

DnB NOR Group Results 3rd quarter 2006



2 November 2006

DnBNOR

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Results January through September 2006



- Total income up 12.2 per cent to NOK 20.9 billion (18.6)
- Pre-tax operating profit up 15.5 per cent to NOK 11.0 billion (9.5)
- Profit for the period up 17.7 per cent to NOK 8.4 billion (7.1)
- Expenses cut back to 49.9 per cent of income (51.1)

Comparable 2005-figures in parentheses.

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Key figures January through September 2006



- Return on equity was 18.8 per cent (17.9)
 - Under Swedish rules, return on equity would have been 20.6 per cent
- Earnings per share were NOK 6.21 (5.35)
- The core capital ratio was 6.7 per cent (7.4)
 - Under Swedish rules, the core capital ratio would have been 7.6 per cent

Comparable 2005-figures in parentheses.

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3rd quarter 2006 results



- Total income up 4.3 per cent to NOK 6.8 billion (6.6) ¹⁾
- Pre-tax operating profit was NOK 3.6 billion (3.6)
- Profit for the period was NOK 2.7 billion (2.7)
- Expenses represented 51.0 per cent of income (48.1)
- Return on equity was 18.0 per cent (19.8)
- Earnings per share were NOK 2.00 (2.03)

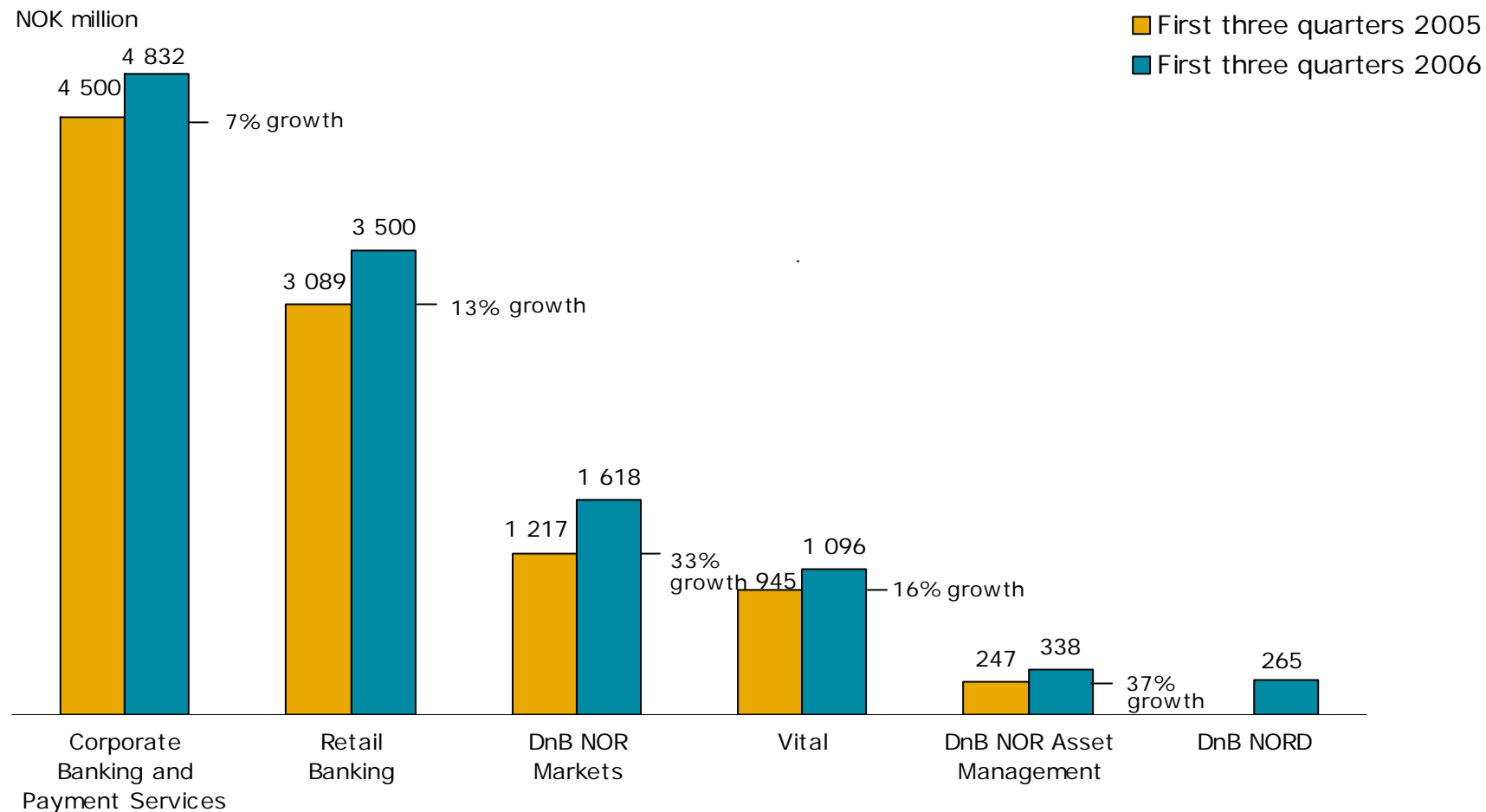
1) In the third quarter of 2005, the Group recorded a total of NOK 298 million in non-recurring income
Comparable 2005-figures in parentheses.

Strong growth in the DnB NOR Group



- **Corporate Banking:** 29 per cent growth in lending from third quarter 2005, extensive syndication activity
- **Retail Banking:** Significant increase in cross-sales
- **DnB NOR Markets:** New investment products
- **Vital:** Strong growth in defined-contribution pensions
- **DnB NOR Asset Management:** Sound asset management performance
- **DnB NORD:** Healthy lending growth in the Baltic states

Strong growth in all business areas - pre-tax operating profit



Financial highlights



<i>Amounts in NOK million</i>	<i>First three quarters</i>			
	<i>2006</i>	<i>2005</i>	<i>3Q06</i>	<i>3Q05</i>
Pre-tax operating profit before write-downs	10 479	9 108	3 353	3 404
Pre-tax operating profit	11 005	9 530	3 558	3 613
Profit for the period	8 414	7 148	2 714	2 710
Cost/income ratio (per cent)	49.9	51.1	51.0	48.1
Return on equity (per cent)	18.8	17.9	18.0	19.8
Earnings per share (NOK)	6.21	5.35	2.00	2.03
Total combined assets at end of period (NOK billion)	1 630	1 389	1 630	1 389
Core capital ratio at end of period (per cent) ¹⁾	6.7	7.4	6.7	7.4

1) Including 50 per cent of profit for the period

Income statements



<i>Amounts in NOK million</i>	<i>First three quarters</i>		3Q06	3Q05
	<i>2006</i>	<i>2005</i>		
Net interest income and credit commissions	11 315	10 137	3 911	3 426
Net other operating income	9 597	8 499	2 932	3 139
Total ordinary operating expenses	10 420	9 528	3 478	3 160
Ordinary operating profit	10 491	9 108	3 366	3 404
Other expenses	13	0	13	0
Pre-tax operating profit before write-downs	10 479	9 108	3 353	3 404
Net gains on fixed and intangible assets	298	602	135	130
Write-downs on loans and guarantees	(228)	180	(70)	(79)
Pre-tax operating profit	11 005	9 530	3 558	3 613
Taxes	2 591	2 383	844	903
Profit for the period	8 414	7 148	2 714	2 710

Income statements



<i>Amounts in NOK million</i>	3Q06	2Q06	1Q06	4Q05	3Q05
Net interest income and credit commissions	3 911	3 781	3 622	3 473	3 426
Net other operating income	2 932	3 110	3 555	3 222	3 139
Total ordinary operating expenses	3 478	3 483	3 459	3 183	3 160
Ordinary operating profit	3 366	3 408	3 718	3 512	3 404
Other expenses	13	0	0	153	0
Pre-tax operating profit before write-downs	3 353	3 408	3 718	3 359	3 404
Net gains on fixed and intangible assets	135	151	12	172	130
Write-downs on loans and guarantees	(70)	(145)	(12)	(48)	(79)
Pre-tax operating profit	3 558	3 704	3 743	3 578	3 613
Taxes	844	853	894	582	903
Profit for the period	2 714	2 851	2 849	2 996	2 710

Changes in net interest income

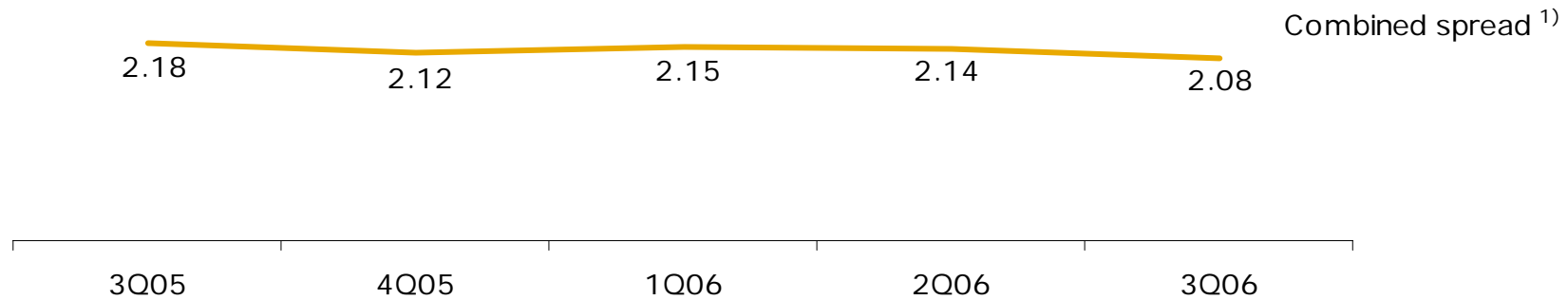


<i>Amounts in NOK million</i>	<i>3Q06</i>	<i>Change</i>	<i>3Q05</i>
Net interest income	3 911	485	3 426
DnB NORD	212	212	-
Monchebank	9	9	-
Lending and deposit volumes		462	
Lending and deposit spreads		(229)	
Other		32	

Developments in average interest rate spreads



Per cent

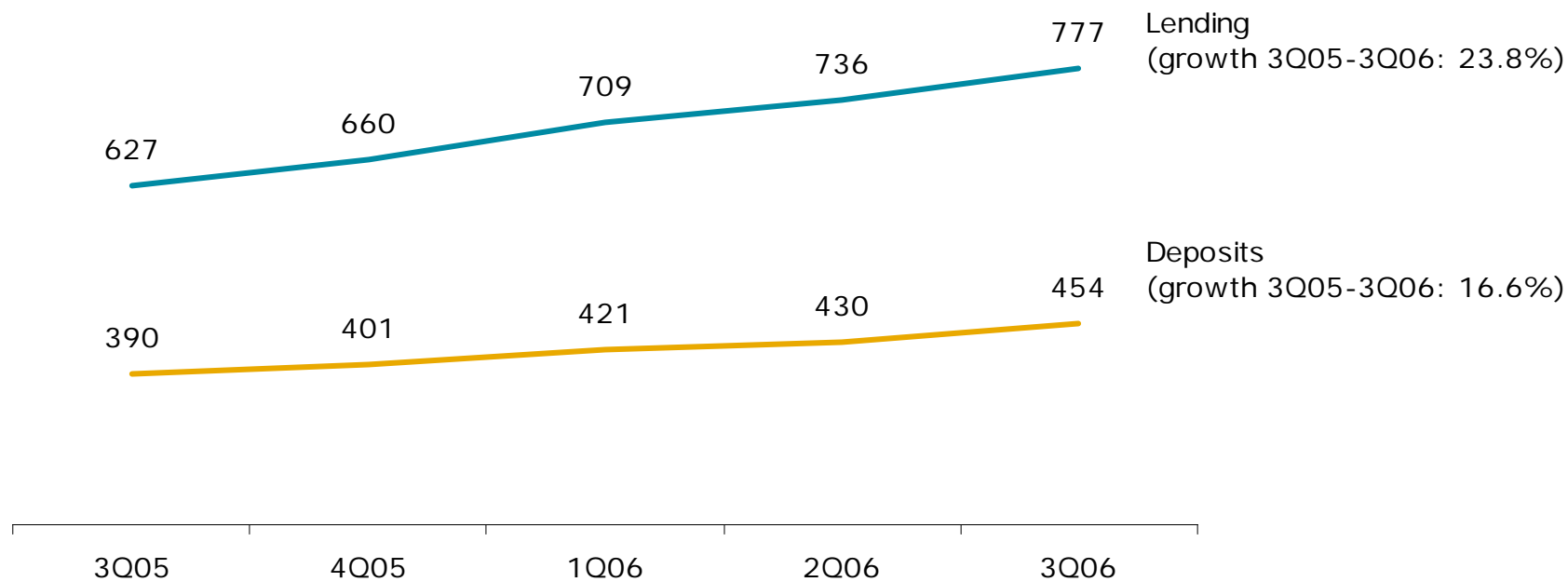


1) Combined spread for lending and deposits

Developments in average volumes 1)



NOK billion



1) Excluding credit institutions

Growth in low-risk lending ¹⁾



<i>Amounts in NOK billion</i>	<i>Growth 3Q05-3Q06</i>	<i>Growth 3Q05-3Q06</i>	<i>3Q06</i>	<i>3Q05</i>
Mortgage loans within 60 per cent of collateral value	13 %	35	317	282
Mortgage loans above 60 per cent of collateral value	6 %	2	41	38
DnB NOR Kort	12 %	1	11	10
Other Retail Banking	3 %	1	23	23
Total Retail Banking	11 %	39	392	353
Nordic Corporate Division and International				
Corporate and Institutions Division	43 %	37	125	88
Shipping, Offshore and Logistics Division	35 %	19	74	55
Regional Division East and Regional Division Coast	18 %	20	130	110
Nordlandsbanken	4 %	0	11	10
DnB NOR Finans	16 %	3	24	21
Other Corporate Banking	(29) %	1	(2)	(2)
Total Corporate Banking	29 %	81	362	281
DnB NORD		34	34	
Other		14	12	(2)
Total average lending	27 %	168	800	632

1) Including credit institutions

Changes in net other operating income



<i>Amounts in NOK million</i>	3Q06	Change	3Q05
Net other operating income	2 932	(206)	3 139
DnB NORD	69	69	-
Monchebank	4	4	-
Net commissions and fees		(16)	
Net gains on equity investments ¹⁾		(315)	
Net gains on other financial instruments		(88)	
Net financial and risk result from Vital ²⁾		37	
Other income		102	

1) Including gains on the sale of Storebrand shares and investments in Brazil in 2005

2) Excluding guaranteed returns and allocations to policyholders, after eliminations

Changes in total operating expenses



<i>Amounts in NOK million</i>	<i>3Q06</i>	<i>Change</i>	<i>3Q05</i>
Total operating expenses	3 491	331	3 160
DnB NORD	175	175	-
Monchebank	9	9	-
Pension expenses		121	
Wage settlements		57	
Performance-based pay		15	
Marketing		28	
Merger synergies		(78)	
Other		4	

Pension costs



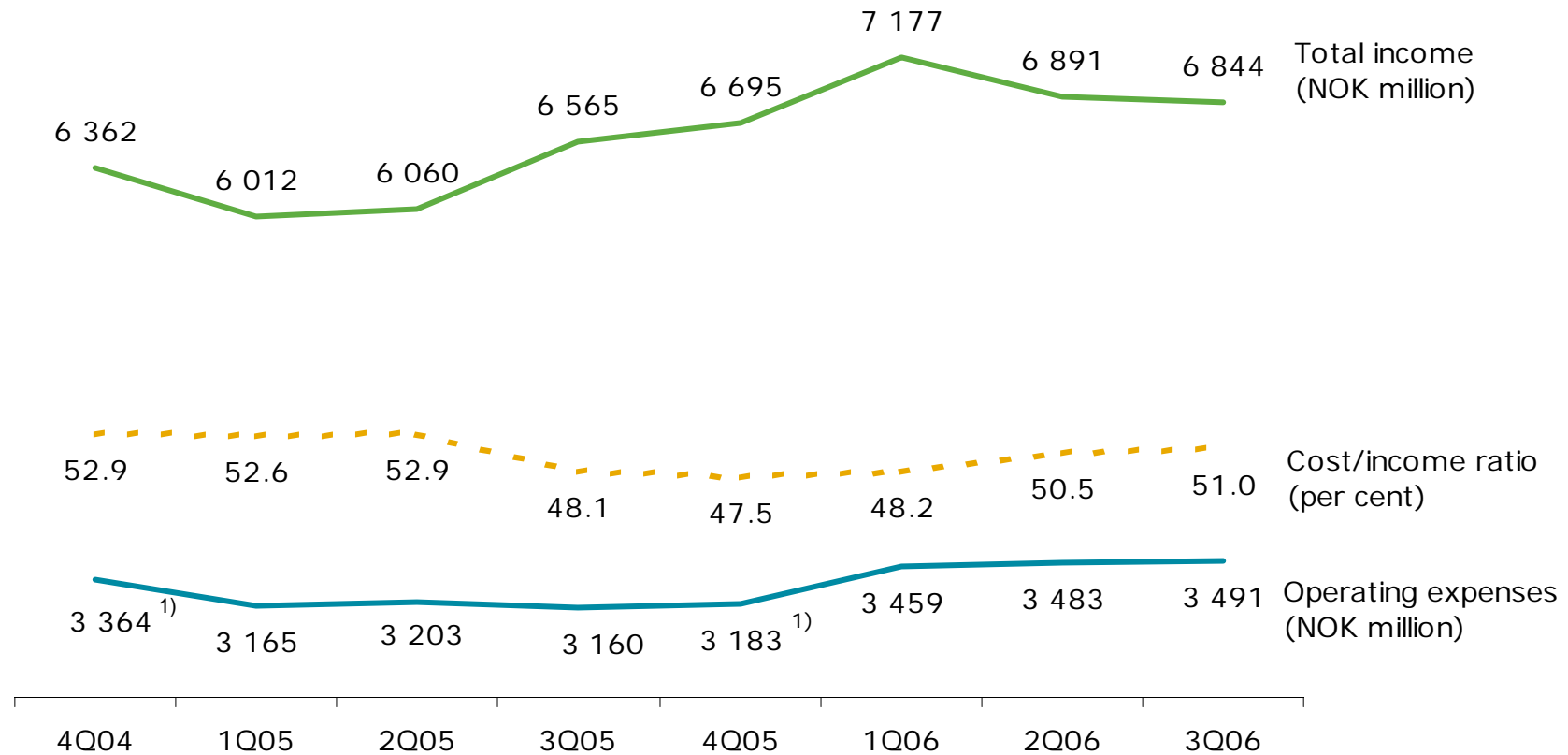
<i>Amounts in NOK million</i>	<i>January - September</i>						
	<i>3Q06</i>	<i>2Q06</i>	<i>1Q06</i>	<i>4Q05</i>	<i>3Q05</i>	<i>2006</i>	<i>2005</i>
Forecasts ¹⁾	248	229	203	162	162	680	486
Updated forecasts ²⁾				(37)	(37)		(51)
Updated forecasts ³⁾				(142)			
Others				(19)			
Total	248	229	203	(36)	125	680	435

1) Of which, NOK 2 million in DnB NORD in the third quarter 2006

2) Updated forecasts from the Bank, adjusted due to changes in pension schemes

3) Updated forecasts from subsidiaries (including Vital), adjusted due to changes in pension schemes

Cost/income ratio



1) Excluding allocations to employee fund

Write-downs on loans and guarantees

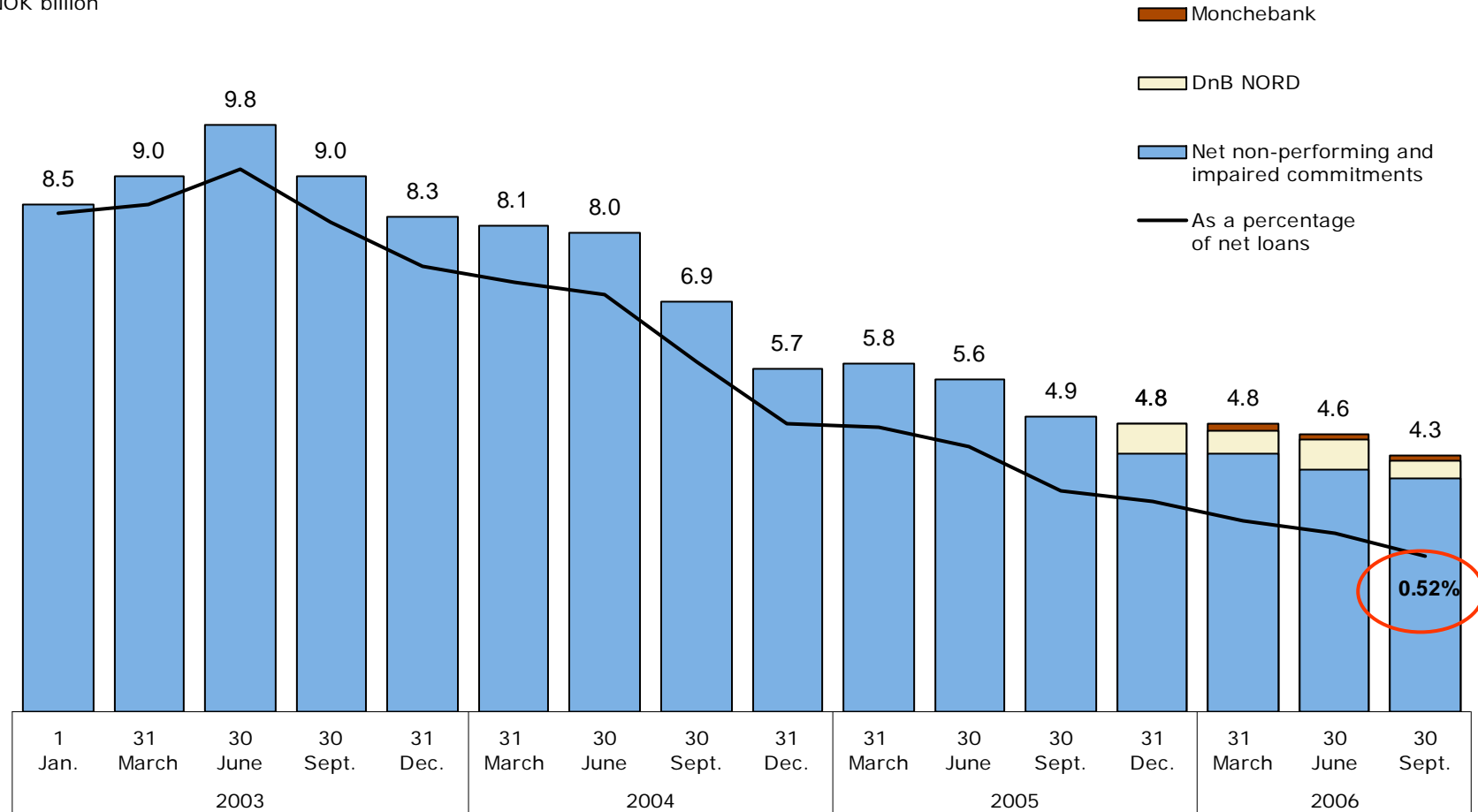


<i>Income statement</i>						<i>First three quarters</i>	
<i>Amounts in NOK million</i>	<i>3Q06</i>	<i>2Q06</i>	<i>1Q06</i>	<i>4Q05</i>	<i>3Q05</i>	<i>2006</i>	<i>2005</i>
New individual write-downs	185	251	257	43	173	693	834
Reassessments and recoveries	160	193	186	122	230	539	522
Individual write-downs	25	58	71	(79)	(57)	154	312
Group write-downs	(95)	(204)	(83)	31	(22)	(382)	(132)
Total write-downs	(70)	(145)	(12)	(48)	(79)	(228)	180

Net non-performing and impaired commitments



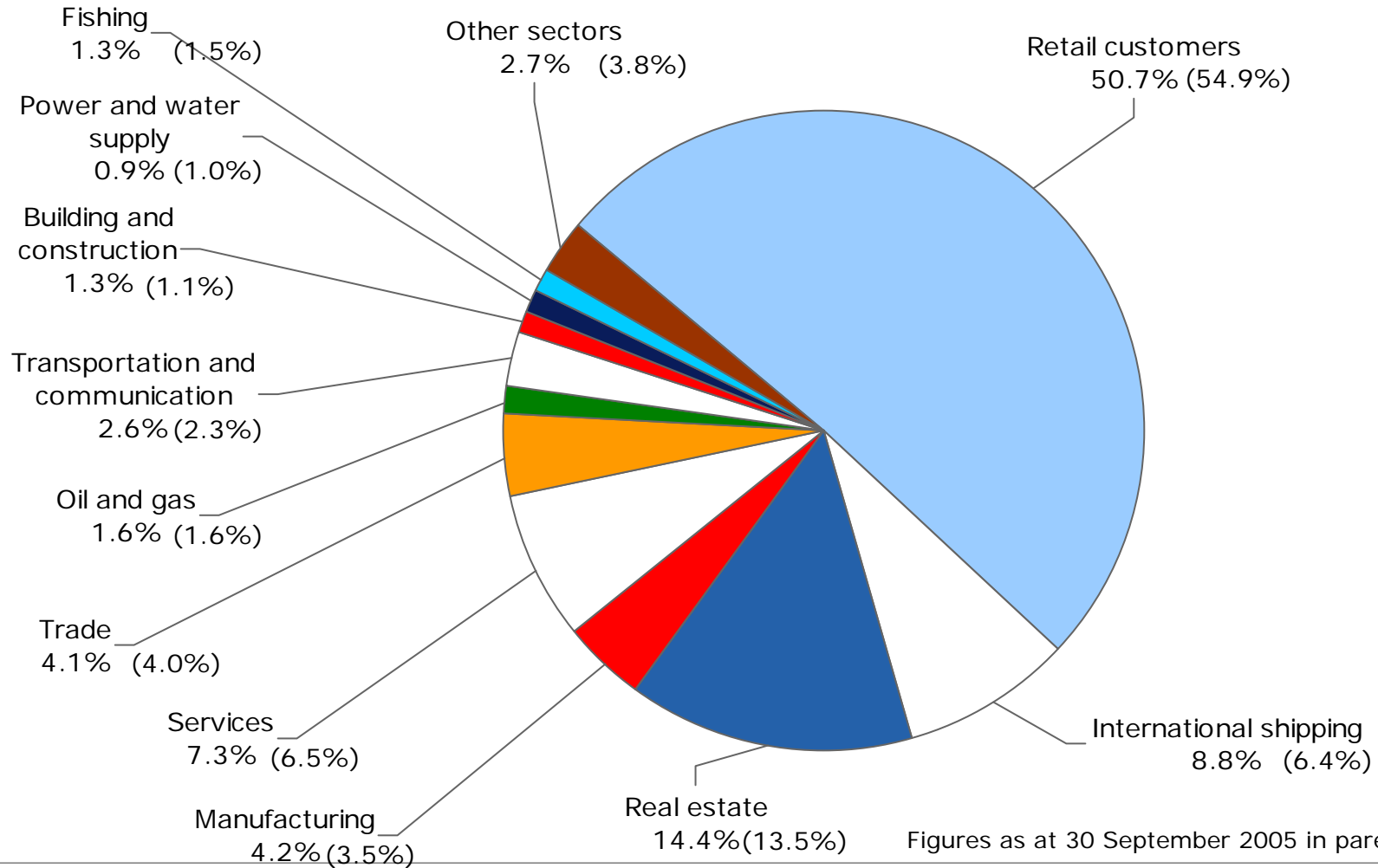
NOK billion



Pro forma accounting figures prior to 2005.

DnBNOR

Loan portfolio as at 30 Sept. 2006



Balance sheets



<i>Amounts in NOK billion</i>	30 Sept. 2006	30 June 2006	31 March 2006	31 Dec. 2005	30 Sept. 2005
Cash and lending to/deposits with credit institutions	85	104	71	62	77
Net lending to customers	802	765	727	698	652
Commercial paper, bonds etc.	224	216	208	198	193
Shareholdings, etc.	47	44	45	37	35
Fixed and intangible assets	37	35	35	34	31
Financial assets - customers bearing the risk	16	15	15	13	12
Other assets	57	43	37	39	40
Total assets	1 268	1 223	1 139	1 081	1 041
Loans and deposits from credit institutions	121	133	111	108	103
Deposits from customers	457	460	421	411	399
Borrowings through the issue of securities	317	282	262	237	222
Insurance liabilities - customers bearing the risk	16	15	15	13	12
Liabilities to life insurance policyholders	182	182	183	175	168
Other liabilities and provisions	76	60	57	53	56
Primary capital	99	91	90	84	80
Total liabilities and equity	1 268	1 223	1 139	1 081	1 041
Ratio of average deposits to average net lending, quarterly (per cent)	58.1	58.2	59.0	60.1	61.8

Corporate Banking and Payment Services



<i>Amounts in NOK million</i>	<i>First three quarters</i>	
	<i>2006</i>	<i>2005</i>
Net interest income - ordinary operations	4 817	4 226
Interest on allocated capital	601	364
Net interest income	5 418	4 590
Net other operating income	1 926	1 948
Total income	7 344	6 537
Operating expenses	2 654	2 416
Pre-tax operating profit before write-downs	4 690	4 122
Net gains on fixed and intangible assets	138	495
Net write-downs on loans	(4)	117
Pre-tax operating profit	4 832	4 500
Net lending to customers (NOK billion)	341	272
Deposits from customers (NOK billion)	240	194
Cost/income ratio (per cent)	36.1	36.9
Ratio of deposits to lending (per cent)	70.6	71.6
Return on capital BIS (per cent)	17.0	19.0

- Strong growth in Norway and internationally



- NOK 36 billion syndicated during the last nine months

- Introduction of Visa card in DnB NOR Monchebank



DnB NOR

Corporate Banking and Payment Services - extensive syndication activity



LLOYD'S SHIPPING ECONOMIST AWARDS 2006

DnB NOR received the "Syndicated Loan Finance to Shipping" award:

"The winner is ranked as the leading mandated arranger for the first half of 2006 and has demonstrated a long-term and increasing commitment to leading syndicates."



Retail Banking



<i>Amounts in NOK million</i>	<i>First three quarters</i>	
	<i>2006</i>	<i>2005</i>
Net interest income - ordinary operations	5 498	5 469
Interest on allocated capital	327	209
Net interest income	5 825	5 678
Net other operating income	2 343	2 181
Total income	8 168	7 858
Operating expenses	4 525	4 581
Pre-tax operating profit before write-downs	3 643	3 277
Net gains on fixed and intangible assets	0	(1)
Write-downs on loans	143	187
Pre-tax operating profit	3 500	3 089
Net lending to customers (NOK billion)	382	343
Deposits from customers (NOK billion)	201	196
Cost/income ratio (per cent)	55.4	58.3
Ratio of deposits to lending (per cent)	52.7	57.2
Return on capital BIS (per cent)	22.6	22.7

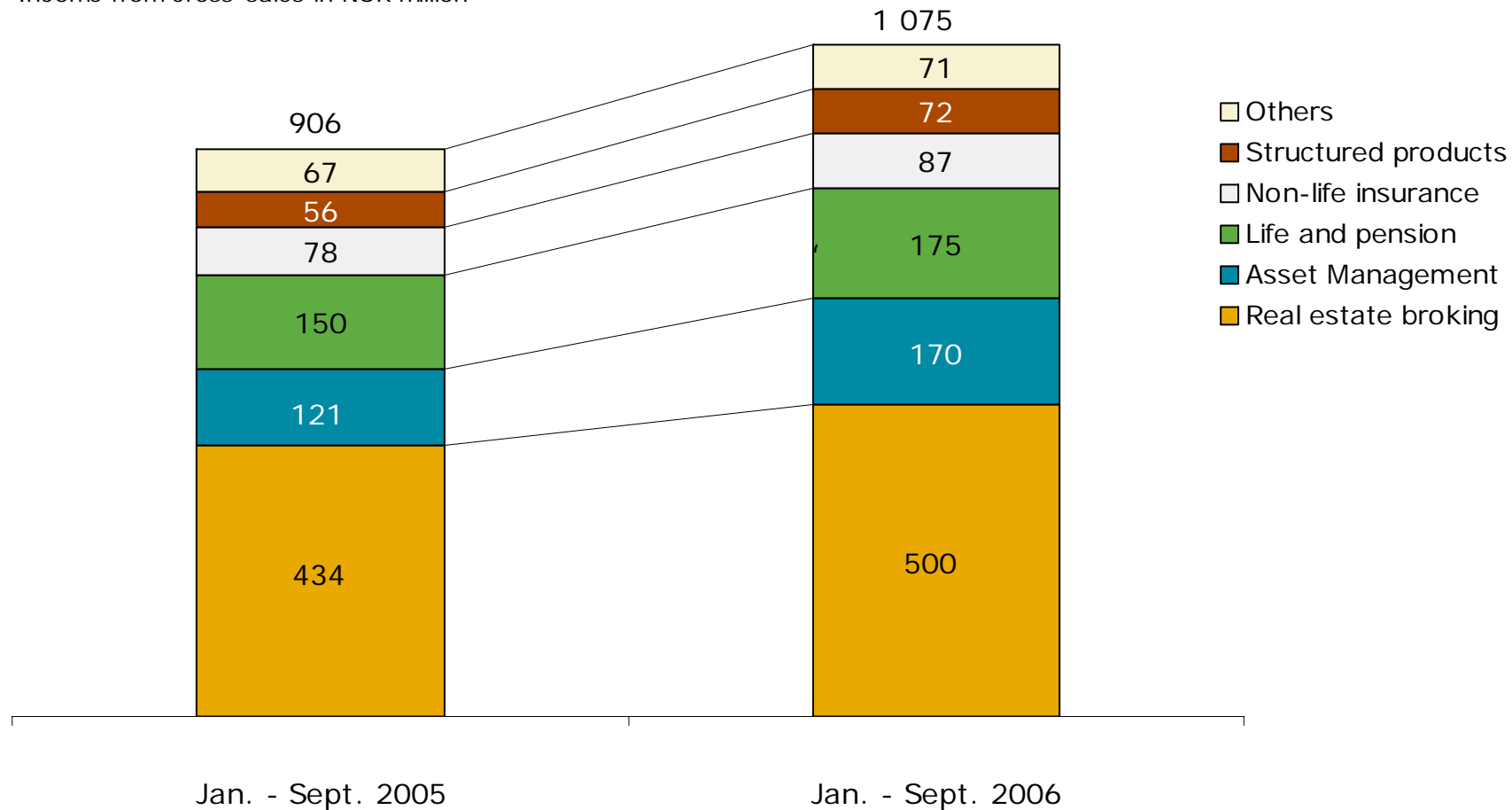
- Lending growth of close to NOK 40 billion compensated for narrowing spreads
- Postbanken Eiendom re-established
- More than NOK 1 billion in income from cross-sales

Retail Banking

– an effective distribution network



Income from cross-sales in NOK million



DnB NOR Markets



<i>Amounts in NOK million</i>	<i>First three quarters</i>	
	<i>2006</i>	<i>2005</i>
Net interest income - ordinary operations	194	171
Interest on allocated capital	68	35
Net interest income	262	206
Net other operating income	2 450	1 949
Total income	2 712	2 155
Operating expenses	1 094	928
Pre-tax operating profit before write-downs	1 618	1 227
Net gains on fixed and intangible assets	0	0
Write-downs on loans	0	10
Pre-tax operating profit	1 618	1 217
Cost/income ratio (per cent)	40.3	43.0
Return on capital BIS (per cent)	50.0	53.1

- Increase in income from equities brokerage, corporate finance, custodial and other securities services
- Increase in performance-based pay and investments in information technology
- Many new products launched

DnB NOR Markets

– new investment products



DnB NOR

- Property funds
- Bank deposits with returns from foreign exchange, infrastructure, real estate, Private Equity etc.
- Fund-linked bonds:
"DnB NOR Absolutt Alpha 2006/2012"
- New investment opportunities with credit derivatives – bonds with and without capital protection



DnB NOR

Vital



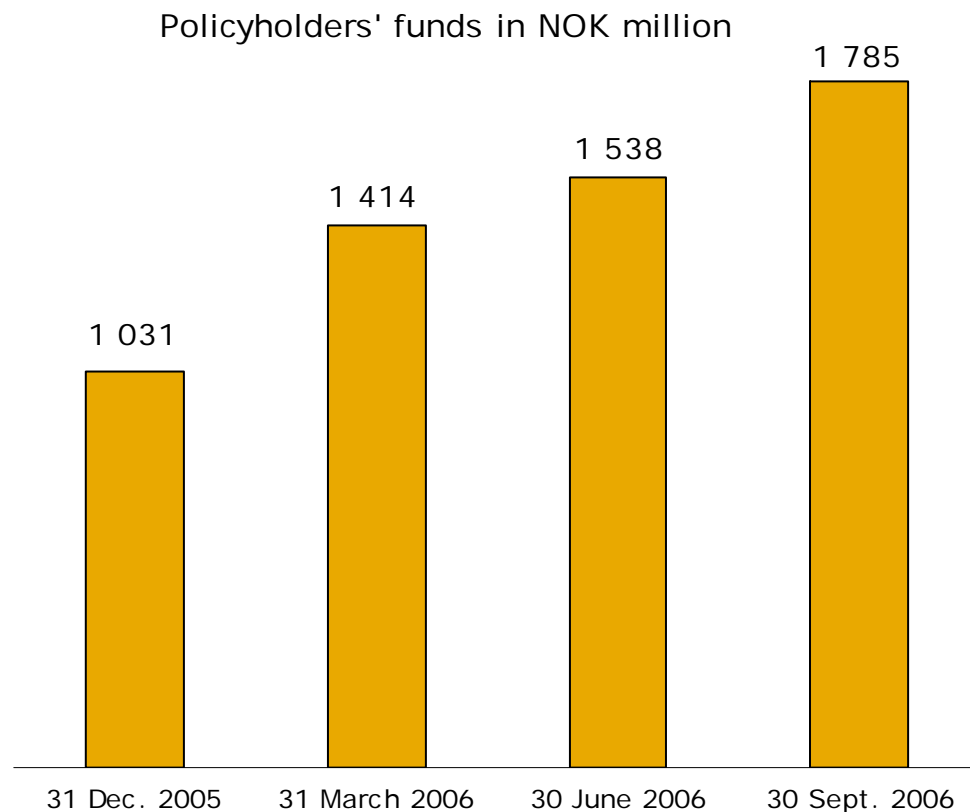
<i>Amounts in NOK million</i>	<i>First three quarters</i>	
	<i>2006</i>	<i>2005</i>
Interest result	4 105	4 141
Risk result	(54)	42
Administration result	(63)	(68)
Transferred to security reserve	0	6
Profit for distribution in life insurance	3 987	4 109
Funds transferred to policyholders	2 889	3 172
Tax charge	0	(28)
Profit in life insurance	1 098	965
+ Profit in unit linked	(14)	6
+ Reversal of goodwill amortisation	17	0
= Profit for the period	1 101	971
Total assets (NOK billion) ¹⁾	214	194
Return on capital (per cent) ²⁾	16.8	16.3

1) Assets at end of period

2) Estimated based on recorded equity

- 10.7 per cent increase in premiums due, to NOK 15.7 billion
- Good returns on financial assets
 - 4.5 per cent value-adjusted return
 - 4.9 per cent recorded return
- Applied for concession to start operations in Latvia and Lithuania

Vital – strong growth in defined-contribution pensions



- 9 300 companies had signed defined-contribution pension agreements at end-September 2006
- 35.4 per cent market share of policyholders' funds at end-June 2006, up from 33.1 per cent at year-end 2005
- 30 per cent estimated share of the total mandatory occupational pension market

DnB NOR Asset Management



<i>Amounts in NOK million</i>	<i>First three quarters</i>	
	<i>2006</i>	<i>2005</i>
Commission income	822	713
Other income	50	31
Total income	872	744
Operating expenses	534	496
Pre-tax operating profit before write-downs	338	249
Net gains on fixed and intangible assets	0	(2)
Pre-tax operating profit	338	247
Assets under management (NOK billion) ¹⁾	534	494
Assets under management (NOK billion) ²⁾	534	511
Cost/income ratio (per cent)	61.2	66.6
Return on capital (per cent) ³⁾	21.1	18.3

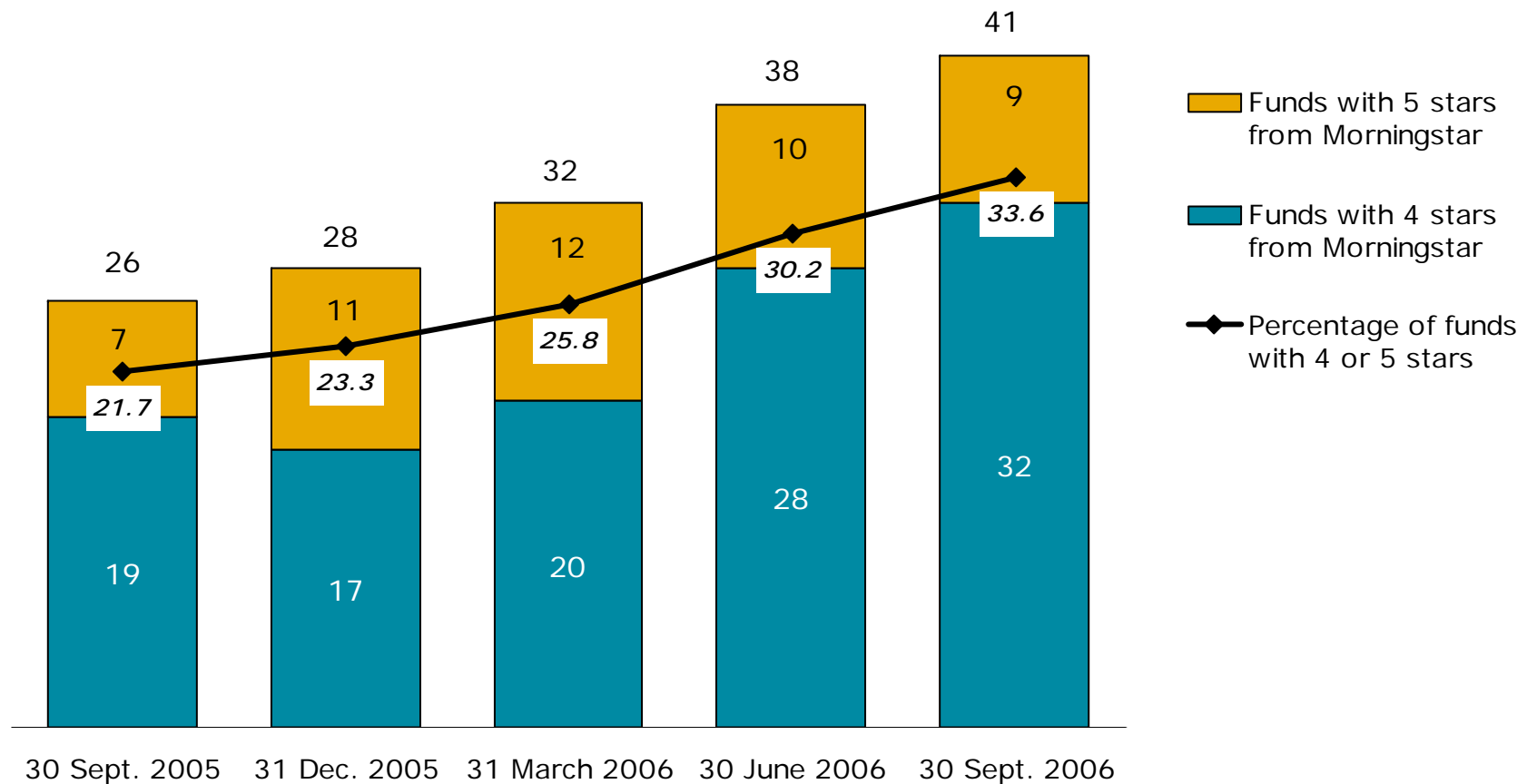
1) Average assets for the period

2) Assets at end of period

3) Calculated on the basis of recorded equity

- More than half of the Norwegian savings agreement market
- Healthy trend in the high net worth individual market in Sweden under the brand name Carlson
- Increasing portion of assets invested in shares
- Sound asset management performance

DnB NOR Asset Management – sound asset management performance



DnB NORD



<i>Amounts in NOK million</i>	<i>First three quarters</i>	
	<i>2006</i>	<i>Pro forma 2005</i>
Net interest income	573	367
Net other operating income	219	181
Total income	792	548
Operating expenses	499	371
Pre-tax operating profit before write-downs	294	177
Net gains on fixed and intangible assets	7	0
Write-downs on loans	35	22
Pre-tax operating profit	265	155
Net lending to customers (NOK billion) ¹⁾	36	21
Deposits from customers (NOK billion) ¹⁾	11	9
Cost/income ratio (per cent)	62.9	67.6
Ratio of deposits to lending (per cent)	31.6	43.8
Return on capital BIS (per cent)	12.5	-

- Brisk growth driven by the economic situation in the Baltic region and Poland
- Sound portfolio quality
- New branch office to be opened in Århus, Denmark

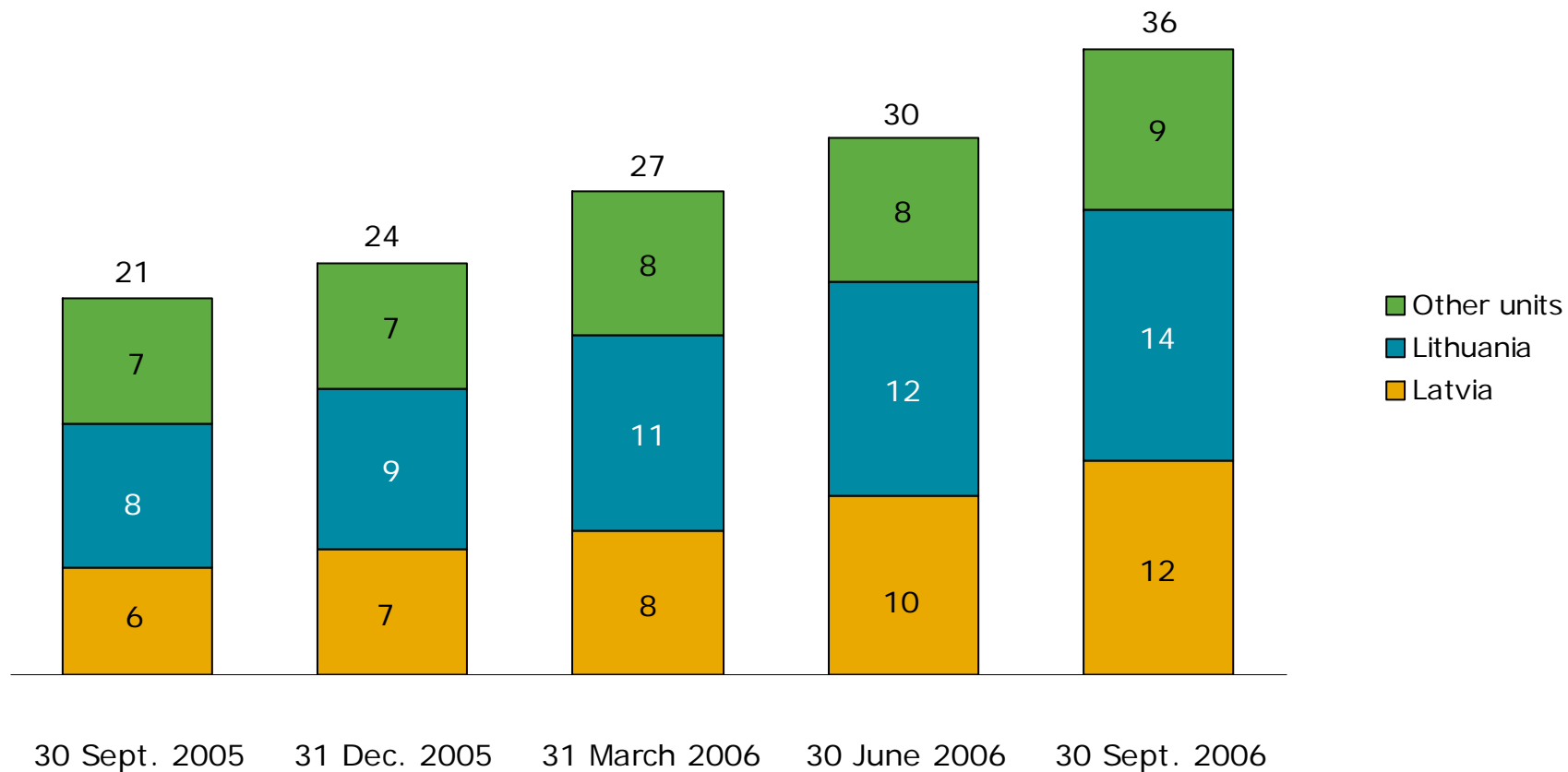
1) Balances at end of period

DnB NORD

– strong growth in lending



NOK billion



Pro forma accounting figures prior to 2006.

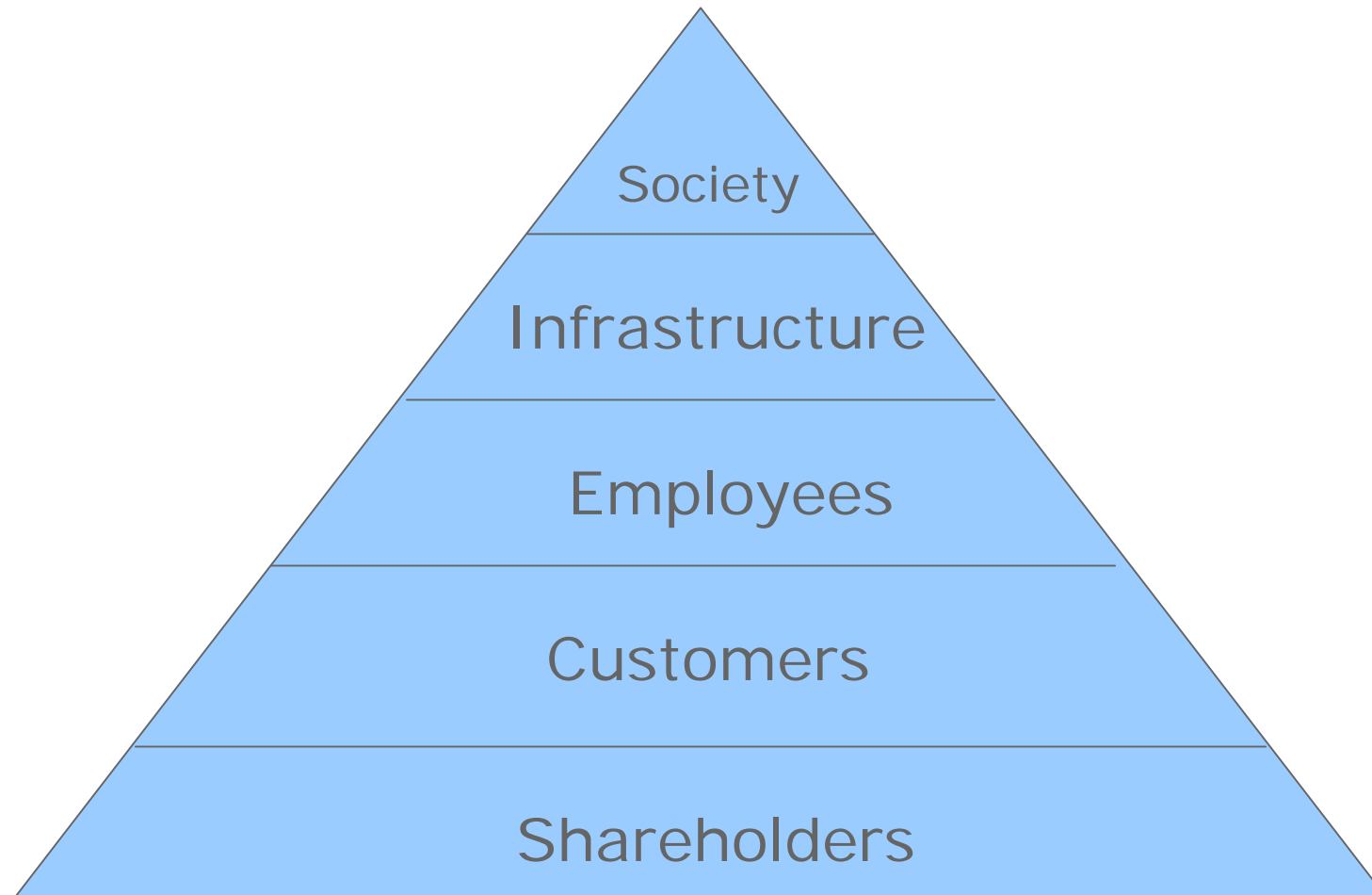
Summary of the Group's financial performance



<i>Amounts in NOK million</i>	<i>First three quarters</i>	
	<i>2006</i>	<i>2005</i>
Net interest income and credit commissions	11 315	10 137
Net other operating income	9 597	8 499
Total ordinary operating expenses	10 420	9 528
Ordinary operating profit	10 491	9 108
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Pre-tax operating profit before write-downs	10 479	9 108
Net gains on fixed and intangible assets	298	602
Write-downs on loans and guarantees	(228)	180
Pre-tax operating profit	11 005	9 530
Taxes	2 591	2 383
Profit for the period	8 414	7 148

- 12.2 per cent rise in total income
- 9.4 per cent rise in expenses (6.8 per cent excl. rise in pension expenses)
- Cost/income ratio improved by 1.2 percentage points
- 15.5 per cent increase in operating profit

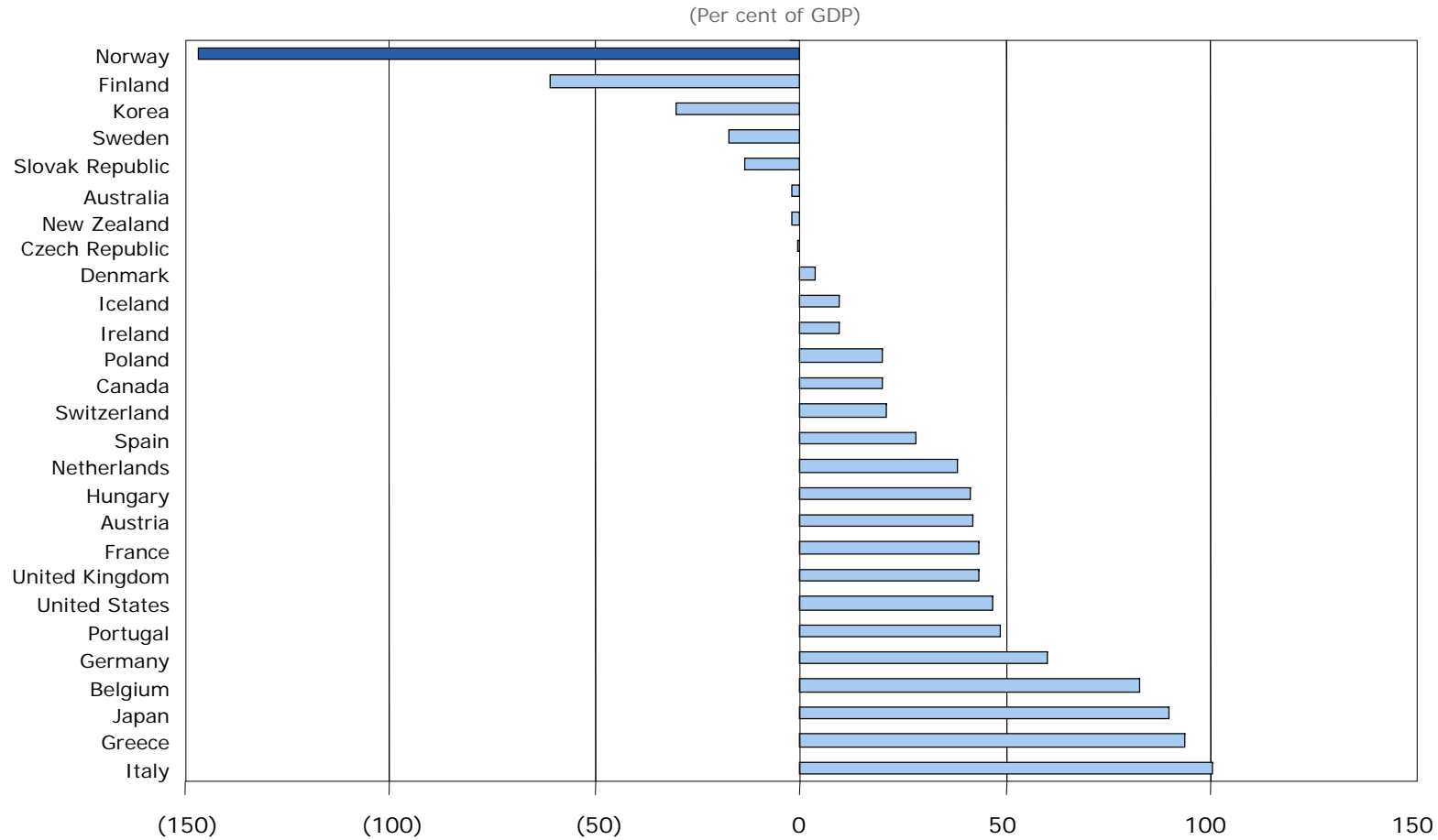
DnB NOR – an important contributor



Norway, as a nation, has excellent economic conditions, but do we exploit them to our benefit?



Government net financial liabilities 2006



Source: OECD Economic Outlook No. 79, June 2006

We must exploit the opportunities that are particular to Norway



We have

- Great capital wealth
- The world's most solid government finances
- A scarcity of labour
- High labour costs



We must

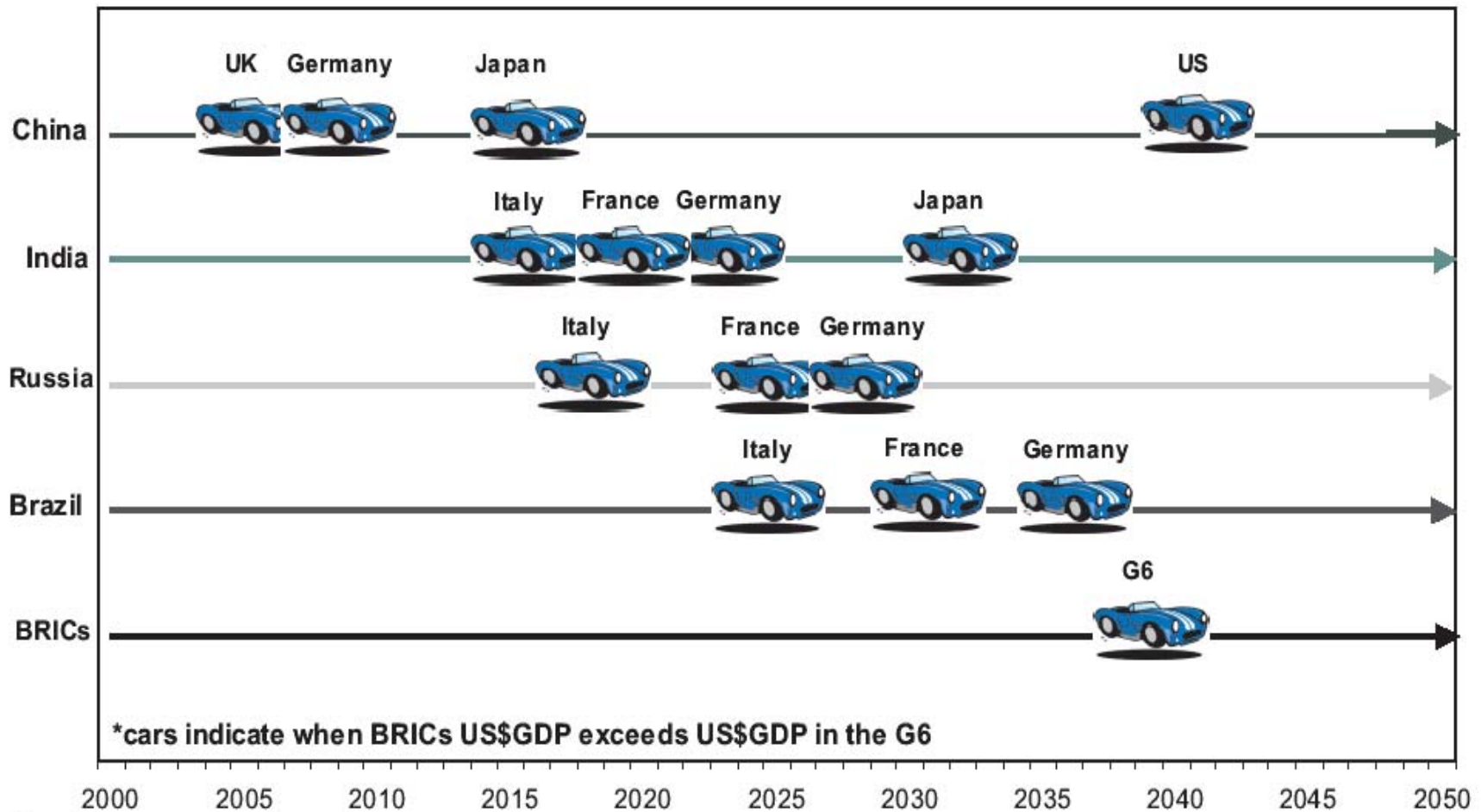
- Invest in profitable infrastructure, education, research and innovation
- Ensure competitive parameters for the Norwegian financial services industry

Our capital wealth provides a good basis for developing capital-intensive businesses with high salary capacity

Towards a new economic reality



Overtaking the G6: When BRICs' US\$GDP Would Exceed G6



GS BRICs Model Projections. See text for details and assumptions.

Source: Goldman Sachs

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Nordic banks – financial performance in the third quarter of 2006



<i>Amounts in NOK million</i>	<i>Nordea</i>	<i>Danske Bank</i>	<i>DnB NOR ^{*)}</i>	<i>SEB</i>	<i>Swed- bank</i>	<i>SHB</i>
Total income	15 538	10 384	6 844	8 193	6 217	4 888
Expenses	7 456	4 998	3 491	4 729	3 028	2 264
Pre-tax operating profit before write-downs	8 082	5 386	3 353	3 464	3 188	2 624
Pre-tax operating profit	8 540	5 506	3 558	3 351	3 246	2 605
Profit for the period	7 006	3 981	2 714	2 654	2 547	1 835
Cost/income ratio (per cent)	48.0	48.1	51.0	57.7	48.7	46.3
Return on equity (per cent)	25.3	19.7	18.0	19.9	20.8	13.6
*) Return on equity after equity adjustments (corresponding to Swedish rules for insurance operations)			19.9			

Nordic banks – financial performance January through September 2006



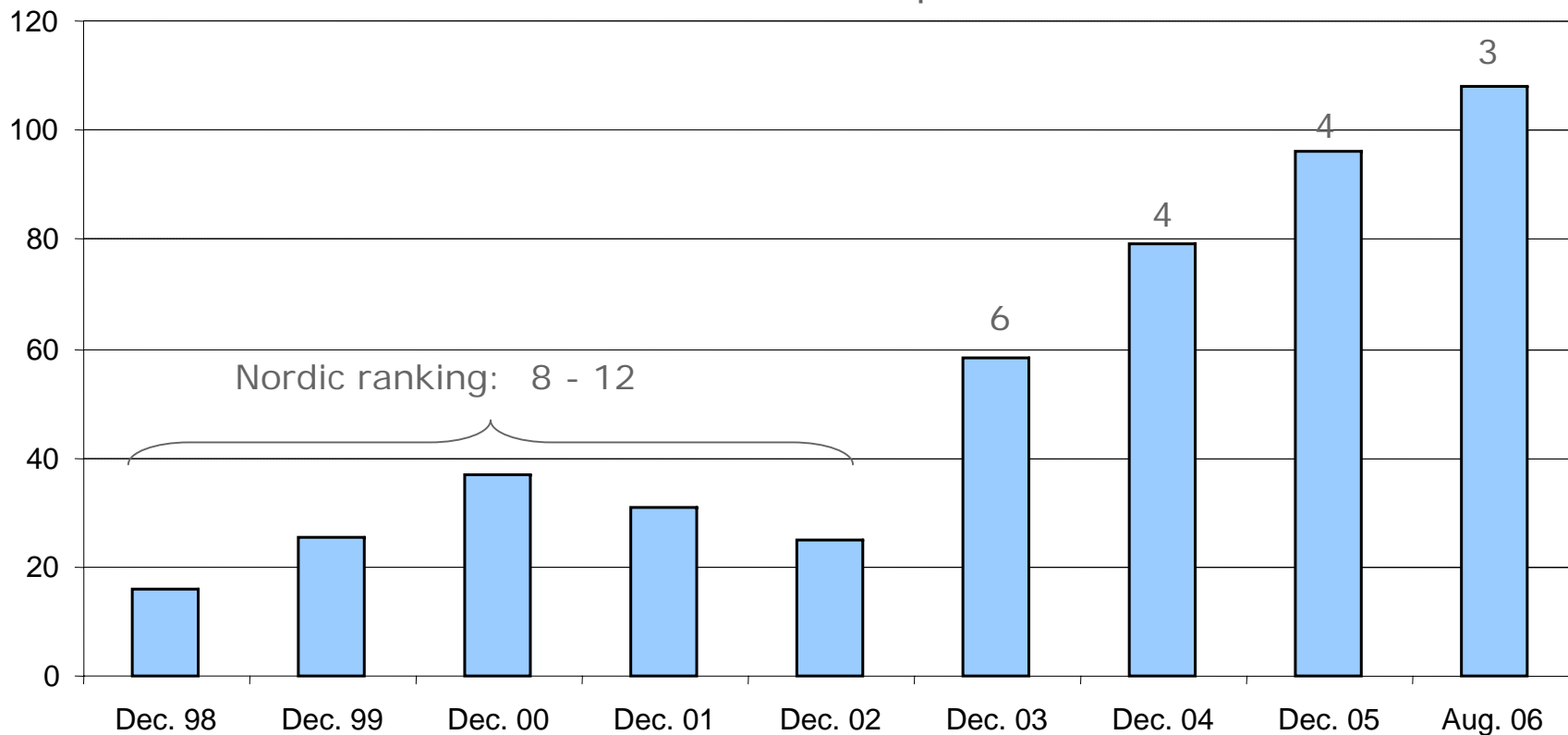
<i>Amounts in NOK million</i>	<i>Nordea</i>	<i>Danske Bank</i>	<i>DnB NOR ^{*)}</i>	<i>SHB</i>	<i>SEB</i>	<i>Swed- bank</i>
Total income	43 638	29 299	20 911	18 140	24 602	18 214
Expenses	22 347	15 349	10 432	7 859	14 429	9 447
Pre-tax operating profit before write-downs	21 292	13 950	10 479	10 280	10 174	8 767
Pre-tax operating profit	22 727	14 538	10 005	10 375	9 790	8 880
Profit for the period	18 140	10 454	8 414	8 082	7 562	6 928
Cost/income ratio (per cent)	51.2	52.4	49.9	43.3	58.6	51.9
Return on equity (per cent)	22.6	17.6	18.8	20.2	19.8	19.2
*) Return on equity after equity adjustments (corresponding to Swedish rules for insurance operations)			20.6			

Strong platform for further growth



NOK billion

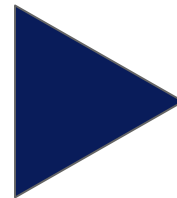
DnB NOR - market capitalisation





DnBNOR

Today:
A Norwegian group
with international
operations



*In the future:
An international group
based in Norway*

DnB NOR – a source of pride



... but however good something is, there is or should always be room for improvement ...

Stein Kasper

DnBNOR