax operating profit	76	81	76	90	60	156	99
<b>Assets under management <sup>2)</sup></b>							
Institutional	447	449	440	450	447	447	447
- of which Life Insurance and Pensions	159	154	149	145	141	159	141
Retail	44	43	42	40	40	44	40
Total	491	492	482	490	487	491	487
<b>Key figures</b>							
Cost/income ratio excl. goodwill	69.2	67.7	69.3	63.4	74.2	68.4	78.1
Return on equity (% p.a.) <sup>1)</sup>	19.4	21.0	17.5	20.7	14.2	20.2	11.5

1) Calculated on the basis of recorded equity.

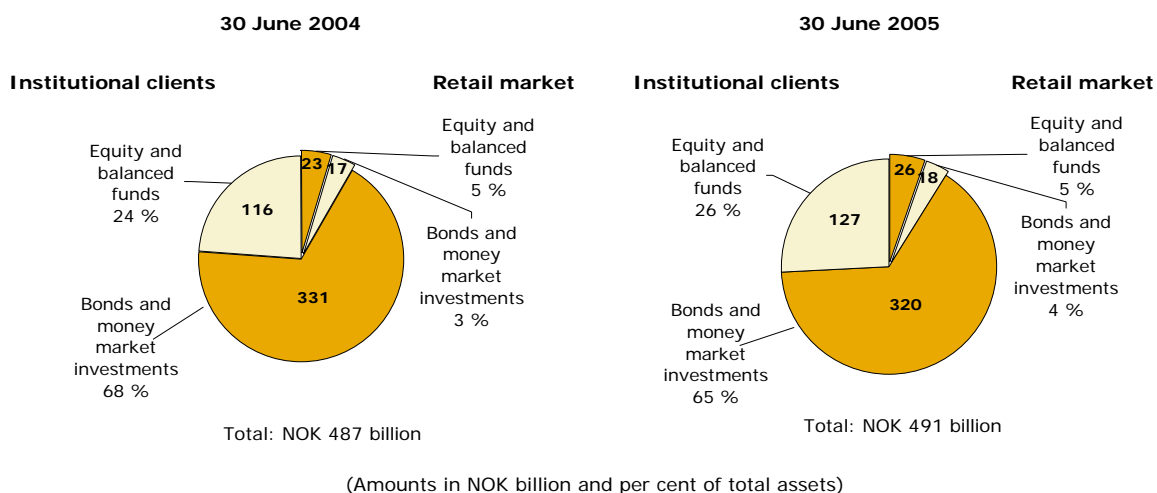
2) Assets under management at end of period.

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

- Commission income increased by NOK 27 million from the first half of 2004 to the first half of 2005. This was mainly due to growth in assets under management
- Operating expenses in the first half of 2005 were NOK 333 million, which was NOK 20 million below operating expenses in the corresponding period of 2004
- Cost synergies representing NOK 37 million were achieved in the first half of 2005, bringing total synergies from the DnB NOR merger to NOK 86 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	2Q05	1Q05 <sup>1)</sup>	4Q04	3Q04	2Q04	1st half	
						2005 <sup>1)</sup>	2004 <sup>2)</sup>
Retail market	(668)	(572)	909	(480)	94	(1 240)	(391)
Institutional clients	(3 700)	7 098	(17 585) <sup>3)</sup>	1 279	(612)	3 398	1 619
Total	(4 368)	6 526	(16 675)	799	(518)	2 158	1 228

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

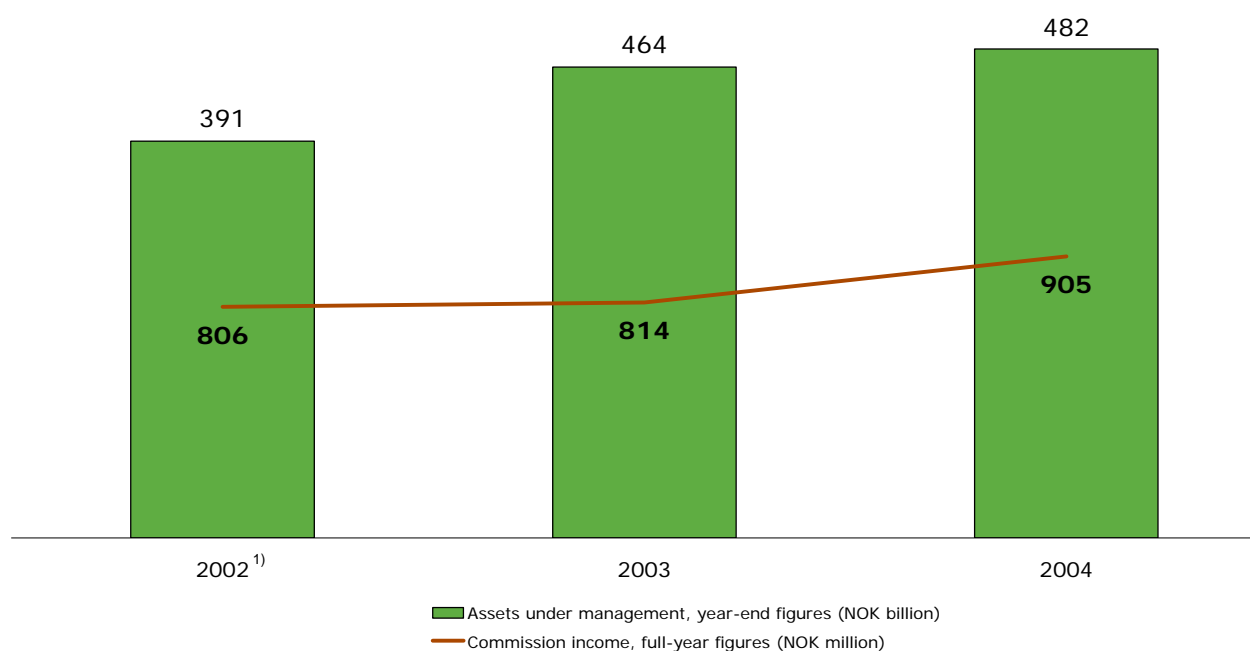
2) Excluding dividends of NOK 1 821 million, of which NOK 779 million refers to retail and NOK 1 042 million to institutional clients.

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 9.5 billion or 2.0 per cent in the first half of 2005
- There was a net inflow of funds from institutional clients of NOK 3.4 billion or 0.8 per cent and a net outflow from the Retail Market of NOK 1.2 billion or 2.9 per cent in the first half of 2005
- New institutional mandates were won in both Sweden and Norway
- Market developments led to a NOK 26.2 billion increase in assets under management, representing 5.4 per cent measured in customers' base currencies
- The appreciation of NOK against other currencies, especially SEK, reduced assets under management by NOK 18.9 billion or 3.9 per cent
- During the first half of 2005, Morgan Stanley's global equity index (MSCI World Net Div.) was reduced by 0.7 per cent measured in USD and rose by 7.2 per cent measured in NOK
- The stock exchanges in Stockholm (OMX) and Oslo (OSEBX) climbed by 10.9 and 19.7 per cent respectively during the first half 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 Health Care (+1.1)
  - Avanse Helse (+1.7)
  - Avanse Telecom (+2.7)



### 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 686 000 at the end of June 2005. The number of savings agreements was more than 256 000
- Market shares:
  - DnB NOR Kapitalforvaltning (mutual funds in Norway) 34.0 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

	30 June 2005		31 March 2005		31 Dec. 2004		30 Sept. 2004		30 June 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)	10 851	25.8	10 574	26.1	10 280	27.4	10 207	28.5	9 650	34.4
Equity funds (International)	14 313	20.8	15 584	23.3	13 582	23.4	13 557	27.5	13 888	25.7
Balanced funds	4 793	59.8	4 588	60.5	4 251	62.0	3 927	59.7	3 896	58.5
Fixed-income funds	11 526	40.5	11 096	40.1	11 107	39.9	10 397	40.7	9 087	38.6
Money market funds	26 836	50.3	28 131	51.9	26 899	53.1	28 022	53.8	27 709	55.1
<b>Total mutual funds</b>	<b>68 319</b>	<b>34.0</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>

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 eight full-time positions and new vacancies corresponding to eight full-time positions in the first half of 2005
- 294 full-time positions at the end of June 2005 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		
	1st half 2005 <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)	1 332 088	1 317 744	1 309 027	1 309 552	1 313 965
Earnings per share (NOK)	3.30	6.28	4.11	2.77	4.59
Return on equity (per cent)	17.0	17.7	12.7	8.9	15.5
RARORAC (per cent) <sup>4)</sup>	17.3	17.0	n/a	n/a	n/a
Price at end of period	68.25	59.75	44.40	32.60	40.40
Price/earnings ratio <sup>5)</sup>	10.33	9.52	10.81	11.75	8.81
Price/book value	1.77	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>6)</sup>	n/a	4.27	4.95	7.36	5.94
Equity per share including accrued dividend at end of period (NOK)	38.54	37.79	34.37	32.46	32.27

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

2) Including the effect of the 12 929 907 shares issued on 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 employees in the former Gjensidige NOR Group.

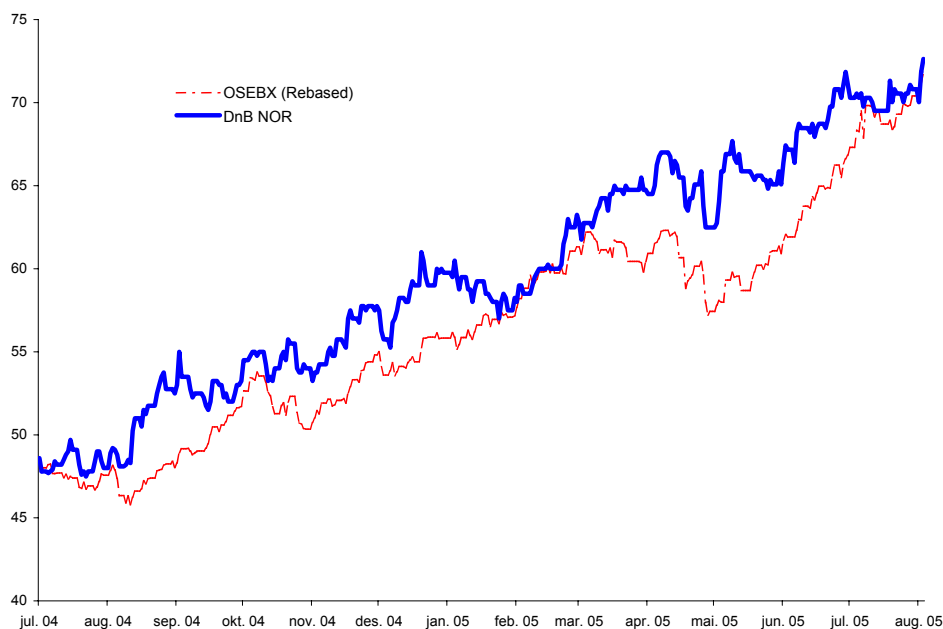
3) Including the effect of the cancellation of shares at the AGM 2002 (8 067 420 shares) and AGM 2003 (960 000 shares)

4) New principles for measuring risk-adjusted capital implemented in 2005

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

6) 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 July 2004 to 3 August 2005

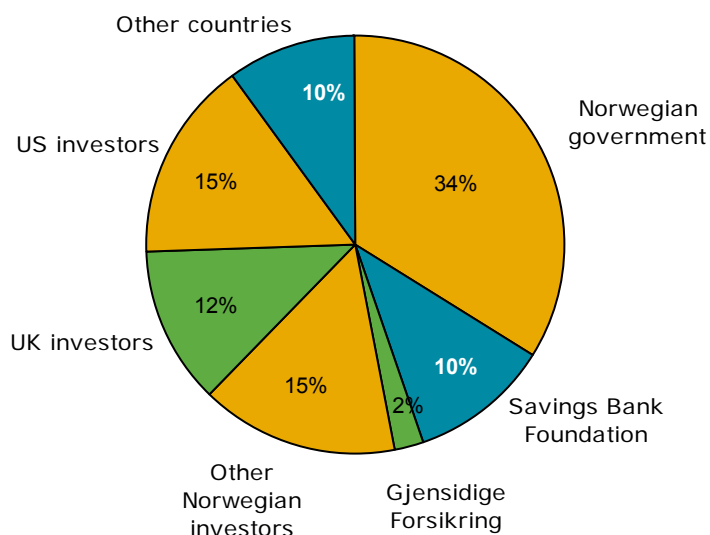


## Shareholder structure as at 31 July 2005

### Major shareholders

		Shares in 1 000	Ownership in %
Norwegian government		454 537	34.00
Savings Bank Foundation		143 338	10.72
JPMorgan Chase Bank, Bank Clients	NOM	65 233	4.88
State Street Bank, Client Omnibus D	NOM	47 447	3.55
Capital Euro Pacific Growth Fund		32 600	2.44
Folketrygdfondet		30 356	2.27
Gjensidige Forsikring		29 472	2.20
The Northern Trust, C Treaty	NOM	22 500	1.68
JPMorgan Chase Bank Fidelity Lending	NOM	19 015	1.42
Mellon Bank AS Agent	NOM	18 424	1.38
Fidelity Funds Europe		17 590	1.32
Orkla ASA (incl. Nordstjernen Holding)		14 752	1.10
JPMorgan Chase Bank, Omnibus Lending Account	NOM	13 251	0.99
Deutsche Bank AG clients account	NOM	12 127	0.91
Capital World Growth Fund		10 936	0.82
The Northern Trust , USL Treaty Account	NOM	10 575	0.79
Oslo Pensjonsforsikring		10 000	0.75
JPMorgan Chase Bank S/A Dekabank Frankfurt		9 783	0.73
DnB NOR Employees Fund		8 500	0.64
State Street Bank, Client Omnibus F	NOM	8 168	0.61
Total largest shareholders		<b>978 604</b>	<b>73.20</b>
Other		358 271	26.80
Total		<b>1 336 875</b>	<b>100.00</b>

### Shareholder structure





## **Section 7**

# **The Norwegian economy**

## The Norwegian economy

### Basic information 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	6.55 NOK/USD
Current balance	USD 36.7 or 13.7 per cent 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	1.1	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>	57.8	69.7	83.1	
General government budget balance <sup>2) 3)</sup>	11.4	14.4	14.6	

1) Per cent of disposable income.

2) Per cent of GDP.

3) Source: Ministry of Finance.

Source if not otherwise indicated: DnB NOR Markets

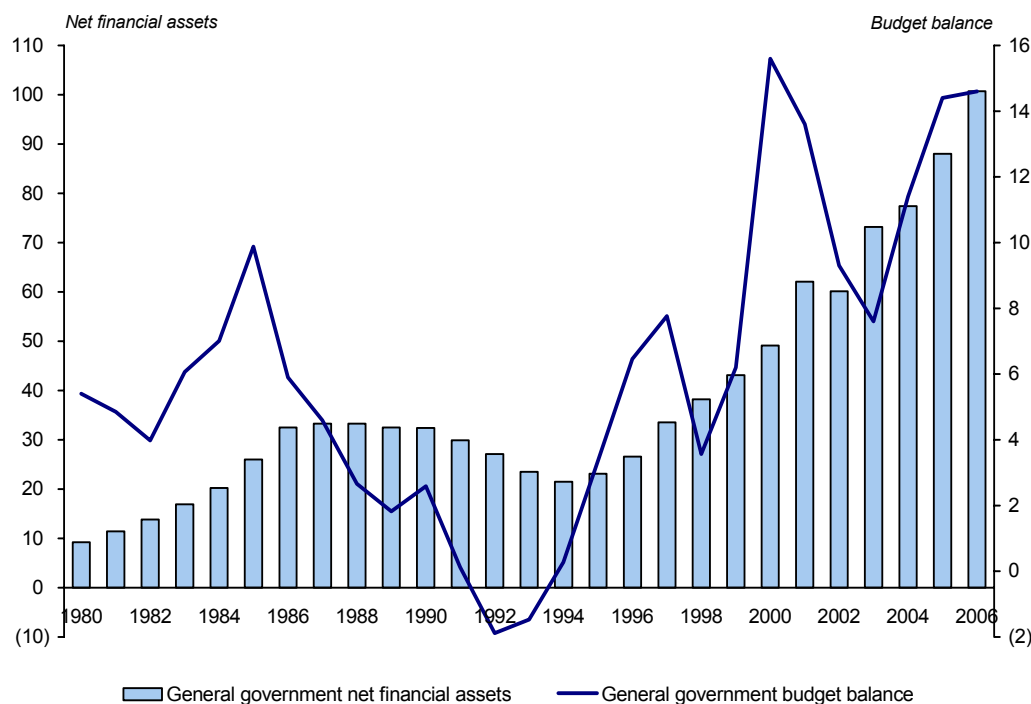
### Contribution to volume growth in GDP mainland Norway

Per cent	2002	2003	2004	2005
Household 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

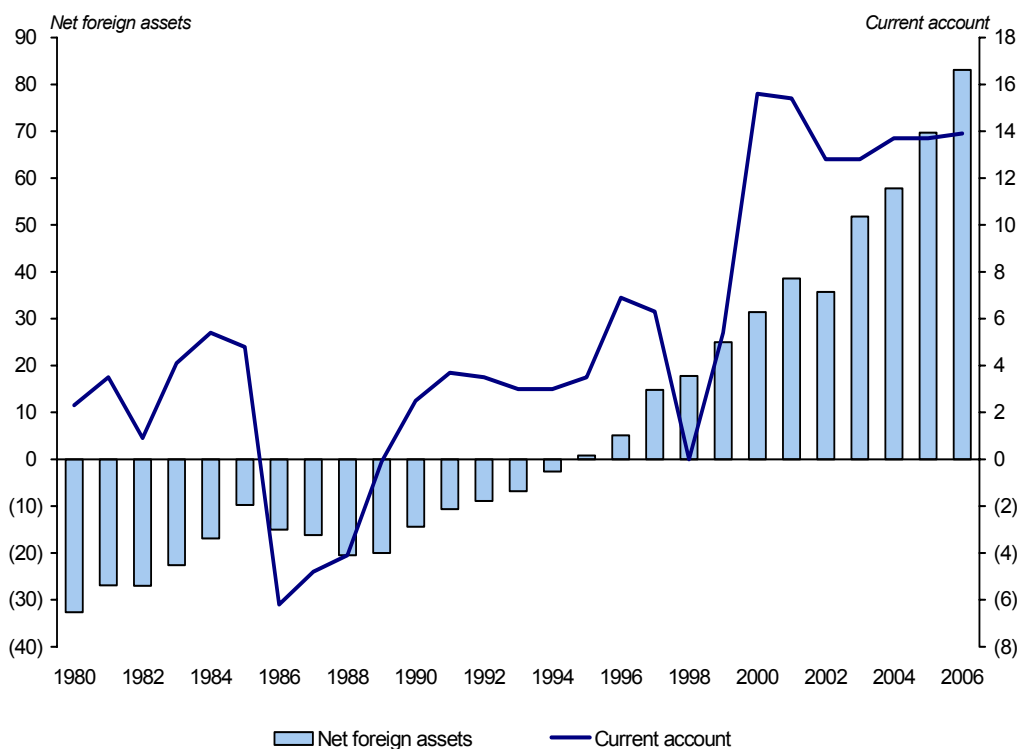


## General government's financial position <sup>1)</sup> (Per cent of GDP)



Source: Ministry of Finance

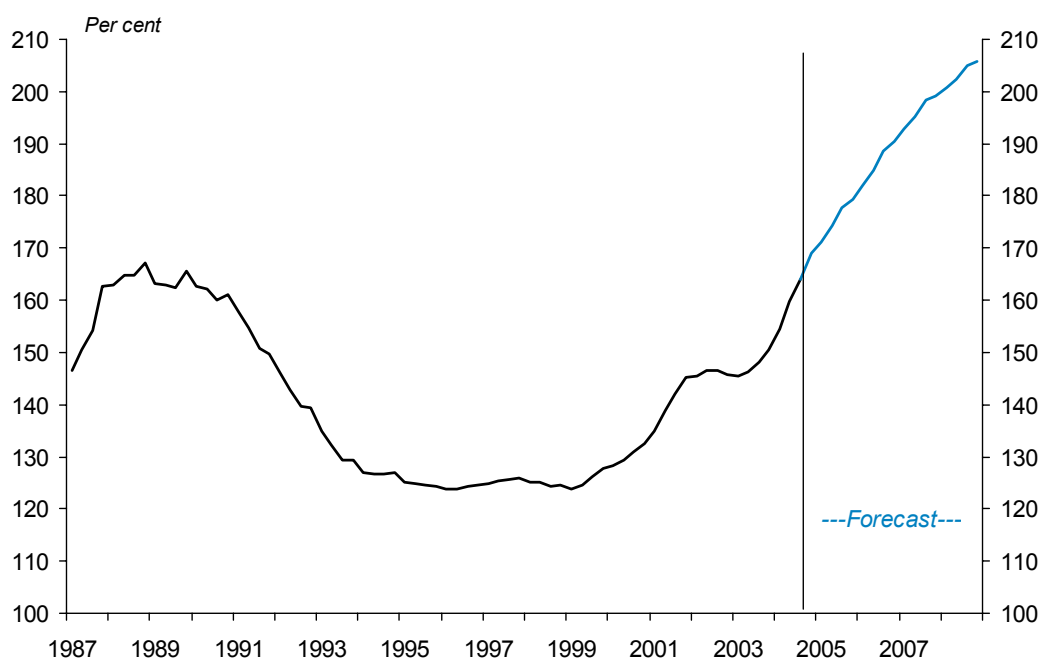
## Current account and net foreign assets (incl. private sector) <sup>1)</sup> (Per cent of GDP)



Source: Ministry of Finance

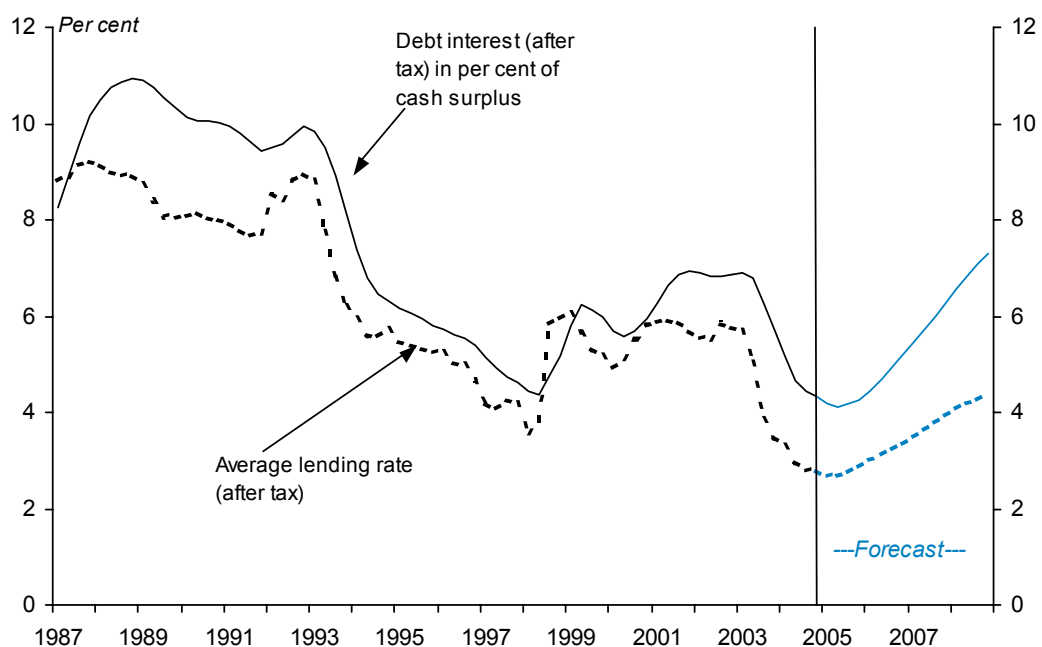
1) The projections are based on an assumed oil price of NOK 300 per barrel in 2005, NOK 285 in 2006 and NOK 225 in 2009. The oil price in May 2005 was NOK 307 per barrel.

### Household debt servicing capacity (debt in per cent of disposable income)



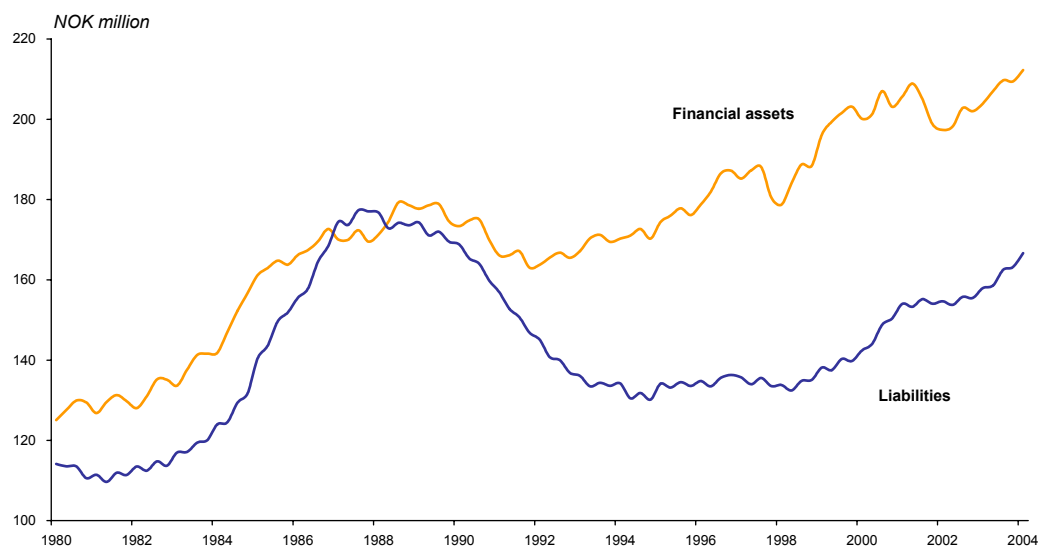
Source: Norges Bank

### Household interest burden



Source: Norges Bank

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



Source: EcoWin

## Financial market growth

Percentage change from previous year	31 Dec. 2002	31 Dec. 2003	31 Dec. 2004	31 May 2005
<b>Credit <sup>1)</sup></b>				
Total	5.2	4.9	6.9	8.5 <sup>5)</sup>
- of which commercial and savings banks	6.4	7.9	9.5	12.5
Total retail market	11.3	11.8	12.5	12.7
Total corporate market	1.5	0.4	2.8	5.3 <sup>5)</sup>
<b>Savings</b>				
Total <sup>2)</sup>	4.0	9.1	11.4	11.9 <sup>4)</sup>
- of which commercial and savings banks	7.7	3.8	7.5	8.0
Total retail market <sup>2)</sup>	4.7	8.7	8.2	8.7 <sup>4)</sup>
Total corporate market <sup>3)</sup>	3.6	8.6	14.0	14.2 <sup>4)</sup>

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

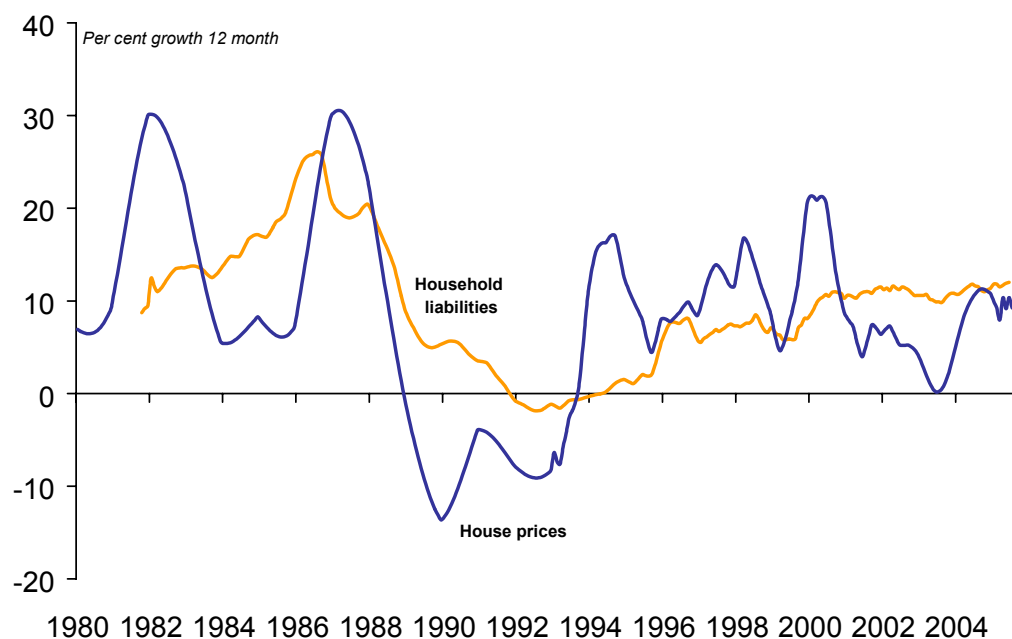
2) Deposits in commercial and savings banks, participation in mutual funds, funds for insurance commitments, equity-linked bonds.

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

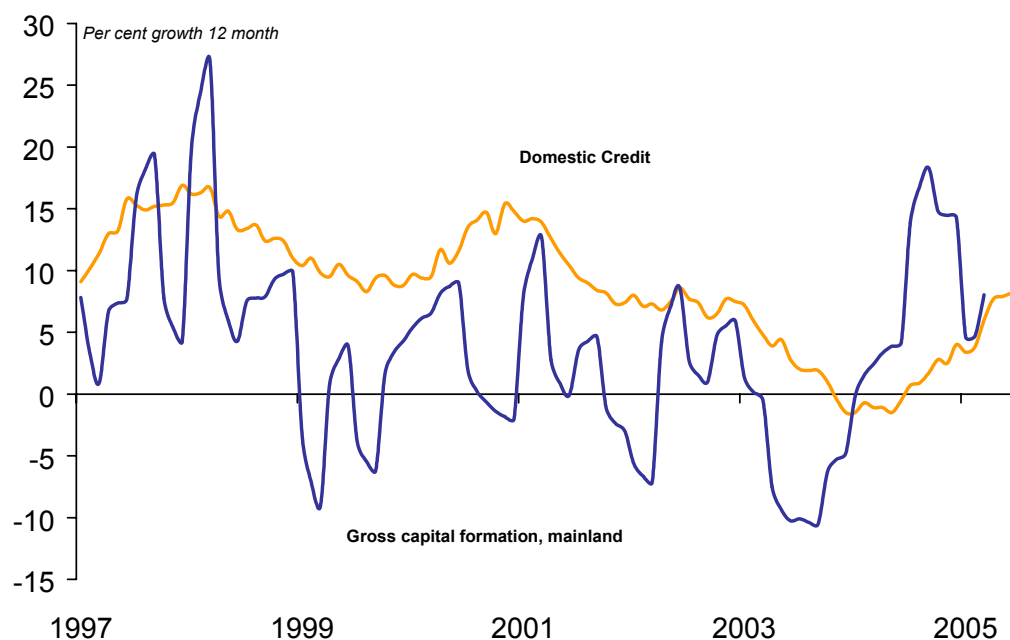
4) As at 31 March 2005

5) As at 30 April 2005

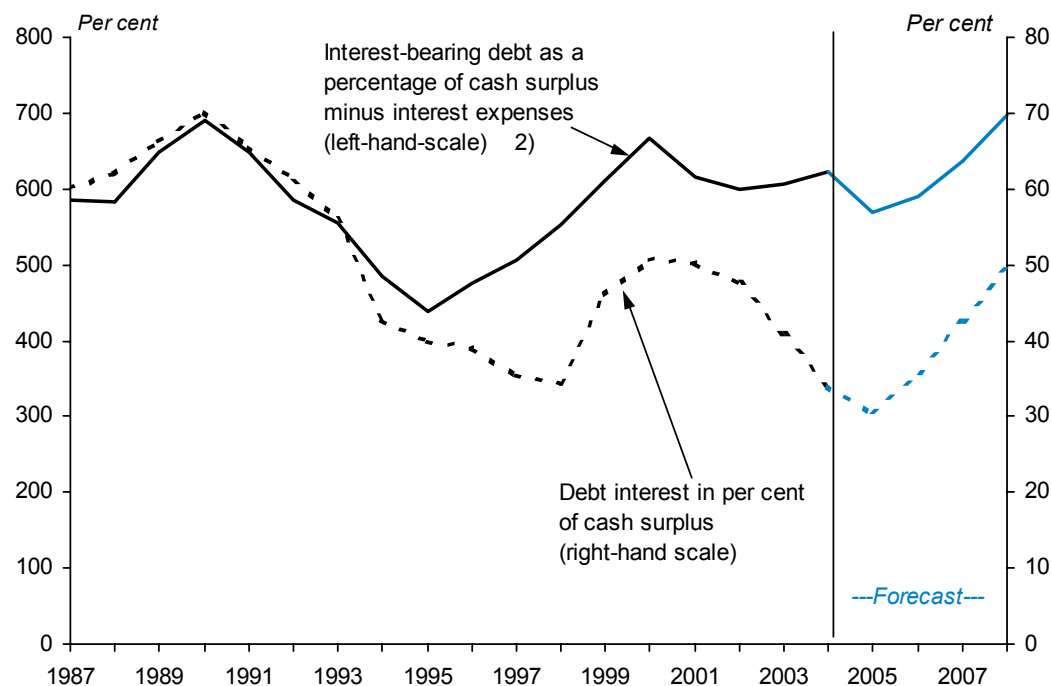
## House prices and household liabilities



## Corporates: domestic credit and gross capital formation, mainland



## Corporates' interest-bearing debt and interest paid <sup>1)</sup>

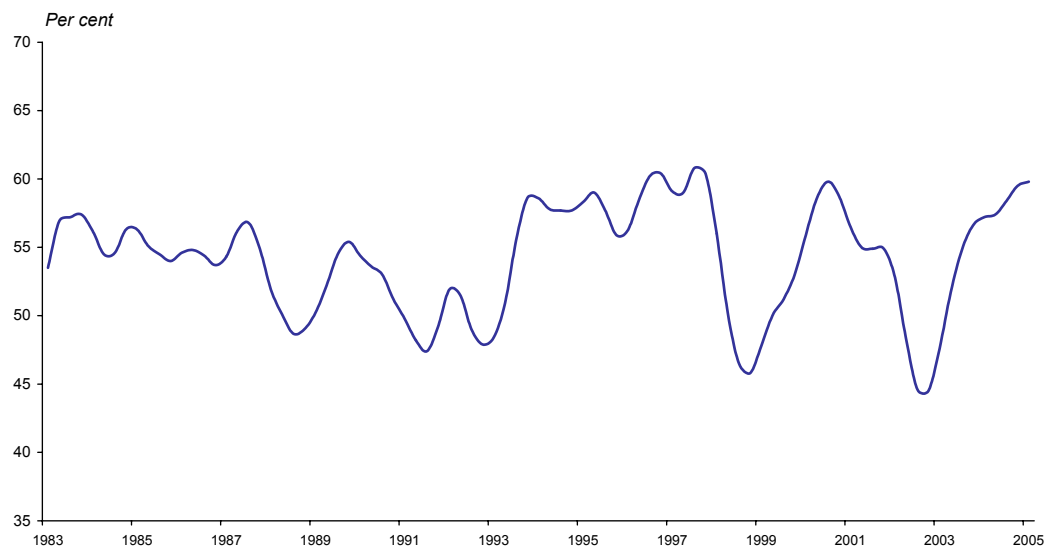


Source: Norges Bank

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)



Source: EcoWin

---

## Notes