

DnB NOR Group

- results 1st quarter 2008



Rune Bjerke, group chief executive
Bjørn Erik Næss, CFO
Tom Rathke, group executive vice president

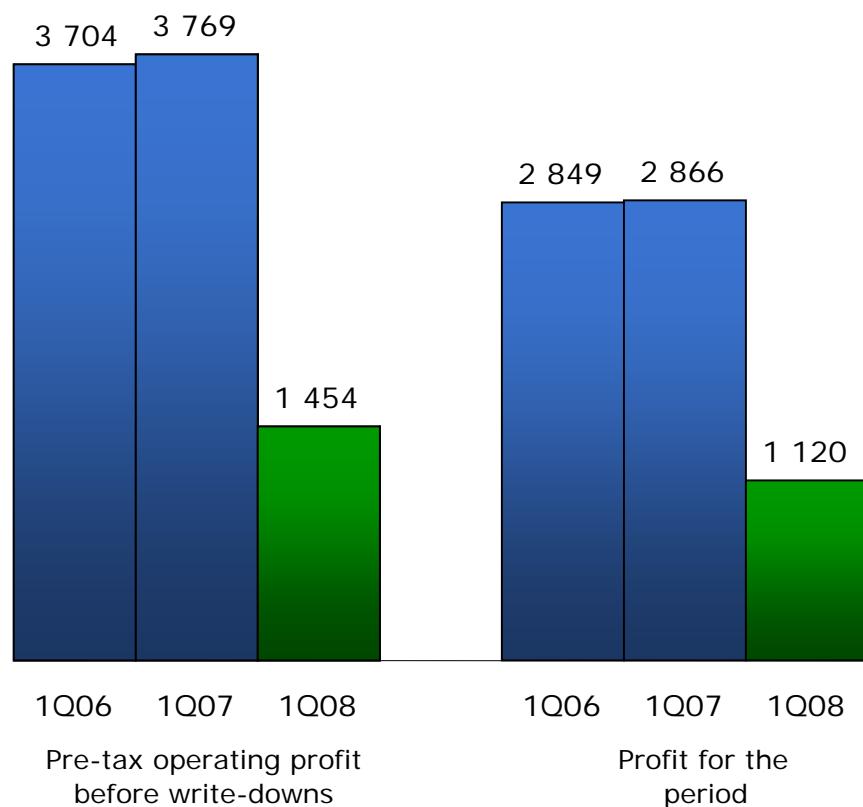
1st quarter 2008

Healthy underlying operations, turbulent financial markets

- Robust operations
 - Net interest income strengthened through growth and widening lending spreads
 - Customer trading and other income on the increase
 - Controlled cost trend
 - Low write-downs on loans
- Turbulent financial and stock markets have resulted in write-downs
 - Unrealised mark-to-market losses on bonds
 - Weak stock markets
- High level of trust from the international financial market
 - Upgraded to AA- by Standard & Poor's
 - Good access to funding in 1st quarter

Profits affected by financial turmoil

NOK million



- Pre-tax operating profits before write-downs: NOK 1.5 billion (3.8)
- Profit for the period: NOK 1.1 billion (2.9)

Effect of decline in market values

<i>Amounts in NOK million</i>	<i>1Q08</i>
Bond portfolio in DnB NOR Markets	(1 566)
Ownership interests in and guarantee for Eksportfinans	(309)
Profit from Vital	(361)
Write-downs on DnB NOR's equity portfolio	(254)
Total	(2 490)

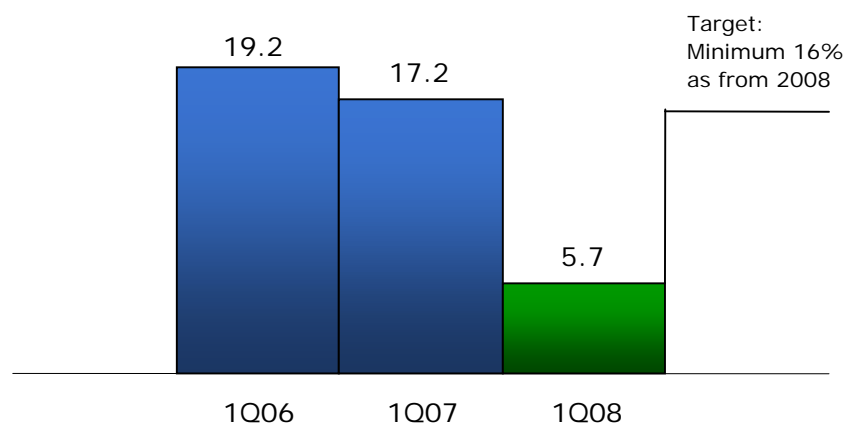
Sensitivity in bond portfolios

- Bond portfolio in DnB NOR Markets
 - Sensitivity per basis point change in credit spreads: NOK 25 million
 - Average residual maturity: 3 years
 - Positive accrual effect per quarter: NOK 250 million
- Bond portfolio in and guarantee for Eksportfinans (DnB NOR's share)
 - Sensitivity per basis point change in credit spreads: NOK 8 million
 - Average residual maturity: approximately 3.3 years
 - Positive accrual effect per quarter: NOK 60 million

Key figures

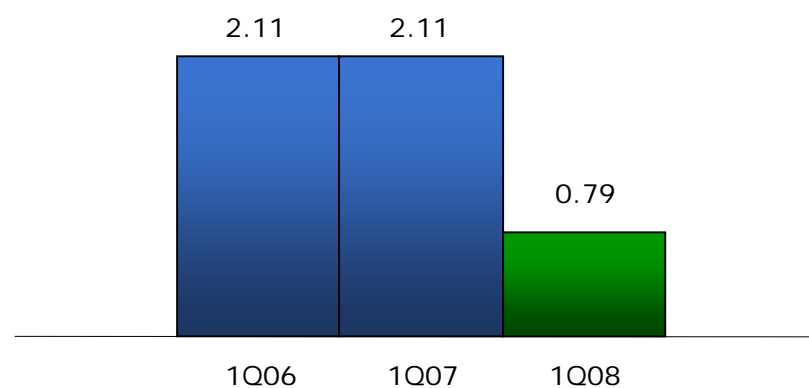
Return on equity

Per cent



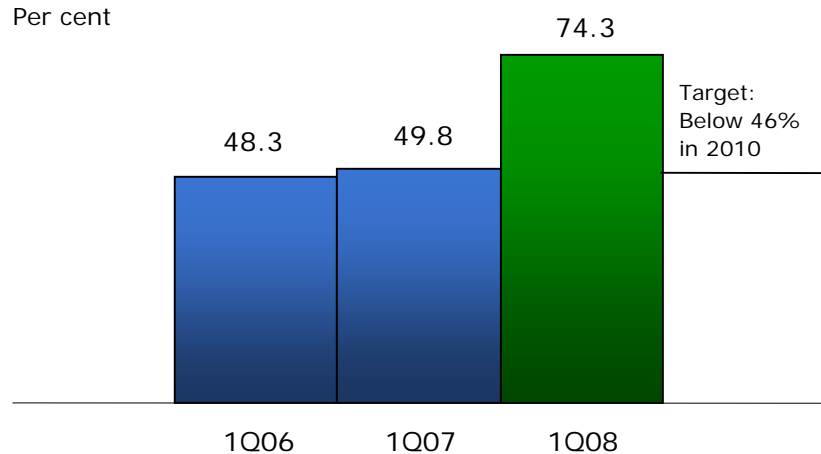
Earnings per share

NOK



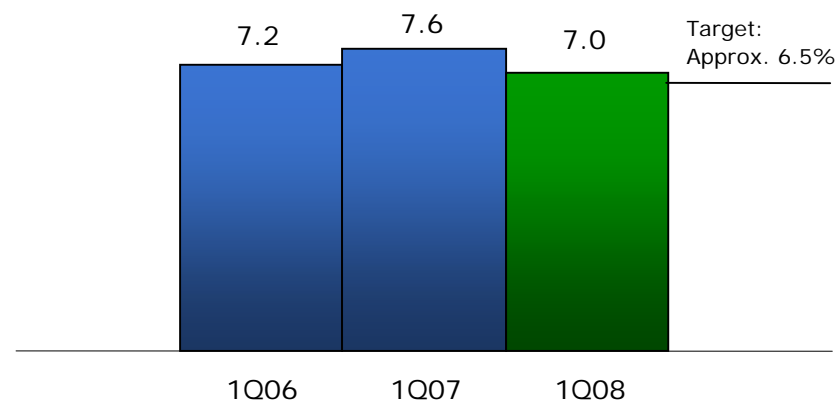
Cost/income ratio

Per cent



Core capital ratio

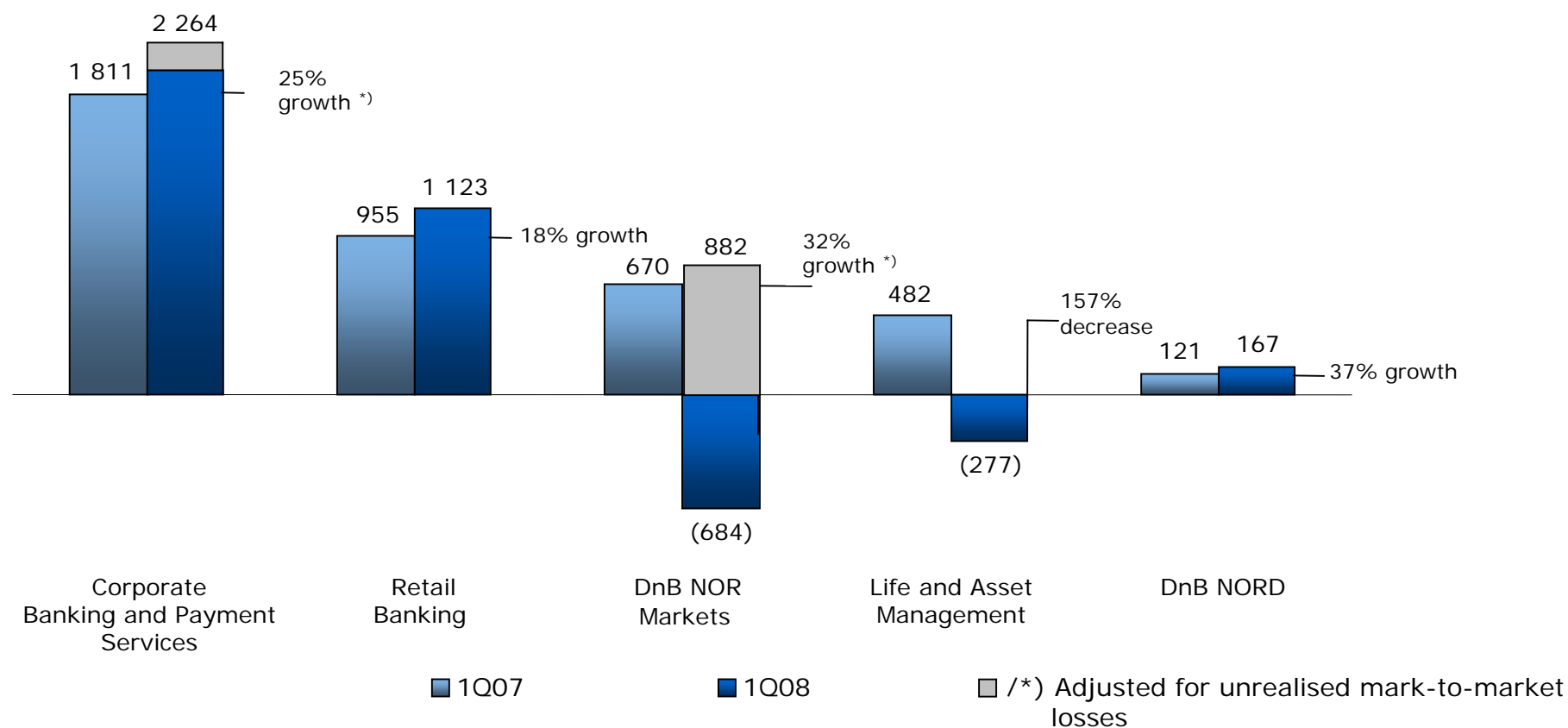
Per cent



Sound underlying performance in the business areas

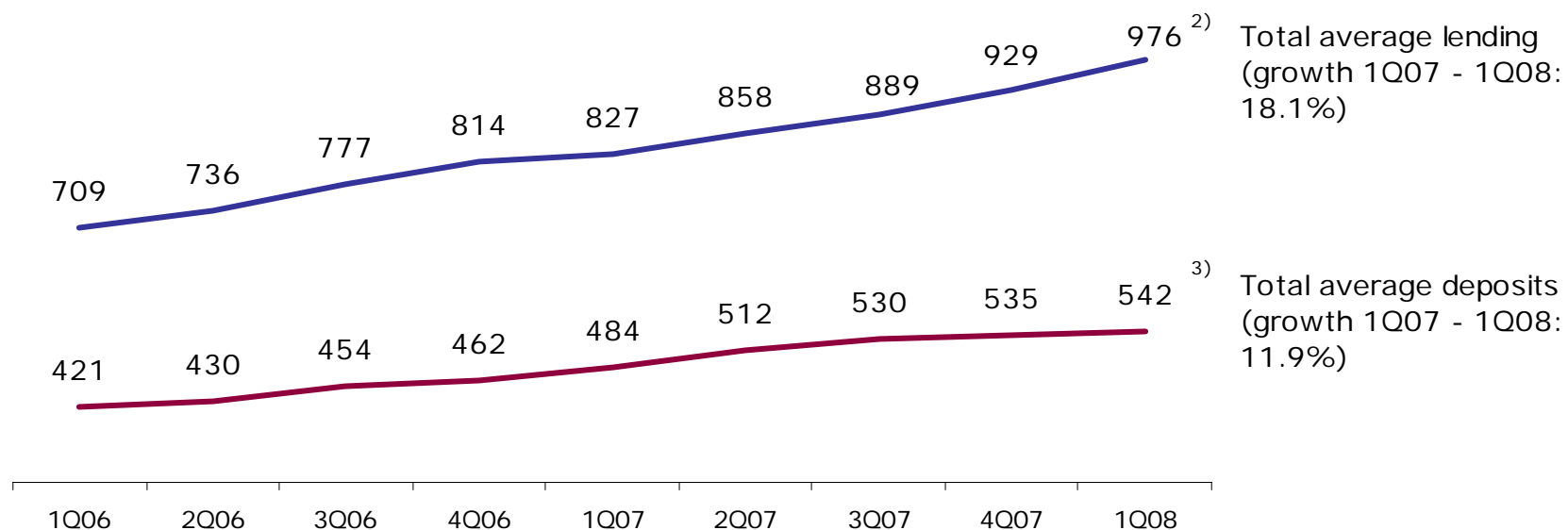
Pre-tax operating profit before write-downs

NOK million



Strong growth in total lending ¹⁾

NOK billion



1) Excluding lending to and deposits from credit institutions and impaired loans

2) Of which DnB NORD: NOK 62 billion

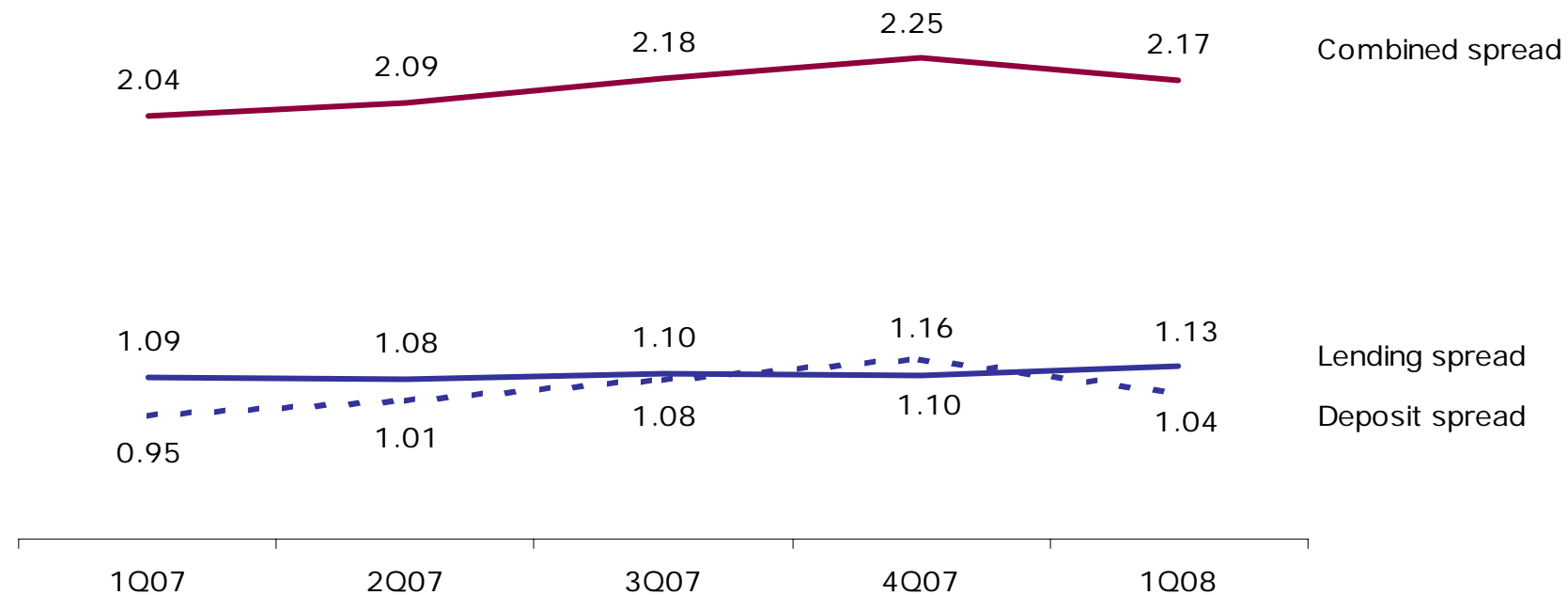
Total lending excluding DnB NORD: NOK 915 billion (16.0% growth)

3) Of which DnB NORD: NOK 20 billion

Total deposits excluding DnB NORD: NOK 521 billion (10.7% growth)

Increase in lending spreads and greater competition for deposits ¹⁾

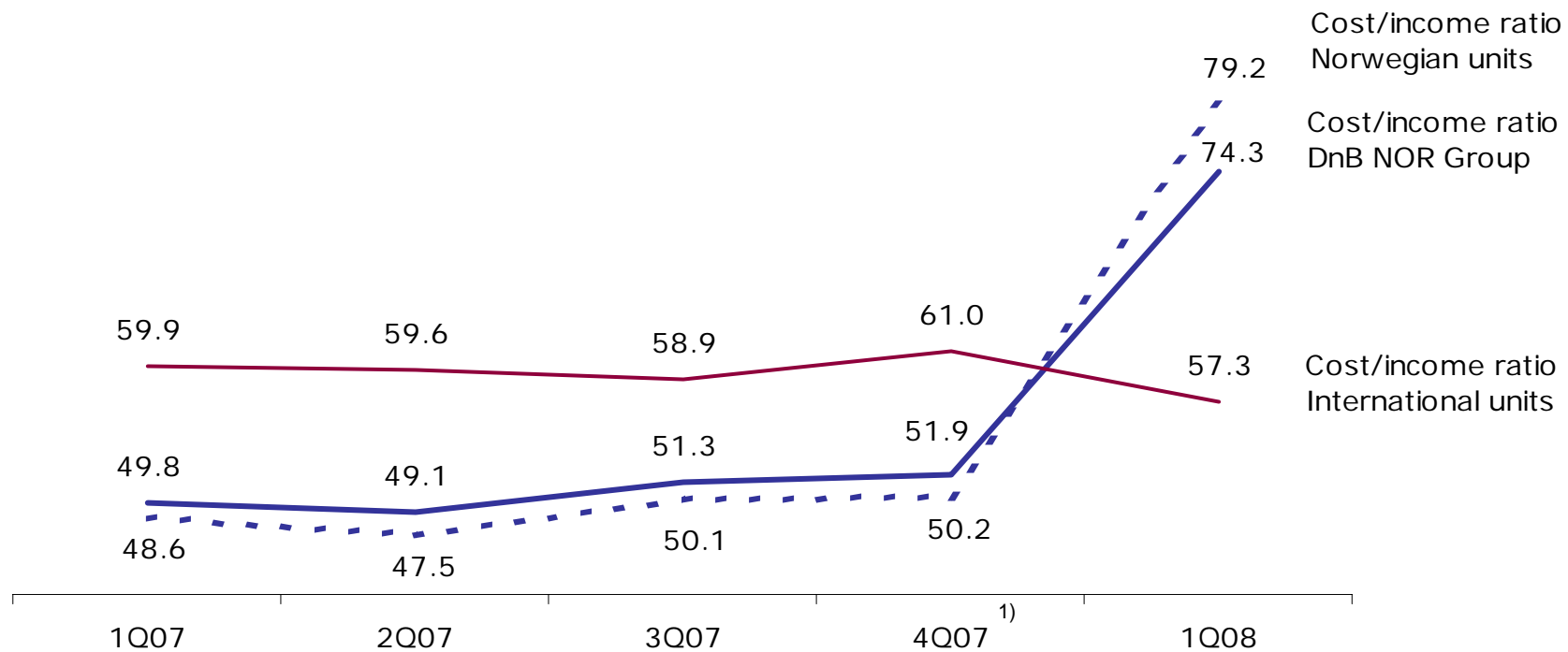
Per cent



1) Excluding lending to and deposits from credit institutions and impaired loans

Cost/income ratio - reflecting reduced income

Per cent



1) Excluding allocations to employees

Norwegian and international operations

Norwegian units

<i>Amounts in NOK million</i>	1Q08	4Q07 ¹⁾	3Q07	2Q07	1Q07
Total income	4 366	7 221	6 525	6 889	6 704
Operating expenses	3 460	3 625	3 268	3 269	3 260
Cost/income ratio (%)	79.2	50.2	50.1	47.5	48.6
Share of group income (%)	77.3	84.5	86.0	86.6	89.2
Full-time positions at end of period	9 188	9 165	9 270	9 274	9 245

International units

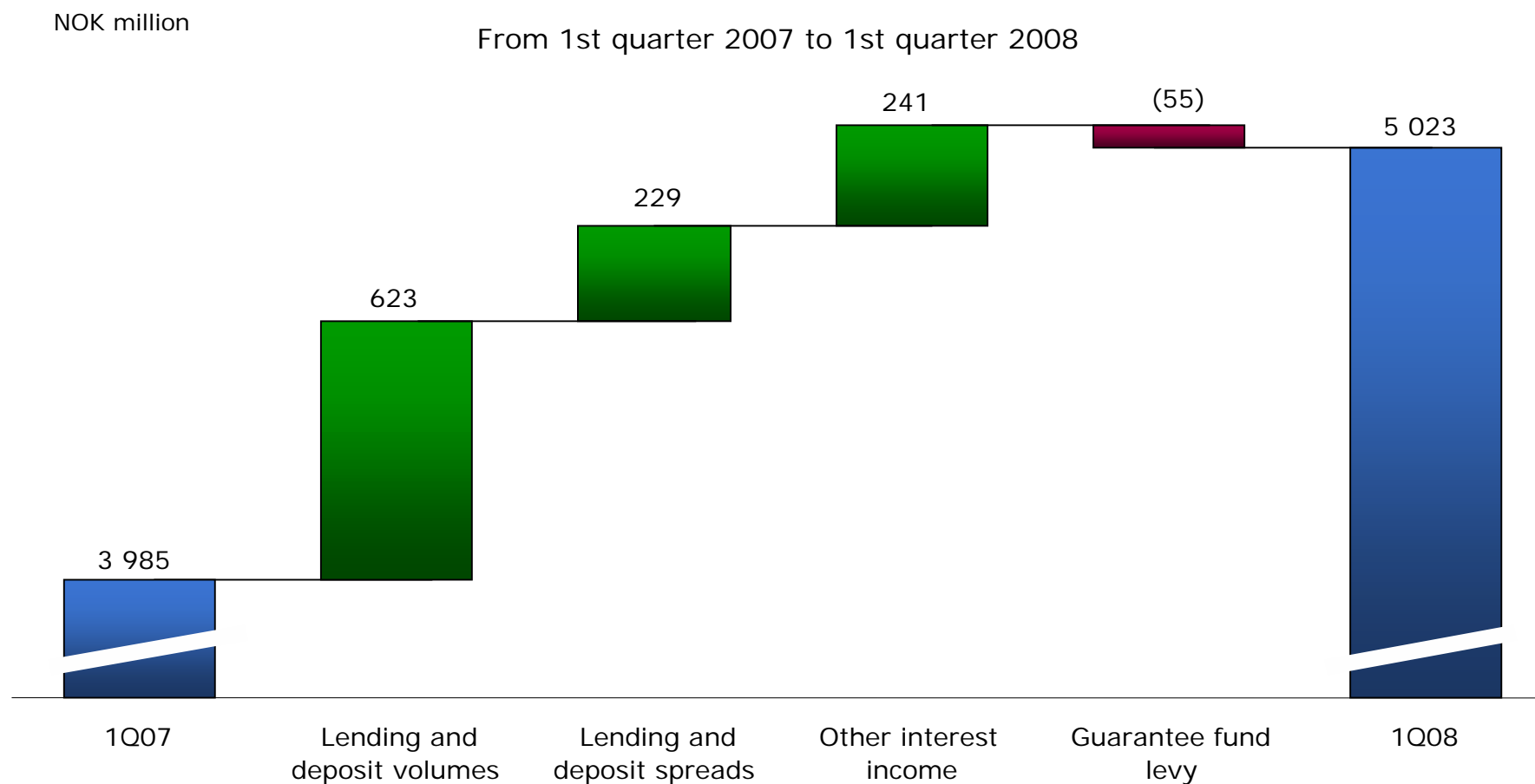
<i>Amounts in NOK million</i>	1Q08	4Q07 ¹⁾	3Q07	2Q07	1Q07
Total income	1 282	1 324	1 064	1 064	808
Operating expenses	734	807	627	634	484
Cost/income ratio (%)	57.3	61.0	58.9	59.6	59.9
Share of group income (%)	22.7	15.5	14.0	13.4	10.8
Full-time positions at end of period	4 460	4 290	3 931	3 747	2 766

1) Excluding allocations to employees

Income statement

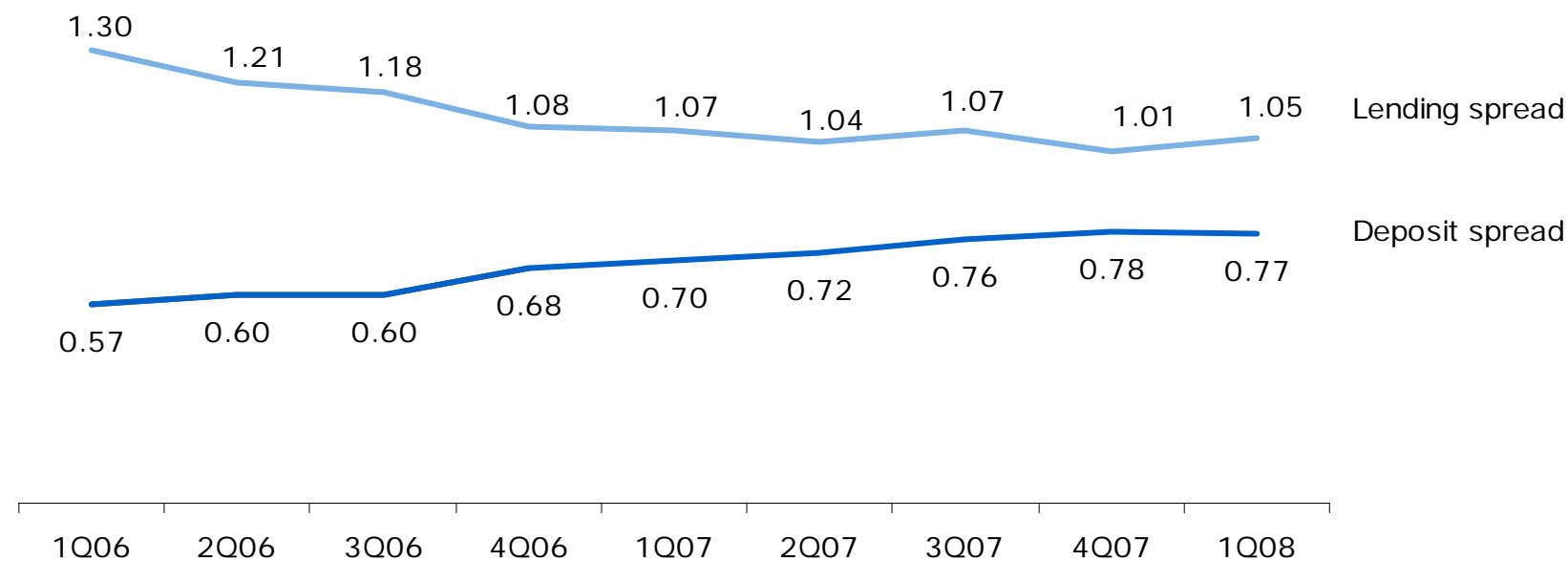
<i>Amounts in NOK million</i>	1Q08	4Q07	3Q07	2Q07	1Q07
Net interest income	5 023	5 000	4 663	4 219	3 985
Net other operating income	625	3 545	2 926	3 733	3 528
Total income	5 648	8 545	7 589	7 952	7 513
Total operating expenses	4 194	4 908	3 895	3 902	3 744
Pre-tax operating profit before write-downs	1 454	3 636	3 694	4 050	3 769
Net gains on fixed and intangible assets	31	1 593	874	9	5
Write-downs on loans and guarantees	195	(41)	70	140	51
Pre-tax operating profit	1 290	5 269	4 498	3 919	3 723
Taxes	170	193	826	512	856
Profit for the period	1 120	5 076	3 673	3 407	2 866

Strong increase in net interest income



Developments in average interest rate spreads Corporate Banking and Payment Services ¹⁾

Per cent

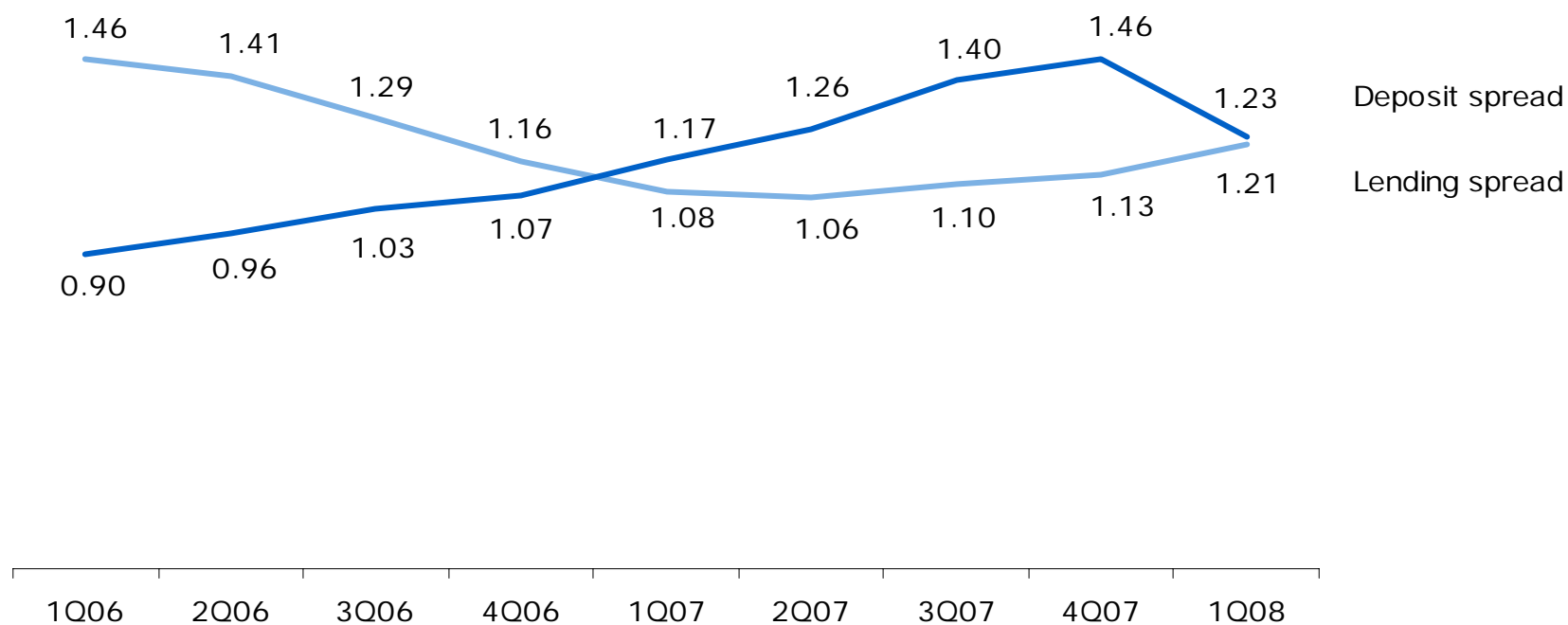


1) Excluding lending to and deposits from credit institutions and impaired loans

Developments in average interest rate spreads

Retail Banking ¹⁾

Per cent

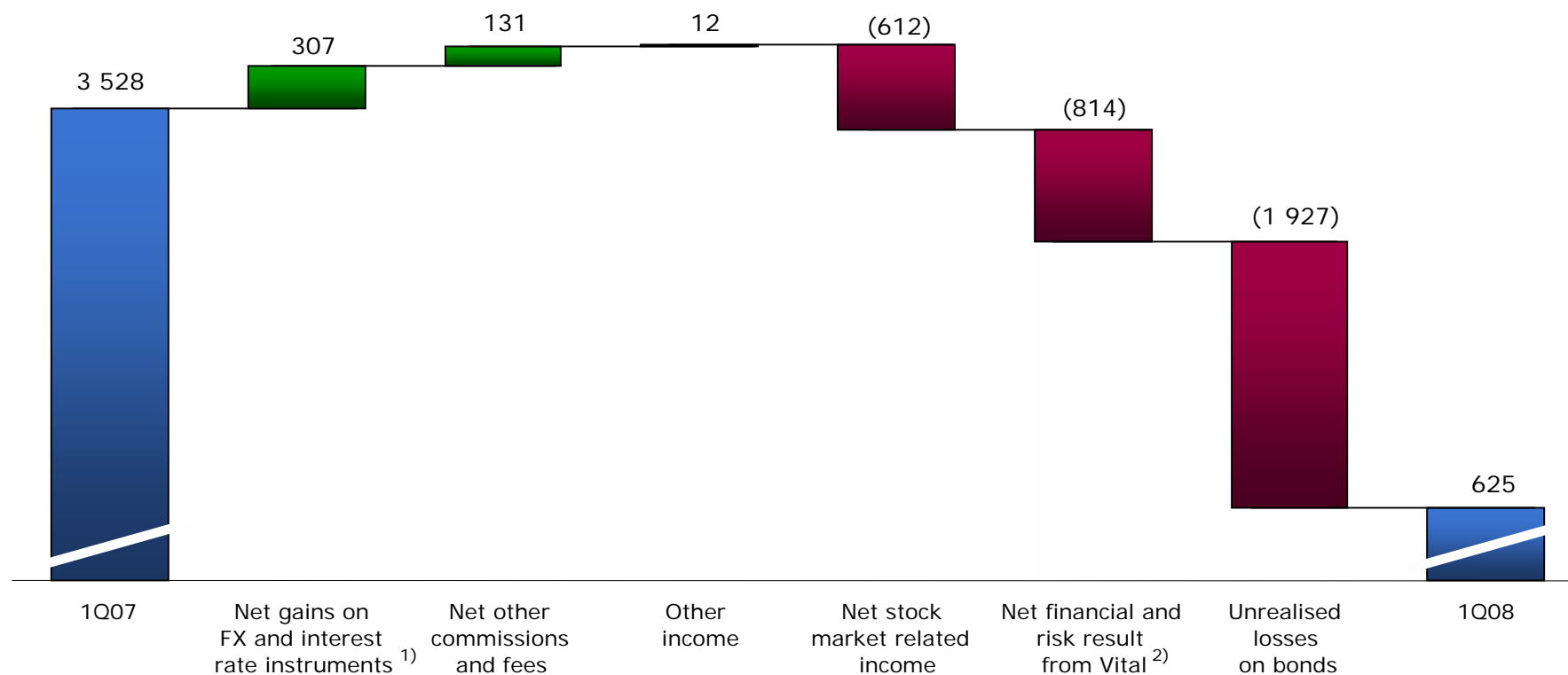


1) Excluding impaired loans

Changes in net other operating income

NOK million

From 1st quarter 2007 to 1st quarter 2008



1) Excluding guarantees and income reductions resulting from widening credit spreads

2) After guaranteed returns and allocations to policyholders

Changes in operating expenses

<i>Amounts in NOK million</i>	<i>1Q08</i>	<i>Changes</i>	<i>1Q07</i>
Total operating expenses	4 194	450	3 744
Norwegian units		200	
<i>Of which:</i>			
IT expenses		73	
Properties		55	
Operational leasing (incl. depreciation)		39	
Wage settlements		34	
Other depreciation		18	
Other operating expenses		(19)	
International units		250	
<i>Of which:</i>			
SalusAnsvar		33	
Svensk Fastighetsförmedling		25	
BISE Bank		60	
Other operations in DnB NORD		85	
Other		47	

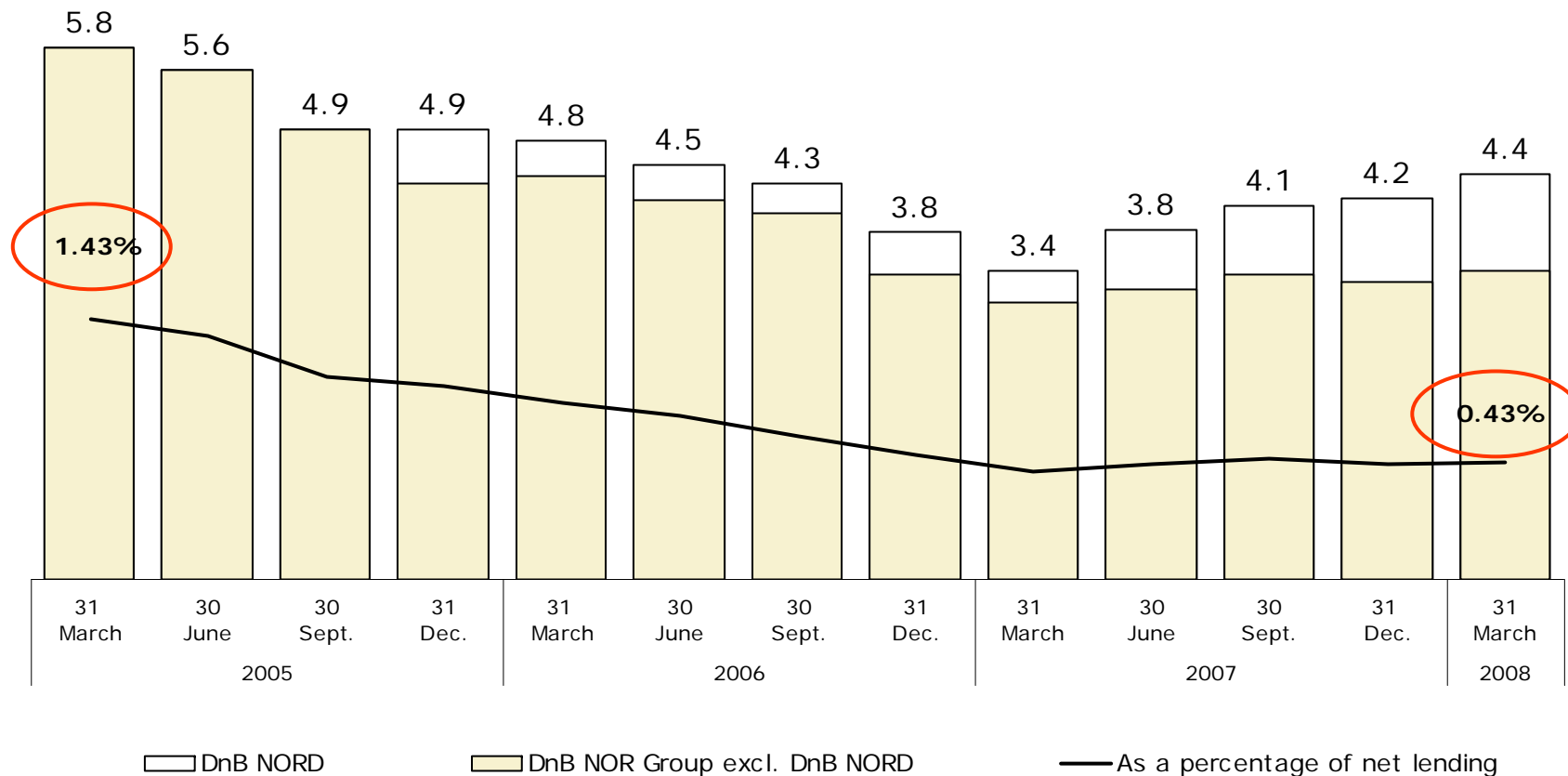
Write-downs on loans and guarantees

Income statement

<i>Amounts in NOK million</i>	1Q08	4Q07	3Q07	2Q07	1Q07
New individual write-downs	324	314	217	266	283
Reassessments and recoveries	165	166	141	156	195
Individual write-downs	159	148	76	110	88
Group write-downs on loans	37	(189)	(6)	30	(37)
Total write-downs	195	(41)	70	140	51

Net non-performing and impaired commitments

NOK billion



Balance sheets

<i>Amounts in NOK billion</i>	31 March 2008	<i>31 Dec. 2007</i>	<i>30 Sept. 2007</i>	<i>30 June 2007</i>	31 March 2007
Net lending to customers	1 016	971	908	883	842
Other assets	549	503	522	554	541
Total assets	1 565	1 474	1 431	1 437	1 384
Deposits from customers	529	538	532	528	503
Short-term securities issued	124	97	68	70	67
Long-term securities issued	297	274	249	258	263
Other liabilities and provisions	537	488	510	513	481
Equity	78	76	71	67	69
Total liabilities and equity	1 565	1 474	1 431	1 437	1 384

- Strong lending growth, reflecting e.g. purchase of NOK 10 billion in car financing
- Seasonally low deposits due to tax payments
- Intense competition for deposits
- Good access to funding sources

Ratio of average deposits to average net lending, quarterly (%)	55.3	58.0	59.6	59.6	58.3
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Total combined assets	1 906	1 834	1 789	1 802	1 747
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Corporate Banking and Payment Services

<i>Amounts in NOK million</i>	<i>1Q08</i>	<i>1Q07</i>
Total income	3 117	2 793
Operating expenses	1 162	982
Pre-tax operating profit before write-downs	1 955	1 811
Net lending to customers (NOK billion) ¹⁾	485	386
Deposits from customers (NOK billion) ¹⁾	303	272
Cost/income ratio (%)	37.3	35.2
RORAC (%)	15.2	17.9

- Underlying positive trend in operations
- Eksportfinans caused a NOK 309 million shortfall in income
- International growth remains strong
- Gradual improvement in spreads and somewhat lower growth

1) Average balances, including credit institutions

Retail Banking

<i>Amounts in NOK million</i>	<i>1Q08</i>	<i>1Q07</i>	
Total income	2 795	2 508	• Rise in profits due to growth in lending and deposits
Operating expenses	1 673	1 553	
Pre-tax operating profit before write-downs	1 123	955	• Growth in deposits - customers seek low-risk investments
Net lending to customers (NOK billion) ¹⁾	443	412	• Improved customer loyalty programmes
Deposits from customers (NOK billion) ¹⁾	228	212	
Cost/income ratio (%)	59.8	61.9	• Strong growth in non-life insurance - well-functioning distribution, establishment of new company on schedule
RORAC (%)	25.2	20.8	• Reduction in staff numbers and less use of temporary staff in Norwegian operations

1) Average balances

DnB NOR Markets

<i>Amounts in NOK million</i>	<i>1Q08</i>	<i>1Q07</i>
Total income	(309)	1 063
Operating expenses	375	392
Pre-tax operating profit before write-downs	(684)	670
Cost/income ratio	(121.3)	36.9
RORAC (%)	(45.4)	53.2

- Widening credit spreads reduced bond values by NOK 1 566 million in 1st quarter 2008
 - taken to income over average residual maturity of 3 years
- Rise in other income of NOK 194 million
- High income from FX, interest rate and commodity products
- 4 per cent reduction in costs

DnB NOR Markets

- income trend

<i>Amounts in NOK million</i>	1Q08	4Q07	3Q07	2Q07	1Q07	<i>Full year</i> 2007	<i>Full year</i> 2006
FX, interest rate and commodity derivatives	434	358	373	295	306	1 332	1 044
Investment products	117	187	107	181	230	705	851
Corporate finance	129	249	150	282	148	828	695
Securities services	85	97	96	104	91	388	316
Total customer revenues	765	891	727	861	774	3 253	2 907
Unrealised losses on bonds	(1 566)	(592)	(666)	(23)	28	(1 253)	98
Other market making/ trading revenues	427	485	244	148	223	1 100	808
Total trading revenues	(1 139)	(107)	(422)	125	251	(153)	906
Interest income on allocated capital	65	58	50	44	37	189	93
Total income	(309)	842	355	1 030	1 063	3 289	3 907

DnB NORD

<i>Amounts in NOK million</i>	<i>1Q08</i>	<i>1Q07</i>	
Total income	531	341	• Strong performance despite financial turmoil and pressure on spreads
Operating expenses	365	220	
Pre-tax operating profit before write-downs	167	121	• Increase in costs due to expansion in Poland - integration of BISE Bank
Deposits from customers (NOK billion) ¹⁾	63	39	
Ratio of deposits to lending (%)	68.7	64.5	• IT investments, same new system for all units by end-2009
RORAC (%)	9.5	11.9	

1) Average balances, including credit institutions

Life and Asset Management

<i>Amounts in NOK million</i>	<i>1Q08</i>	<i>1Q07</i>
Total income	256	981
Total operating expenses	533	499
Pre-tax operating profit	(277)	482
Taxes	24	31
Profit after taxes	(300)	451
Assets under management (NOK billion) ¹⁾	569	588
Cost/income ratio (%)	208.0	50.9
Return on capital (%) ²⁾	(9.4)	15.8

- Both Vital and Asset Management affected by weak stock market
- Still healthy sales of niche products outside Norway
- Stable costs in Asset Management

1) Assets at end of period

2) Calculated based on recorded equity

Vital

<i>Amounts in NOK million</i>	<i>1Q08</i>	<i>1Q07</i>
Interest result	(1 801)	2 444
Transferred to additional allocations	1 344	0
Administration result	(17)	(20)
Risk result	111	13
Profit for risk and guaranteed rate of return	108	-
Other	(23)	(4)
Transferred to policyholders	84	2 061
Pre-tax operating profit	(361)	372
Total assets (NOK billion) ¹⁾	229	224
Return on capital (%) ²⁾	(13.2)	15.3

1) Assets at end of period

2) Calculated based on recorded equity

- New regulations entered into force from 1 January 2008
- Weakened stock markets gave negative interest result
- Net inflow of transfers
- Premium income rose by 5 per cent from 2007
- Robust capital position

New regulations as from 1 January 2008



Common portfolio

Investment choice
portfolio

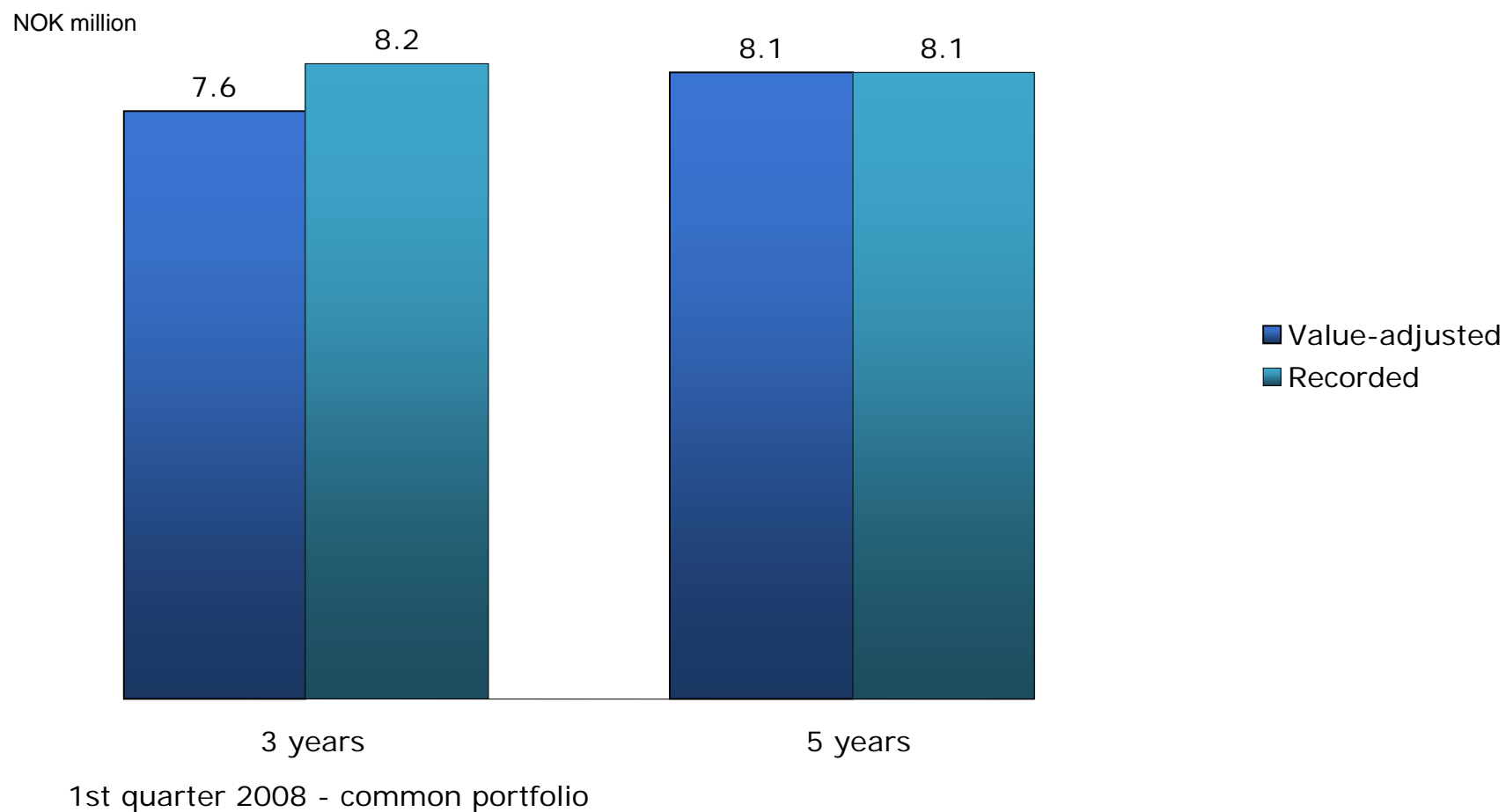
Corporate
portfolio

Financial performance per portfolio 1st quarter

<i>Amounts in NOK million</i>	<i>Common portfolio</i>	<i>Investment choice portfolio</i>	<i>Corporate portfolio</i>	<i>Total Vital</i>
Net interest result	(571)	(4)	118	(457)
Risk result	108	3	0	111
Administration result	25	(40)	(2)	(17)
Profit for risk and guaranteed rate of return	108	0	0	108
Other	(106)	0	0	(106)
Total	(436)	(41)	116	(361)

<i>Amounts in NOK million</i>	<i>Low risk</i>	<i>Moderate risk</i>	<i>High risk</i>	<i>Paid-up policies</i>	<i>Previously established individual products</i>	<i>Total common portfolio</i>
Net interest result	50	0	(212)	(409)	0	(571)
Risk result	3	47	11	20	27	108
Administration result	0	2	1	5	17	25
Profit for risk and guaranteed rate of return	9	76	23	0	0	108
Other	(51)	(22)	(4)	0	(29)	(106)
Total	11	103	(181)	(384)	15	(436)

Healthy long-term returns



Prospects for the rest of the year

- Healthy underlying operations
- Continued uncertainty in financial markets

➔ If the markets stabilise, pre-tax operating profits before write-downs in line with the 2007 figure should be within reach in 2008

Future prospects

- DnB NOR has a sound market position
 - Well-diversified income base
 - High-quality credit portfolios
 - Consistent and robust liquidity management
 - Controlled international expansion
 - A targeted cost programme

➔ The Group's target remains unchanged:
NOK 20 billion in 2010

DnB NOR

