

Supplementary  
Information for  
Investors and Analysts

Second quarter 2003  
(Unaudited)

## Chief Executive Officer

Svein Aaser

### For further information, please contact

Tom Grøndahl, Chief Financial Officer	tom.grondahl@dnb.no	+47 2248 2922
Per Sagbakken, Head of Investor Relations	per.sagbakken@dnb.no	+47 2248 2072
Jan Erik Gjerland, Investor Relations	jan.erik.gjerland@dnb.no	+47 2294 9969
Halfdan Bakøy, Group Financial Reporting	halfdan.bakoy@dnb.no	+47 2248 1071
Kristine L. Njaastad, Secretary, Investor Relations	kristine.lekven.njaastad@dnb.no	+47 2248 2613

### Address

DnB Holding ASA, Stranden 21, N-0021 Oslo  
Visiting address: Stranden 21 (Bryggetorget), Aker Brygge, Oslo

e-mail Investor Relations: [investor.relations@dnb.no](mailto:investor.relations@dnb.no)

Telefax Investor Relations: +47 2248 2035

DnB switchboard: +47 2248 1050

### Information on the Internet

DnB's Investor Relations English page	<a href="http://www.DnB.no/ir">www.DnB.no/ir</a>
DnB's Investor Relations Norwegian page	<a href="http://www.DnB.no/ir/no">www.DnB.no/ir/no</a>
DnB's home page	<a href="http://www.DnB.no">www.DnB.no</a>

### Financial calendar 2003

Third quarter	30 October
Annual general meeting	24 April
Ex-dividend date	25 April
Payment of dividend	15 May
Extraordinary general meeting	19 May

# Contents

	Page
<b>1. DnB - an overview</b>	<b>5</b>
Financial highlights .....	6
DnB - Norway's leading financial services group .....	7
Credit ratings .....	7
Accounting changes and other adjustments .....	8
<b>2. Financial results DnB Group</b>	<b>9</b>
Financial highlights .....	11
Profit and loss accounts .....	12
Net interest income .....	13
Net other operating income .....	15
Net commissions and fees on banking services .....	17
Net gain on financial instruments .....	18
Sundry operating income .....	20
Operating expenses .....	21
Losses and reversals on loans and guarantees .....	24
Asset quality .....	25
Total assets owned or managed by the DnB Group .....	27
Lending to principal sectors .....	28
Customer savings .....	30
Capital adequacy and taxes .....	31
Financial results DnB Group .....	32
Key figures .....	34
<b>3. DnB Group and business areas</b>	<b>37</b>
Group strategy .....	38
Legal structure .....	39
Group structure .....	40
Business areas .....	41
- Corporate Banking .....	43
- Retail Banking .....	49
- Capital markets .....	53
- Life Insurance - Vital .....	56
- Asset management .....	62
- Nordlandsbanken .....	66
<b>4. Shareholder information</b>	<b>69</b>
Equity-related data .....	70
Shareholder structure .....	71
<b>5. The Norwegian economy</b>	<b>73</b>
<b>6. DnB NOR Group</b>	<b>77</b>



**Section 1**

# **DnB - an overview**

## Financial highlights

### Sound income growth and improved return on equity

- Total income up 23 per cent to NOK 3 573 million (2 917)
- Ordinary cost/income ratio before goodwill amortisation: 56.1 per cent (65.4)
- Pre-tax operating profits before losses up 61 per cent to NOK 1 478 million (918)
- Net losses on loans and guarantees etc.: NOK 560 million (87)
- Profits for the period rose to NOK 883 million (412)
- Earnings per share before goodwill amortisation: NOK 1.26 (0.59)
- Return on equity before goodwill amortisation: 14.3 per cent (6.8)

(Figures for the second quarter of 2002 in parentheses)

## DnB - Norway's leading financial services group

### Banking operations

- Total assets
- Net lending
- Customer deposits

#### As at 30 June 2003:

NOK	436.4 billion
NOK	318.6 billion
NOK	213.0 billion

### Assets under management

- Life insurance (Vital)
- Mutual funds (DnB Investor)
- Discretionary management
- Total assets under management

NOK	80 billion
NOK	28 billion
NOK	244 billion
NOK	352 billion

### Customer base

- Serving around 1.7 million retail customers throughout Norway with various levels of activity
- More than 51 000 business customers
- Some 630 000 individuals are insured

### Distribution network

- 144 domestic DnB branches, of which 57 fully automated financial services, 19 Nordlandsbanken branches and 12 regional centres (incl. Oslo)
- 6 international branches
- 5 international representative offices
- 34 Postbanken sales outlets
- Internet banking
- Electronic banking
- Telephone banking
- SMS/WAP banking
- Online equities trading
- About 300 post office counters <sup>1)</sup>
- More than 1 100 in-store postal outlets <sup>1)</sup>
- About 2 000 rural postmen <sup>1)</sup>
- More than 60 Postbanken Eiendomsmegling sales offices (franchises)
- 46 DnB Eiendom sales offices (all located in DnB branches)
- 17 Vital sales offices
- 21 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
Den norske Bank ASA	Aa3	P1	A	A1

## Accounting changes and other adjustments

### Accounting treatment of the acquisition of Nordlandsbanken

On the basis of an invitation extended by the Board of Directors in Nordlandsbanken at the end of 2002, DnB presented an offer to acquire all shares in Nordlandsbanken ASA. The offer price was NOK 35 per share, representing a total of NOK 1 050 million.

At the expiry of the extended offer period, on 17 January 2003, Den norske Bank had received acceptances which along with DnB's own holdings represented 96.35 per cent of the shares in Nordlandsbanken. DnB's conditions for acceptance were fulfilled on 21 February 2003, and the acquisition was implemented in accordance with the acceptances as of this date.

Minority shareholders were given an offer to redeem their shares in Nordlandsbanken as from 27 February 2003. The alternative would be mandatory transfer. As from the same date, all shares not previously acquired were transferred to Den norske Bank ASA.

On 21 February 2003, the Ministry of Finance approved the acquisition of Nordlandsbanken.

In the accounts, the acquisition of Nordlandsbanken is treated according to the purchase method. To establish a basis for the accounting treatment, an analysis was carried out to identify market values above or below book values in the acquired operations and allocate these to the appropriate balance sheet items. Nordlandsbanken's balance sheet as at 31 December 2002 was used to identify approximate values on the transaction date. Based on assessments made in the first quarter the market value of the loan portfolio turned out to be NOK 164 million lower than book value. A review in the second quarter identified an additional NOK 80 million in market value below book value in the loan portfolio relating to new information concerning certain aspects of these commitments prior to DnB's takeover. The market value of long-term shareholdings exceeded book value by NOK 15 million. The part of the acquisition cost exceeding recorded equity after value adjustments, costs relating to the acquisition and restructuring provisions are recorded as goodwill in the Group's balance sheet. Goodwill relating to the acquisition will be amortised over ten years based on an analysis of values in the acquired operations as well as the significance of operations for the DnB Group.

*Amounts in NOK million*

	<b>DnB Group</b>
Acquisition cost	1 050
Recorded equity as at 31 December 2002	754
Value adjustments	(229)
Acquisition cost exceeding recorded equity	525
Costs relating to the acquisition	10
Restructuring provisions	76
Deferred taxes	85
Recorded goodwill in the balance sheet of acquired operations	4
<b>Goodwill in the DnB Group on the acquisition date</b>	<b>531</b>
Annual amortisation	53

Nordlandsbanken's accounts for 2002 reflected the special circumstances leading up to the acquisition by DnB. Pro forma accounts for DnB including Nordlandsbanken will thus not provide an appropriate basis for evaluating Nordlandsbanken's impact on DnB's future accounts. Pro forma accounts for previous periods have therefore not been prepared.

In the formal accounts, Nordlandsbanken has been included as from 1 January 2003, which approximates the implementation date for the acquisition.



Section 2

# Financial results DnB Group



## Financial highlights

### Key financials

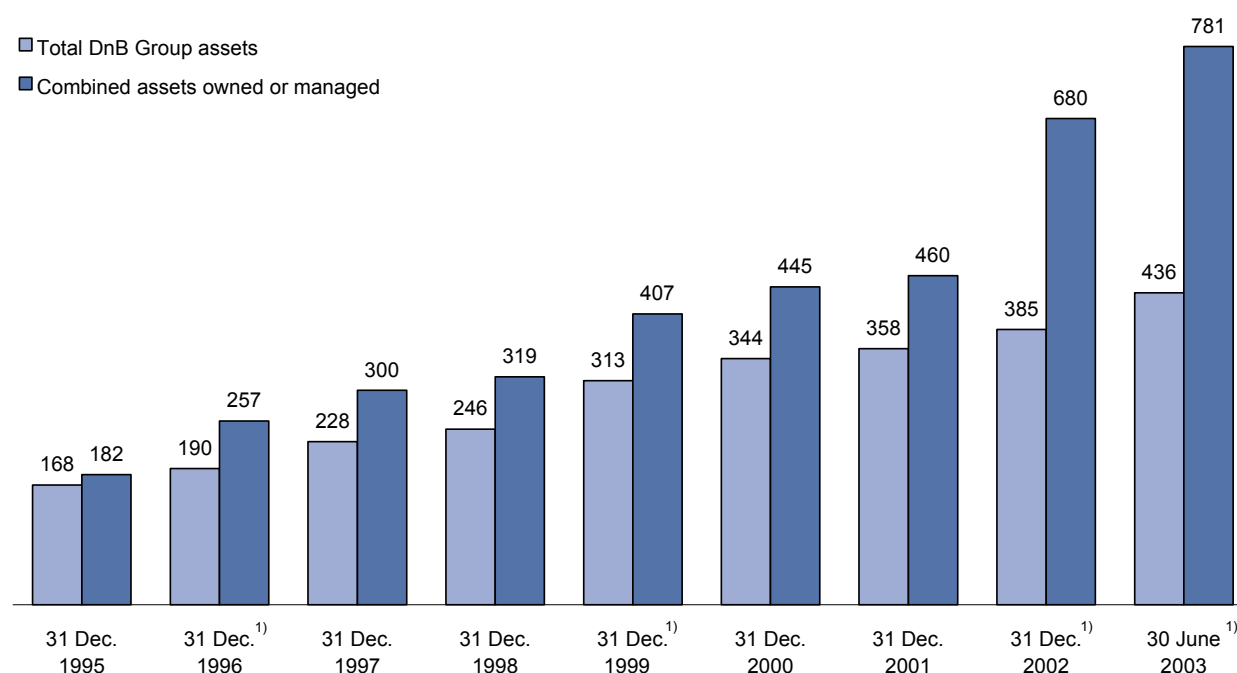
	2Q03	1Q03	4Q02	3Q02	2Q02	1st half	
						2003	2002
Pre-tax operating profit before losses (NOK million)	1 478	1 047	1 182	879	918	2 524	1 998
Pre-tax operating profit (NOK million)	949	679	798	714	549	1 627	1 755
Net profit for the period (NOK million)	883	502	576	441	412	1 385	1 317
Ordinary cost/income ratio excluding goodwill amortisation (per cent)	56.1	63.6	58.3	65.8	65.4	59.6	64.1
Earnings per share excluding goodwill amortisation (NOK)	1.26	0.76	0.84	0.66	0.59	2.01	1.81
Earnings per share (NOK)	1.15	0.65	0.75	0.57	0.53	1.80	1.71
Return on equity excluding goodwill amortisation (per cent)	14.3	8.8	9.3	7.5	6.8	11.6	10.5
Return on equity (per cent)	13.0	7.6	8.3	6.5	6.1	10.4	9.9
Total combined assets (NOK billion)	781	749	680	666	694	781	694
Core capital ratio at end of period <sup>1)</sup> (per cent)	6.7	6.9	7.8	8.3	8.1	6.7	8.1

1) Including 50 per cent of profit for the period, apart from year-end figures

### Total combined assets

NOK billion

- Total DnB Group assets
- Combined assets owned or managed



1) Vital is included as from 1996, Postbanken as from 1999, Skandia Asset Management as from 2002 and Nordlandsbanken as from 2003

## Profit and loss accounts

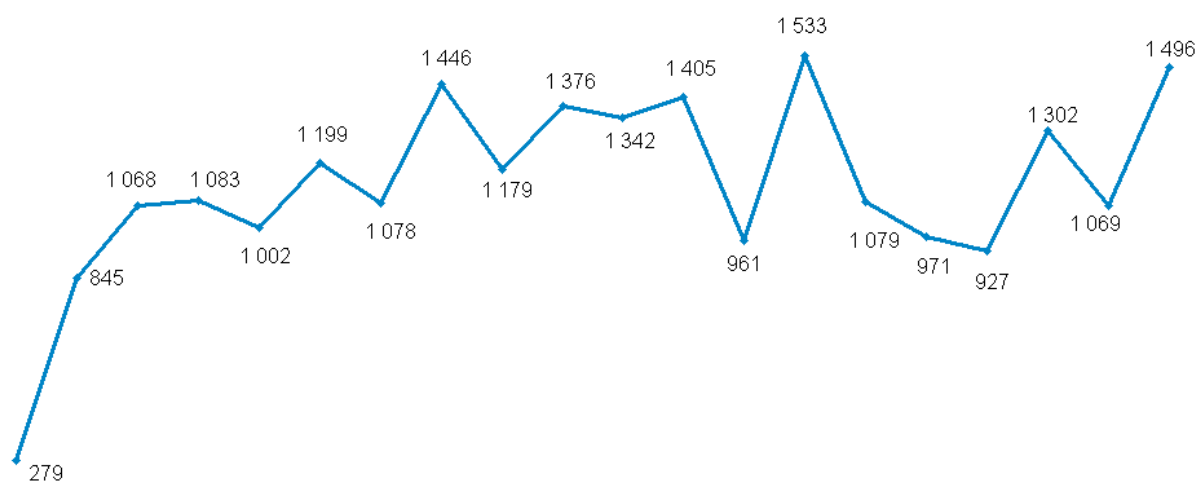
### Profit and loss accounts

Amounts in NOK million	2Q03	1Q03	4Q02	3Q02	2Q02	1st half	
						2003	2002
Net interest income	2 047	2 123	2 169	2 112	2 148	4 170	4 098
Net other ordinary operating income	1 525	1 009	1 091	776	766	2 535	1 792
Ordinary operating expenses	2 077	2 062	1 958	1 960	1 942	4 139	3 839
Ordinary operating profit	1 496	1 069	1 302	927	971	2 565	2 050
Gains on the sale of fixed assets	0	1	28	1	3	2	6
Other expenses <sup>1)</sup>	18	24	149	49	57	42	58
Pre-tax operating profit before losses	1 478	1 047	1 182	879	918	2 524	1 998
Net losses/(reversals) on loans etc.	560	367	363	154	87	927	(39)
Net gain/(loss) on long-term securities	31	(1)	(21)	(11)	(282)	30	(283)
Pre-tax operating profit	949	679	798	714	549	1 627	1 755
Taxes	66	176	222	273	137	242	439
<b>Profit for the period</b>	<b>883</b>	<b>502</b>	<b>576</b>	<b>441</b>	<b>412</b>	<b>1 385</b>	<b>1 317</b>

1) Restructuring, allocations to the DnB Employee Fund and losses on fixed assets

### Ordinary operating profit

NOK million



3Q <sup>1)</sup>	4Q <sup>1)</sup>	1Q <sup>1)</sup>	2Q <sup>1)</sup>	3Q <sup>1)</sup>	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
1998				1999				2000				2001			
												2002			2003

1) Pro forma figures

## Net interest income

### Net interest income

Amounts in NOK million	2Q03	1Q03	4Q02	3Q02	2Q02	1st half	
						2003	2002
Net interest income	2 047	2 123	2 169	2 112	2 148	4 170	4 098

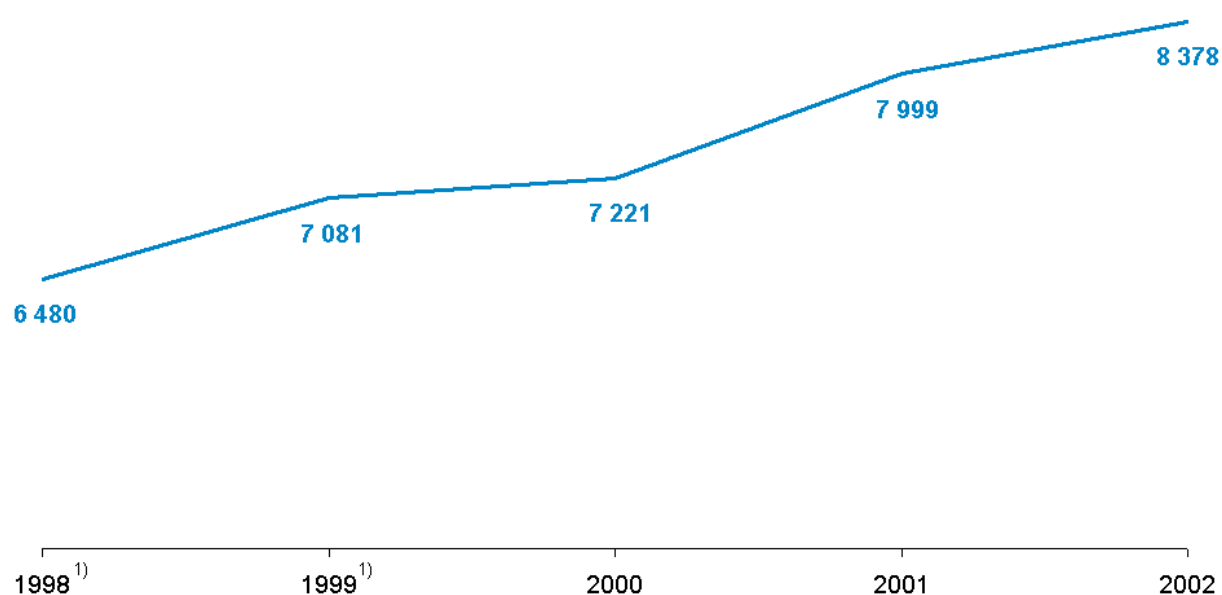
### Changes in net interest income

Amounts in NOK million	2Q03	Change <sup>1)</sup>	2Q02
<b>Net interest income</b>	<b>2 047</b>	<b>(100)</b>	<b>2 148</b>
Of which:			
Lending and deposit volumes		202	
Lending and deposit spreads		77	
Exchange rate movements		(36)	
Payments of interest income on a previously non-performing commitment in 2002		(141)	
Equity		(107)	
Funding costs and interest reservations on problem loans		(42)	
Other		(53)	

1) Of which Nordlandsbanken NOK 116 million

### Net interest income

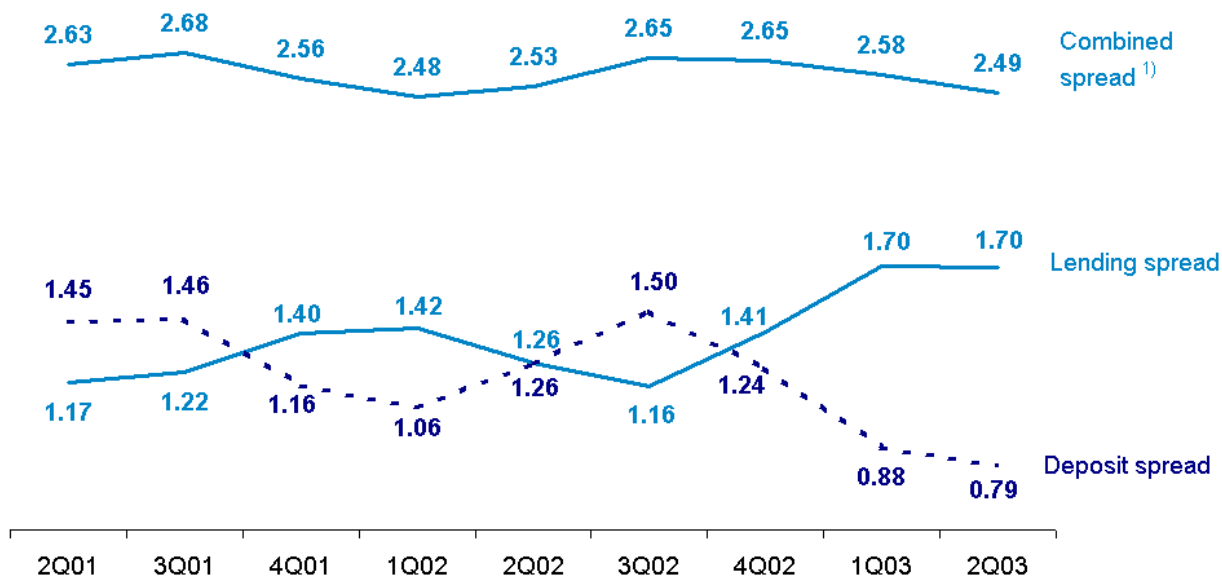
NOK million



1) Pro forma figures

### Development in average interest rate spread

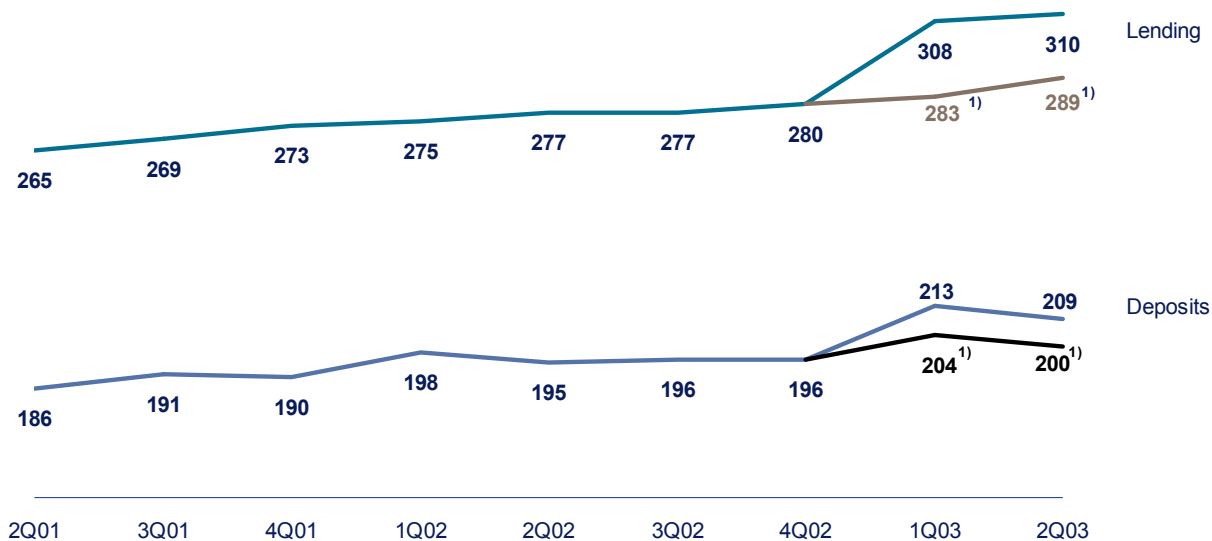
Per cent



1) Combined spread for lending and deposits

### Development in average volumes

NOK billion



1) Excl. Nordlandsbanken

## Net other operating income

### Net other operating income

<i>Amounts in NOK million</i>	2Q03	1Q03	4Q02	3Q02	2Q02	1st half	
						2003	2002
Dividends	70	5	10	12	31	75	40
Net profit/(loss) from Vital	222	(23)	1	(74)	(119)	199	(42)
Net commissions and fees	686	643	685	605	631	1 329	1 220
Net gain on foreign exchange and interest rate instruments	349	280	254	222	209	629	417
Net gain/(loss) on short-term shareholdings	29	(47)	(10)	(139)	(144)	(19)	(133)
Sundry operating income	171	151	151	149	159	322	290
<b>Net other ordinary operating income</b>	<b>1 525</b>	<b>1 009</b>	<b>1 091</b>	<b>776</b>	<b>766</b>	<b>2 535</b>	<b>1 792</b>
Gains on the sale of fixed assets	0	1	28	1	3	2	6
<b>Net other operating income</b>	<b>1 526</b>	<b>1 010</b>	<b>1 119</b>	<b>777</b>	<b>769</b>	<b>2 536</b>	<b>1 798</b>
As a percentage of total income	42.7	32.2	34.0	26.9	26.4	37.8	30.5
Unrealised gains on short-term shareholdings at end of period	0	0	0	0	0	0	0

### Changes in net other operating income

<i>Amounts in NOK million</i>	2Q03	Change	2Q02
<b>Net other operating income</b>	<b>1 526</b>	<b>757</b>	<b>769</b>
Of which			
Vital		341	
Short-term shareholdings		165	
Other financial instruments		128	
Nordlandsbanken		54	
Dividends		32	
Asset management services <sup>1)</sup>		17	
Money transfers		14	
Other		6	

1) The acquisition of Skandia Asset Management gave an increase in asset management fees of around NOK 32 million

**Stock market-related income**

<i>Amounts in NOK million</i>	2Q03	1Q03	4Q02	3Q02	2Q02	1st half	
						2003	2002
Dividends	70	5	10	12	31	75	40
Net profit/(loss) from Vital	222	(23)	1	(74)	(119)	199	(42)
Net gain/(loss) on short-term shareholdings	29	(47)	(10)	(139)	(144)	(19)	(133)
Asset management services <sup>1)</sup>	139	142	156	137	120	281	201
Custodial services	28	28	29	28	26	56	59
Corporate finance	45	45	33	3	42	90	91
Securities brokerage	22	18	21	18	19	40	47
<b>Total stock-market related income</b>	<b>555</b>	<b>167</b>	<b>240</b>	<b>(15)</b>	<b>(26)</b>	<b>722</b>	<b>263</b>
As a percentage of total income (per cent)	15.5	5.3	7.3	(0.5)	(0.9)	10.8	4.5
Gains/(losses) on long-term securities	33	0	(1)	177	0	33	0
Losses/write downs on long-term securities	1	1	20	188	282	2	283

1) The acquisition of Skandia Asset Management gave an increase in asset management fees of around NOK 32 million



## Net commissions and fees on banking services

### Net commissions and fees

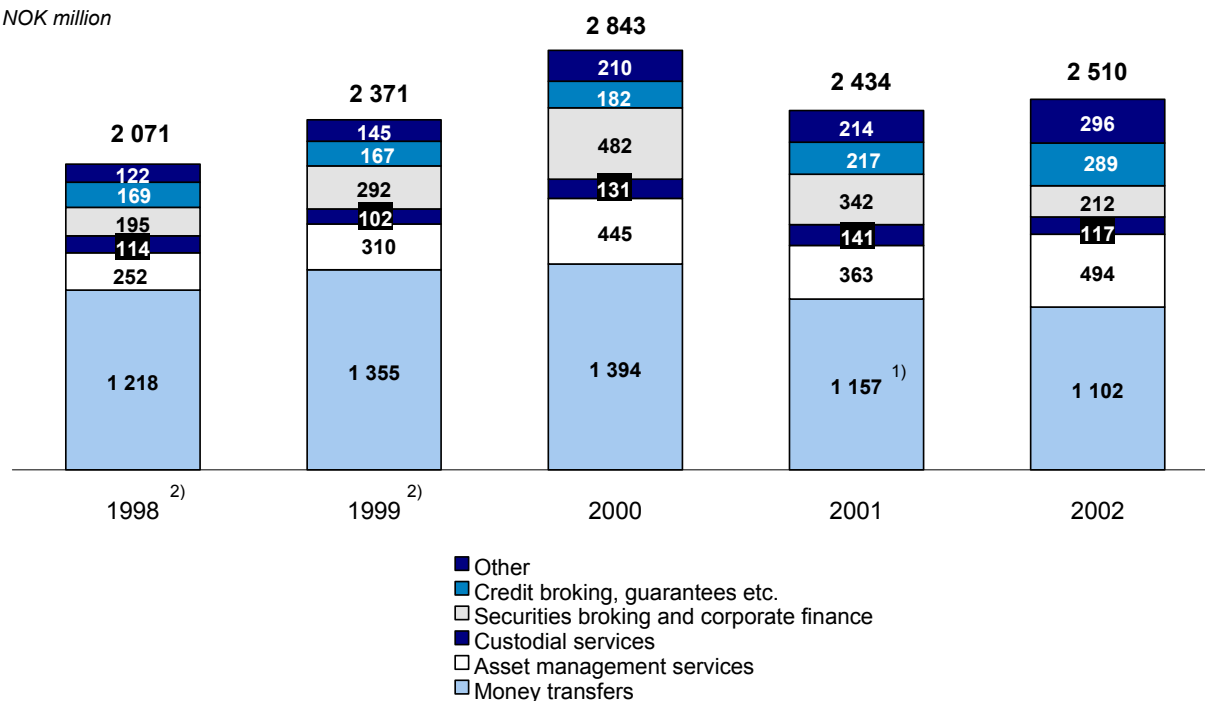
Amounts in NOK million	2Q03	1Q03	4Q02	3Q02	2Q02	1st half	
						2003	2002
Money transfers <sup>1)</sup>	311	262	289	282	285	573	532
Asset management services <sup>2)</sup>	139	142	156	137	120	281	201
Custodial services	28	28	29	28	26	56	59
Corporate finance etc.	45	45	33	3	42	90	91
Securities broking	22	18	21	18	19	40	47
Credit broking, guarantees etc.	54	65	78	72	56	120	139
Insurance sales	21	29	19	19	21	51	45
Other	64	55	60	47	63	119	107
<b>Net commissions and fees on banking services</b>	<b>686</b>	<b>643</b>	<b>685</b>	<b>605</b>	<b>631</b>	<b>1 329</b>	<b>1 220</b>

1) Postbanken's Clearing House was sold to the Banks' Central Clearing House (BBS) in the first quarter of 2001. After the sale, fees paid to BBS have been netted against income received from customers

2) Skandia Asset Management was acquired as at 1 June 2002 and provided a revenue contribution of around NOK 75 million in the first quarter of 2003 and NOK 70 million in the second quarter of 2003

### Net commissions and fees

NOK million



1) Postbanken's Clearing House was sold to the Bank's Central Clearing House (BBS) in the first quarter of 2001. After the sale, fees paid to BBS have been netted against income received from customers

2) Pro forma figures

## Net gain on financial instruments

### Net gain on foreign exchange and financial instruments

<i>Amounts in NOK million</i>	2Q03	1Q03	4Q02	3Q02	2Q02	1st half	
						2003	2002
Net gain/(loss) on short-term shareholdings	29	(47)	(10)	(139)	(144)	(19)	(133)
Net gain/(loss) on commercial paper and bonds	240	101	43	18	20	341	(32)
Net gain on trading in foreign exchange and financial derivatives	232	412	63	551	301	643	542
Net gain/(loss) on other money market instruments	(122)	(233)	148	(347)	(112)	(356)	(94)
<b>Net gain on foreign exchange and financial instruments</b>	<b>377</b>	<b>233</b>	<b>244</b>	<b>83</b>	<b>64</b>	<b>610</b>	<b>284</b>

### Market value above acquisition cost, banking portfolio excl. NB <sup>1)</sup>

<i>Amounts in NOK million</i>	30 June 2003	31 March 2003	31 Dec. 2002	30 Sept. 2002	30 June 2002	31 Dec. 2001
Commercial paper and bonds	33	6	0	0	0	8
Short-term shareholdings	0	0	0	0	0	0

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

**Short-term investments in securities <sup>1)</sup>**

	30 June 2003		31 Dec. 2002		30 June 2002	
	Book value	Market value	Book value	Market value	Book value	Market value
<i>Amounts in NOK million</i>						
<b>Commercial paper and bonds</b>						
Trading portfolio	28 880	28 880	26 496	26 496	27 484	27 484
Banking portfolio	7 720	7 752	7 373	7 373	7 154	7 154
Nordlandsbanken	1 810	1 810	-	-	-	-
<b>Total commercial paper and bonds</b>	<b>38 410</b>	<b>38 443</b>	<b>33 870</b>	<b>33 870</b>	<b>34 638</b>	<b>34 638</b>
<b>Short-term shareholdings</b>						
Trading portfolio	248	248	118	118	341	341
Banking portfolio	1 002	1 002	1 133	1 133	1 141	1 141
Nordlandsbanken	359	359	-	-	-	-
<b>Total short-term shareholdings</b>	<b>1 609</b>	<b>1 609</b>	<b>1 251</b>	<b>1 251</b>	<b>1 481</b>	<b>1 481</b>

1) Excluding securities held by Vital

**Major short-term shareholdings as at 30 June 2003 <sup>1)</sup>**

<i>Amounts in NOK million</i>	Book value	Market value
IT Fornebu Eiendom	103	103
Elkem	77	71
Oslo Børs Holding	67	58
Cape Investments	54	54
Euroclear	40	40
Privatbanken	34	26
Industrifinans SMB III	26	16
Viking Ship Finance	25	49
Equity funds, total	295	260
Other, banking portfolio	387	325
Value adjustment	(105)	-
<b>Total banking portfolio</b>	<b>1 002</b>	<b>1 002</b>
Trading portfolio	248	248
<b>Shares held by Nordlandsbanken:</b>		
OVDS	84	84
Helgelandske	31	31
Troms Fylkes Dampskibsselskap	31	31
Equity funds, total	112	112
Other, Nordlandsbanken	101	101
<b>Total Nordlandsbanken</b>	<b>359</b>	<b>359</b>
<b>Total</b>	<b>1 609</b>	<b>1 609</b>

1) Excluding shares held by Vital

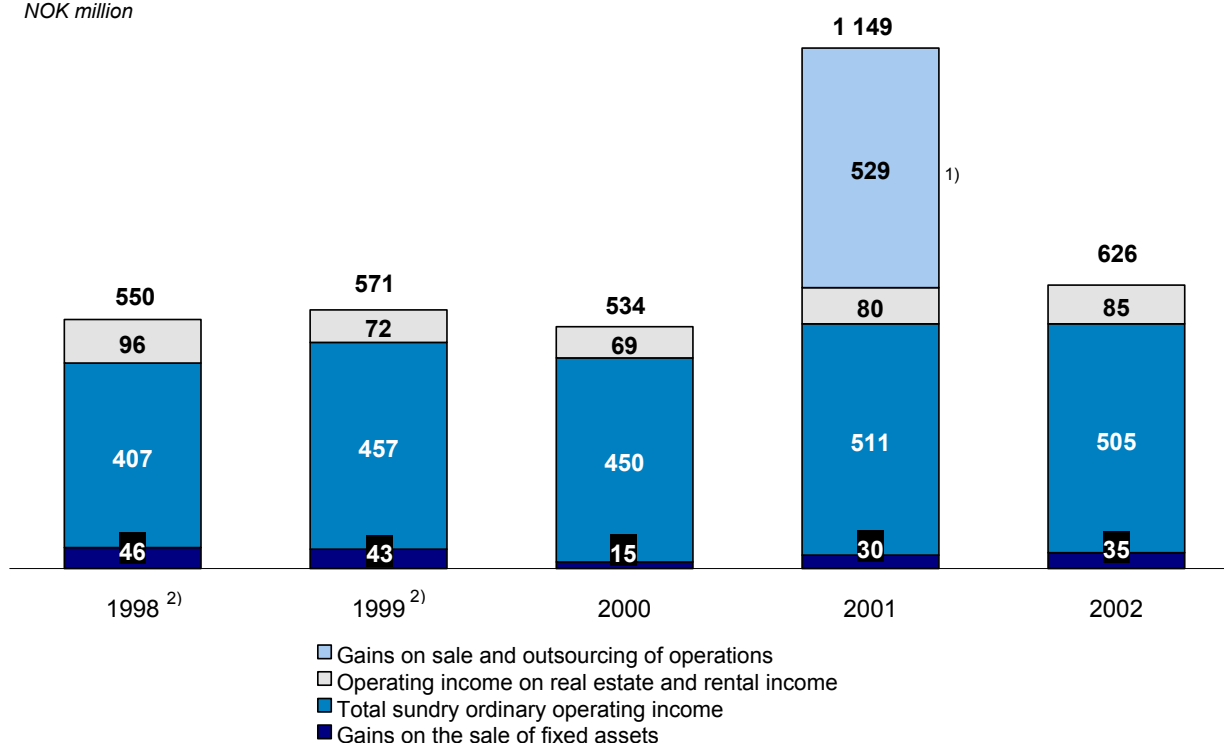
## Sundry operating income

### Sundry operating income

Amounts in NOK million	2Q03	1Q03	4Q02	3Q02	2Q02	1st half	
						2003	2002
Operating income on real estate and rental income	26	23	23	21	20	48	41
Fees on real estate broking	86	62	57	64	84	149	145
Share of profit in associated companies	35	30	5	24	25	65	44
Remunerations	3	4	8	13	2	7	4
Miscellaneous	21	32	58	28	28	53	56
<b>Total sundry ordinary operating income</b>	<b>171</b>	<b>151</b>	<b>151</b>	<b>149</b>	<b>159</b>	<b>322</b>	<b>290</b>
Gain on the sale of fixed assets	0	1	28	1	3	2	6
<b>Total sundry operating income</b>	<b>171</b>	<b>153</b>	<b>179</b>	<b>150</b>	<b>162</b>	<b>323</b>	<b>296</b>

### Sundry operating income

NOK million



1) In 2001, gains on the sale and outsourcing of operations consisted of two main items. The gain on the sale of DnB's IT operating services was NOK 299 million, which was recorded in the P/L in the third quarter of 2001, while the sale of Postbanken's Clearing House gave a gain of NOK 230 million in the first quarter of 2001.

2) Pro forma figures

## Operating expenses

### Total operating expenses

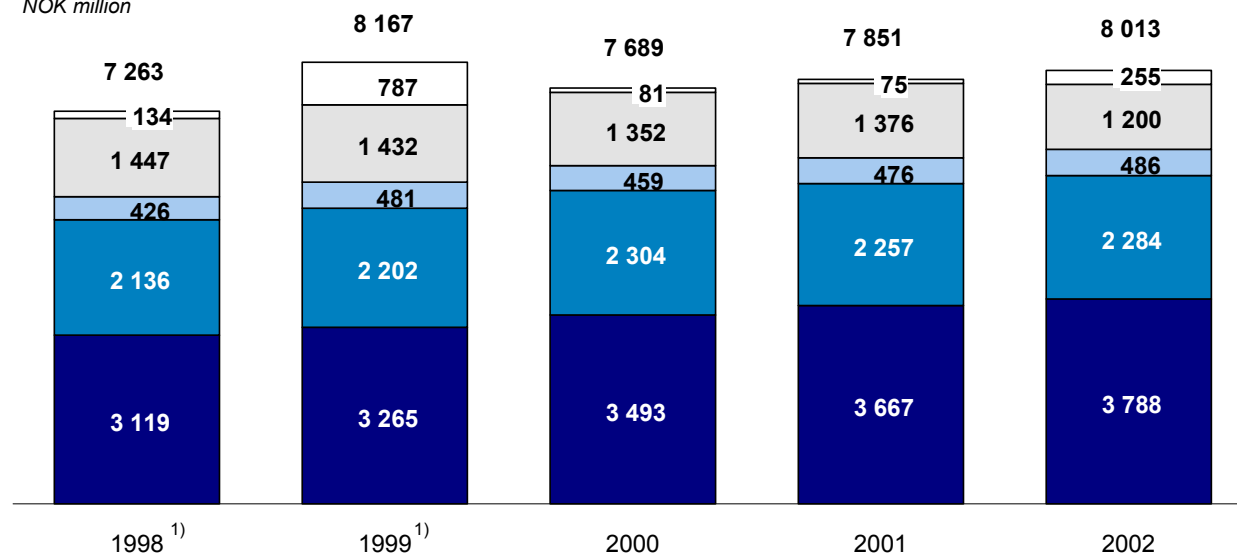
Amounts in NOK million	2Q03	1Q03	4Q02	3Q02	2Q02	1st half	
						2003	2002
Total ordinary salaries and other personnel expenses	1 018	1 013	954	997	916	2 030	1 836
Fees	115	101	97	93	120	216	220
EDP expenses <sup>1)</sup>	279	295	257	259	290	573	584
Expenses on fixed assets and rented premises	195	202	172	183	180	397	355
Marketing and public relations	68	60	46	58	57	127	117
Reimbursement to Norway Post <sup>2)</sup>	125	117	143	129	109	242	220
Amortisation of goodwill	58	54	43	44	20	112	29
Miscellaneous operating expenses	220	222	245	197	251	442	479
<b>Total ordinary operating expenses</b>	<b>2 077</b>	<b>2 062</b>	<b>1 958</b>	<b>1 960</b>	<b>1 942</b>	<b>4 139</b>	<b>3 839</b>
Write-downs and losses on the sale of fixed assets	6	20	16	3	1	26	2
Restructuring expenses	13	4	93	46	56	17	56
Allocations to the DnB Employee Fund	0	0	40	0	0	0	0
<b>Total operating expenses</b>	<b>2 095</b>	<b>2 087</b>	<b>2 107</b>	<b>2 009</b>	<b>1 999</b>	<b>4 182</b>	<b>3 897</b>

1) These expenses concern the purchase, operation and maintenance of computers and software together with depreciation. The Group's total IT expenses are shown on page 23, which in addition to EDP expenses include systems development, remuneration to external consultants, as well as salaries and other operating expenses relating to the Group's IT operations

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

### Total operating expenses

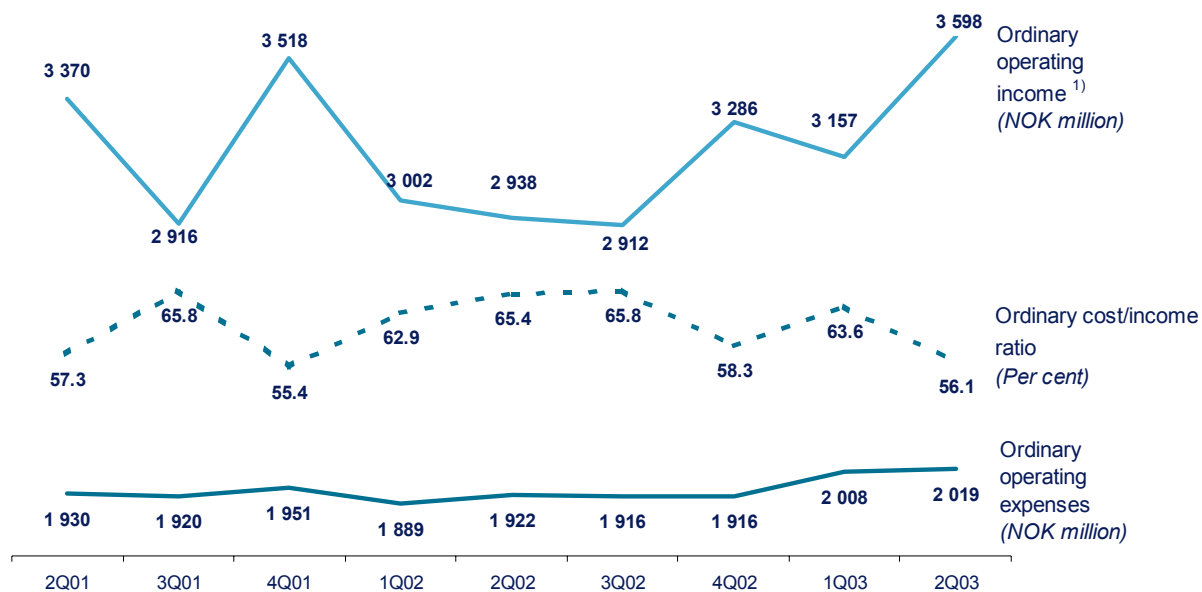
NOK million



- Write-downs, provisions for restructuring measures, allocations to the DnB Employee Fund etc.
- Total other ordinary operating expenses
- Ordinary depreciation
- Total administrative expenses
- Ordinary salaries and other personnel expenses

1) Pro forma figures

## Ordinary cost/income ratio before goodwill amortisation



1) Excluding amortisation of goodwill on the investment in Vital

## Changes in ordinary operating expenses

Amounts in NOK million	2Q03	Change	2Q02
<b>Ordinary operating expenses</b>	<b>2 077</b>	<b>135</b>	<b>1 942</b>
Of which:			
Nordlandsbanken		92	
Goodwill amortisation on acquisitions		38	
DnB Asset Management		37	
Wage settlements and pension payments		34	
Streamlining of operations and reduced activity		(36)	
e-activities and IT		(19)	
Effects of integration		(11)	
		(66)	

## Employees

<i>Full-time positions at end of period</i>	Full year					
	2Q03	2002	2001	2000	1999	1998
DnB Group excl. Vital	6 611	6 391	6 313	6 481	6 732	6 900
Life Insurance - Vital	607	632	619	570	553	537
<b>Total</b>	<b>7 218</b>	<b>7 023</b>	<b>6 932</b>	<b>7 052</b>	<b>7 285</b>	<b>7 437</b>

<i>Full-time positions at end of period</i>	2Q03	Change	2Q02
<b>Total</b>	<b>7 218</b>	<b>84</b>	<b>7 134</b>
Of which:			
Corporate Banking		9	
Retail Banking		(164)	
DnB Markets		(19)	
DnB Asset Management		(120)	
Life Insurance - Vital		(24)	
Financial, Payment and Group Services		24	
Nordlandsbanken		376	
Other		1	

## IT expenses

<i>Amounts in NOK million</i>	2Q03	1Q03	4Q02	3Q02	2Q02	1st half	
						2003	2002
Operating expenses IT	283	293	267	262	270	576	567
Systems development expenses	150	152	113	133	172	302	314
<b>Total IT expenses <sup>1)</sup></b>	<b>434</b>	<b>445</b>	<b>380</b>	<b>395</b>	<b>442</b>	<b>878</b>	<b>881</b>

1) Including salaries and indirect costs

## Restructuring provisions

<i>Amounts in NOK million</i>	30 June 2003	Accrued expenses	New provisions	Provisions upon aquisition <sup>1)</sup>	31 Dec. 2002
Foreign branches	3	0	0	0	3
Acquisition of Skandia Asset Management <sup>2)</sup>	58	51	0	0	108
Acquisition of Nordlandsbanken	68	8	0	76	0
Other restructuring provisions	41	26	17	0	50
<b>Total</b>	<b>170</b>	<b>84</b>	<b>17</b>	<b>76</b>	<b>161</b>

1) Provisions of NOK 76 million relating to the acquisition of Nordlandsbanken were added to the acquisition cost

2) Expenses of NOK 5 million are offset by the impact of exchange rate movement on the balance sheet

## Losses and reversals on loans and guarantees

### Losses/(reversals) by business area <sup>1)</sup>

<i>Amounts in NOK million</i>	2Q03	1Q03	4Q02	3Q02	2Q02	1st half	
						2003	2002
Retail Banking							
- DnB	12	(22)	(9)	1	4	(11)	(37)
- Postbanken	17	12	24	14	19	29	29
- DnB Kort	29	15	(9)	17	21	44	36
Corporate Banking							
- Large Corporates	110	6	3	9	(8)	116	(32)
- Shipping Division	(21)	(2)	3	(21)	(18)	(23)	(62)
- Regions	194	350	274	119	57	544	73
- Other	13	13	64	16	10	26	(60)
Nordlandsbanken	203	3	-	-	-	206	0
Other units	2	(7)	12	(0)	2	(5)	13
<b>DnB Group</b>	<b>560</b>	<b>367</b>	<b>363</b>	<b>154</b>	<b>87</b>	<b>927</b>	<b>(39)</b>

1) Expected loan losses were 0.32 per cent of the loan portfolio at the end of 2001 and 2002, and increased to 0.33 per cent at the end of June 2003 due to the acquisition of Nordlandsbanken

### Net losses/(reversals)

<i>Amounts in NOK million</i>	2Q03	1Q03	4Q02	3Q02	2Q02	1st half	
						2003	2002
Net losses Nordlandsbanken	203	3	-	-	-	206	-
of which fishing industry	87	0	-	-	-	87	-
Net losses DnB other	357	364	363	154	87	721	(39)
of which fishing industry	133	265	131	6	1	398	(3)
<b>Net losses/(reversals) on loans, etc.</b>	<b>560</b>	<b>367</b>	<b>363</b>	<b>154</b>	<b>87</b>	<b>927</b>	<b>(39)</b>

### Losses/(reversals) for customer sectors <sup>1)</sup>

<i>Amounts in NOK million</i>	2Q03	1Q03	4Q02	3Q02	2Q02	1st half	
						2003	2002
Retail customers	60	12	3	46	41	72	10
International shipping	(19)	(2)	(25)	(21)	(18)	(21)	(62)
Real estate	2	(7)	14	(3)	(4)	(5)	(10)
Services	216	12	122	75	(0)	228	(5)
Manufacturing	49	48	53	52	64	97	86
Trade	18	21	20	(6)	29	40	16
Transportation and communication	3	21	9	0	5	24	4
Oil and gas	(3)	(5)	(1)	(0)	(34)	(8)	(63)
Building and construction	6	2	3	6	2	8	(3)
Power and water supply	(0)	(0)	(2)	(0)	(0)	(0)	(0)
Fishing sectors	134	22	36	6	1	155	(3)
Other sectors, of which:							
Central and local government	0	(1)	(1)	(1)	(0)	(1)	(3)
Hotels and restaurants	7	0	1	1	2	7	(1)
Agriculture and forestry	2	(1)	29	(1)	0	2	0
Other sectors	(0)	0	9	(1)	(0)	(0)	(4)
<b>Total customers</b>	<b>474</b>	<b>123</b>	<b>268</b>	<b>154</b>	<b>87</b>	<b>598</b>	<b>(39)</b>
Credit institutions	0	0	0	(0)	0	0	0
Repossessed assets	86	244	95	0	0	330	0
Increase in unspecified provisions	0	0	0	0	0	0	0
<b>Total losses/(reversals)</b>	<b>560</b>	<b>367</b>	<b>363</b>	<b>154</b>	<b>87</b>	<b>927</b>	<b>(39)</b>

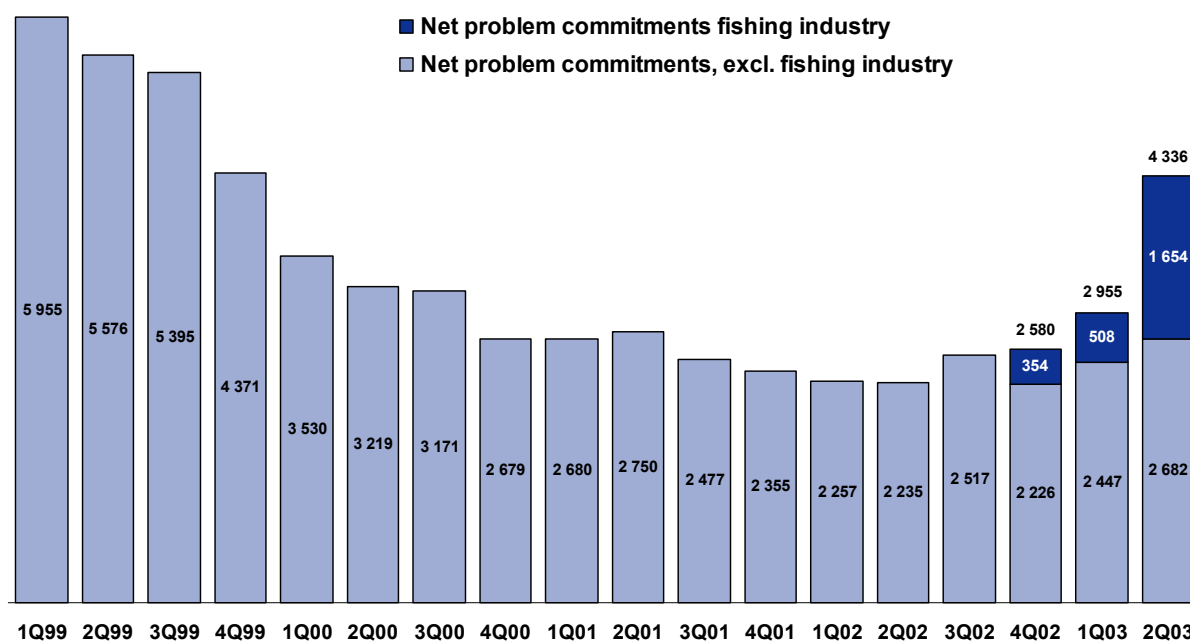
1) Split according to official industry definitions which may differ from DnB's business area reporting



## Asset quality

### Problem commitments excl. Nordlandsbanken

NOK million



Problem commitments are commitments on which loan-loss provisions have been made, and where the remaining exposure is covered by collateral and expected cash flows.

### Problem commitments in Nordlandsbanken

	30 June 2003	31 March 2003	31 Dec. 2002
<i>Amounts in NOK million</i>			
Problem commitments in fishing industry after specified provisions	787	113	-
Other problem commitments after specified provisions	2 377	2 080	-
Total problem commitments after specified provisions	3 164	2 193	2 455

Problem commitments are commitments on which loan-loss provisions have been made, and where the remaining exposure is covered by collateral and expected cash flows

## Unspecified provisions

<i>Amounts in NOK million</i>	30 June 2003	31 Dec. 2002	31 Dec. 2001	31 Dec. 2000
<b>Elements in the calculation</b>				
Provisions for probable, unidentified losses	1 174	1 076	1 028	986
+ Provisions for risk margins in the ordinary portfolio	1 087	909	884	779
+ Supplementary provisions due to uncertainty in estimates <sup>1)</sup>	59	130	203	350
<b>Unspecified loan-loss provisions in the accounts</b>	<b>2 319</b>	<b>2 115</b>	<b>2 115</b>	<b>2 115</b>

1) Reduced in line with improvements in the basis for calculation

## Reposessed assets

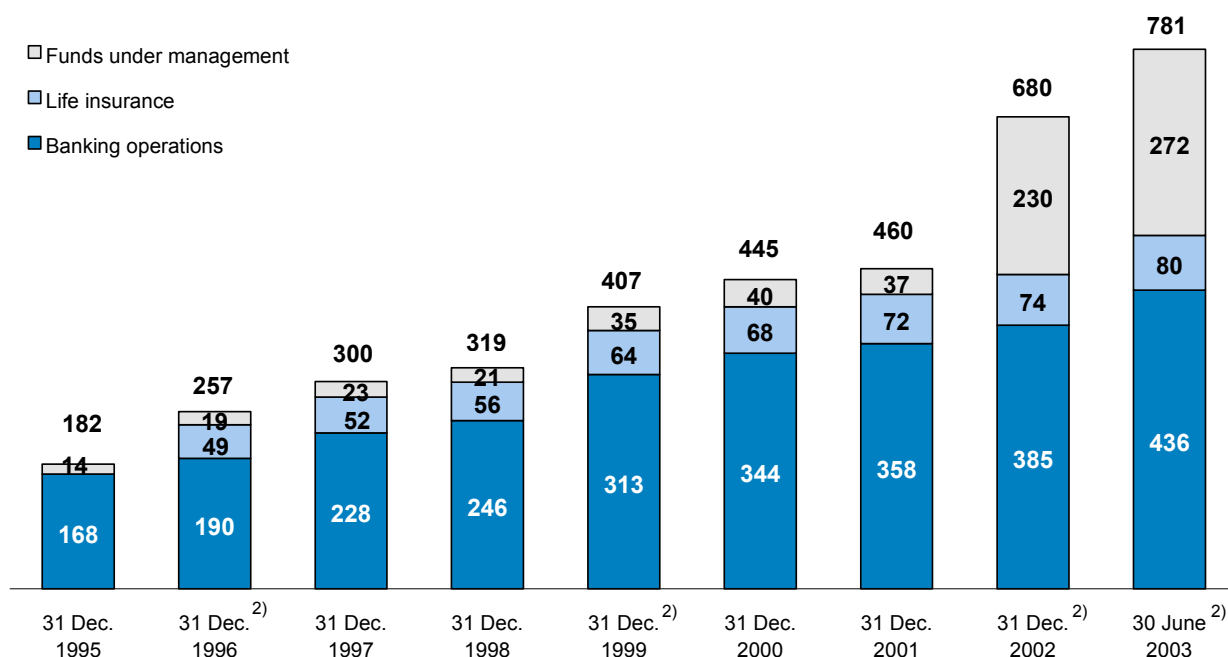
<i>Amounts in NOK million</i>	30 June 2003	Net changes in first half	31 Dec. 2002
Kjørbo Eiendom	45	0	45
Other properties	4	(55)	59
Pan Fish	58	(242)	300
DnB other	134	134	-
Nordlandsbanken			
Real estate	28	28	-
Dåfjord Laks	173	173	-
<b>Total DnB Group</b>	<b>442</b>	<b>38</b>	<b>404</b>

## Total assets owned or managed by the DnB Group

### Total combined assets <sup>1)</sup>

NOK billion

- Funds under management
- Life insurance
- Banking operations



1) Totals are net of inter-company balances

2) Vital is included as from 1996, Postbanken as from 1999, Skandia Asset Management as from 2002 and Nordlandsbanken as from 2003

### DnB Group balance sheets

Amounts in NOK billion	30 June 2003	31 March 2003	31 Dec. 2002	30 Sept. 2002	30 June 2002	31 Dec. 2001
Cash and lending to/deposits with credit institutions	42.3	53.7	39.5	29.8	34.1	19.7
Net lending to customers	318.6	312.8	278.7	278.9	277.9	275.2
Commercial paper, bonds, etc.	38.4	34.1	33.9	33.7	34.6	38.8
Shareholdings	6.9	7.0	6.5	6.6	7.1	7.3
Fixed and intangible assets	7.3	7.2	6.1	5.8	5.9	3.4
Other assets	22.9	19.2	20.5	19.7	17.9	13.8
<b>Total assets</b>	<b>436.4</b>	<b>434.1</b>	<b>385.2</b>	<b>374.5</b>	<b>377.6</b>	<b>358.2</b>
Loans and deposits from credit institutions	52.4	59.8	49.1	50.1	40.2	34.9
Deposits from customers	213.0	207.9	194.8	186.8	199.7	191.6
Borrowings through the issue of securities	102.2	100.3	74.9	70.4	72.1	75.9
Other liabilities and provisions	28.0	25.6	29.9	30.1	28.8	18.2
Primary capital	40.8	40.4	36.6	37.1	36.8	37.7
<b>Total liabilities and equity</b>	<b>436.4</b>	<b>434.1</b>	<b>385.2</b>	<b>374.5</b>	<b>377.6</b>	<b>358.2</b>
Average total assets for the year to date	434.3	431.2	377.6	376.9	376.0	367.4
Ratio of deposits to net lending (per cent)	66.9	66.5	69.9	67.0	71.8	69.6

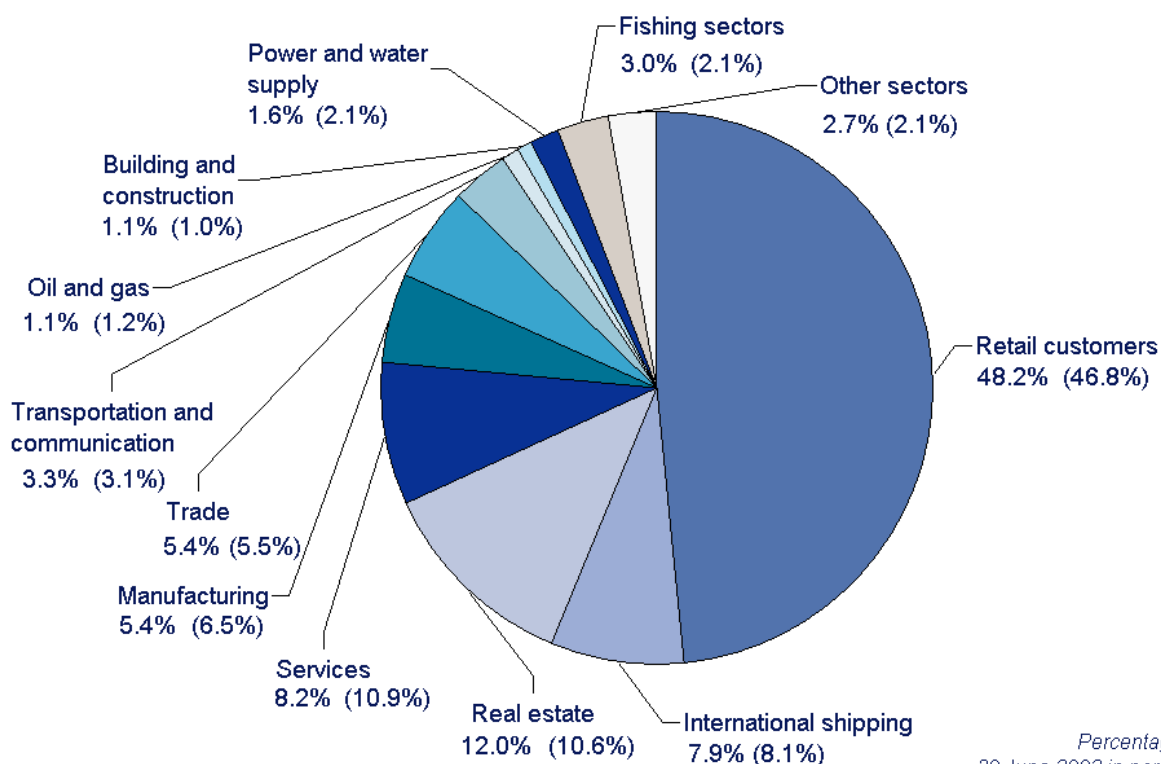
## Lending to principal sectors <sup>1) 2)</sup>

	30 June 2003	31 March 2003	31 Dec. 2002	30 Sept. 2002	30 June 2002	31 Dec. 2001
<i>Amounts in NOK billion</i>						
Retail customers	154.7	148.7	137.3	134.0	131.1	125.6
International shipping	25.3	23.3	21.9	22.3	22.7	26.1
Real estate	38.4	38.2	32.4	30.1	29.8	29.0
Services	26.4	26.6	24.7	29.0	30.4	29.4
Manufacturing	17.4	17.8	17.3	18.0	18.1	18.4
Trade	17.5	16.7	13.7	14.9	15.3	15.1
Transportation and communication	10.7	10.7	8.9	8.8	8.6	8.8
Oil and gas	3.5	3.5	3.5	3.6	3.3	4.1
Building and construction	3.4	3.5	2.6	2.7	2.7	3.3
Power and water supply	5.2	6.0	6.0	4.4	5.9	5.5
Fishing sectors	9.8	9.1	6.5	6.5	6.0	5.5
Other sectors, of which:						
Central and local government	1.5	1.7	1.8	2.2	2.3	2.5
Hotels and restaurants	1.9	1.9	1.4	1.4	1.4	1.4
Agriculture and forestry	0.9	0.9	0.7	0.7	0.7	0.7
Other	4.3	6.6	2.1	2.4	1.6	2.0
<b>Total</b>	<b>320.9</b>	<b>315.1</b>	<b>280.9</b>	<b>281.0</b>	<b>280.1</b>	<b>277.3</b>
Of which residential mortgages:						
Within 80% of collateral value	137.5	133.3	123.3	120.8	118.7	113.8
Above 80% of collateral value	4.5	5.0	3.6	3.5	4.0	4.1
Total	142.1	138.2	126.9	124.3	122.7	117.9

1) Split according to official industry definitions which may differ from DnB's business area reporting

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

## Lending to principal sectors as at 30 June 2003



**Exposure to certain industries <sup>1)</sup>**

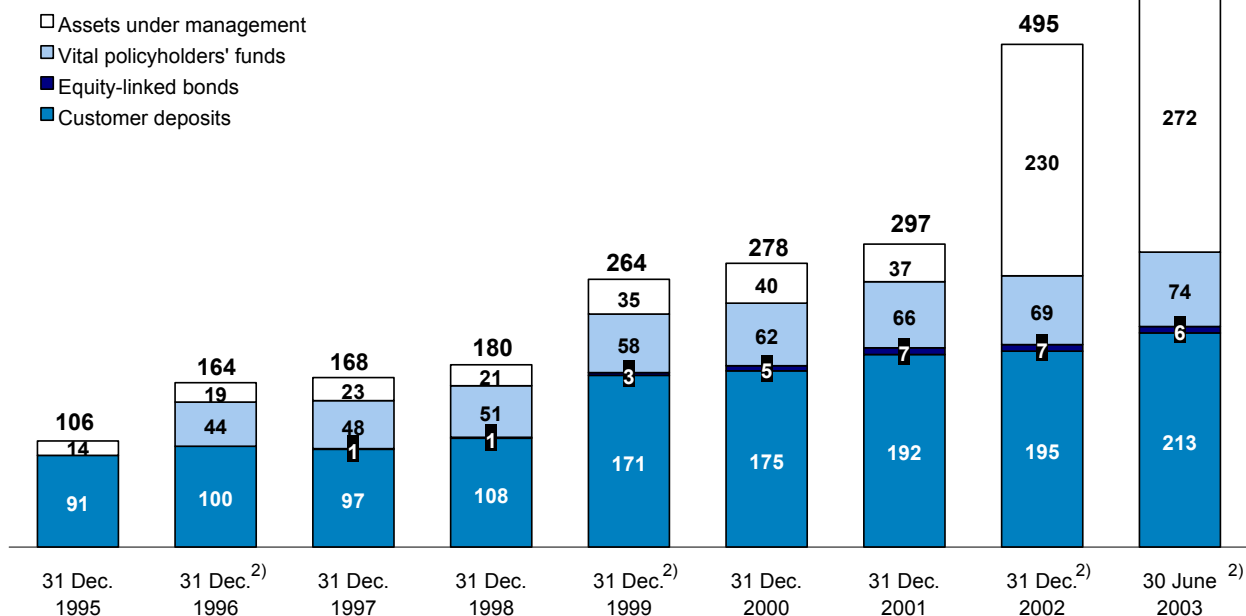
<i>Amounts in NOK billion</i>	30 June 2003	31 Dec. 2002
Fishing related exposure:		
Den norske Bank	<b>9.4</b>	<b>9.7</b>
- of which <i>  fishing vessels</i>	3.8	3.4
<i>  fish farming</i>	2.7	3.4
<i>  fish processing</i>	1.8	2.1
<i>  fish trading</i>	0.7	0.8
<i>  other</i>	0.4	
Nordlandsbanken	<b>2.9</b>	
- of which <i>  fishing vessels</i>	1.9	
<i>  fish farming</i>	0.3	
<i>  fish processing</i>	0.8	
<i>  fish trading</i>	0.0	
Repossessed assets	<b>0.3</b>	<b>0.3</b>
- of which <i>  Pan Fish</i>	0.1	0.3
<i>  Dåffjord</i>	0.2	-
<b>Total fishing related exposure</b>	<b>12.6</b>	<b>10.0</b>
- of which <i>  guarantees</i>	0.2	
<b>Telecommunications</b>	<b>2.2</b>	<b>2.7</b>
<b>Cruise</b>	<b>4.0</b>	<b>2.4</b>
<b>Civil aviation</b>	<b>1.2</b>	<b>1.1</b>

1) Loans and guarantees including commitments classified as non-performing or doubtful after related specified loan-loss provisions, and including repossessed assets

## Customer savings

### Customer savings in DnB companies <sup>1)</sup>

NOK billion



1) Totals are net of inter-company balances

2) Vital is included as from 1996, Postbanken as from 1999, Skandia Asset Management as from 2002 and Nordlandsbanken as from 2003

### Deposits from principal sectors <sup>1)</sup>

Amounts in NOK billion	30 June 2003	31 March 2003	31 Dec. 2002	30 Sept. 2002	30 June 2002	31 Dec. 2001
Retail customers	105.1	98.5	92.5	90.1	94.5	86.4
International shipping	13.0	13.8	13.5	14.0	12.4	16.0
Real estate	7.9	7.3	6.3	6.6	6.6	6.9
Services	31.6	29.9	29.8	28.6	28.9	27.8
Manufacturing	10.1	9.7	9.9	8.4	9.1	11.8
Trade	9.3	9.2	10.6	8.9	9.0	9.7
Transportation and communication	6.8	6.5	6.5	5.5	7.7	6.0
Oil and gas	1.1	2.1	1.5	2.2	1.2	1.3
Building and construction	1.9	2.1	1.9	1.7	1.6	1.8
Power and water supply	3.4	3.7	3.8	3.5	4.1	3.4
Fishing sectors	1.2	1.3	0.9	0.9	0.8	1.2
Other sectors, of which:						
Central and local government	10.6	11.2	9.5	8.7	10.5	10.9
Hotels and restaurants	0.5	0.7	0.6	0.5	0.5	0.6
Agriculture and forestry	0.5	0.5	0.5	0.5	0.5	0.5
Other	10.0	11.5	6.9	6.8	12.3	7.3
<b>Total</b>	<b>213.0</b>	<b>207.9</b>	<b>194.8</b>	<b>186.8</b>	<b>199.7</b>	<b>191.6</b>

1) Split according to official industry definitions

## Capital adequacy and taxes

### Development in primary capital and capital ratios

	Den norske Bank ASA		Den norske Bank ASA, consolidated		DnB Group			
	30 June 2003	%	30 June 2003	%	30 June 2003	%	31 Dec. 2002	%
<i>Amounts in NOK million</i>								
Share capital	7 787		7 787		7 696		7 696	
Reserves	11 109		12 141		12 858		13 737	
Perp. subord. loan capital securities	2 902		2 902		2 902		2 777	
Core capital	21 797	7.5	22 830	6.9 <sup>1)</sup>	23 456	6.5 <sup>1)</sup>	24 210	7.8
Perpetual subordinated loan capital	4 099		4 199		4 199		3 923	
Term subordinated loan capital	5 565		6 615		7 414		5 111	
Ineligible subordinated loan capital	-		-		(118)		(118)	
Net supplementary capital	9 664		10 814		11 495		8 916	
Deductions	872		1 113		1 181		1 092	
Total eligible primary capital	30 589		32 531		33 770		32 034	
Total risk-weighted assets	290 048		332 193		359 791		312 230	
Capital ratio		10.5		9.8 <sup>1)</sup>		9.4 <sup>1)</sup>		10.3
Core capital ratio incl. 50 per cent of profit for the period		7.7		7.1 <sup>1)</sup>		6.7 <sup>1)</sup>		
Capital ratio incl. 50 per cent of profit for the period		10.8		10.0 <sup>1)</sup>		9.6 <sup>1)</sup>		

1) The reduction in the core capital ratio in 2003 is due to the acquisition of Nordlandsbanken

### Taxes

In the second quarter of 2003, the Central Tax Office for Large Companies, which is responsible for the tax assessment of Den norske Bank ASA, informed the bank that it accepted adjustments in the tax assessment for the 1995 and 1996 financial years, which reduced the bank's tax charge by a total of around NOK 180 million. In consequence of the decision to adjust the tax assessment, the tax charge for the bank and the DnB Group for the second quarter of 2003 was reduced by a corresponding amount.

The matter concerned the distribution of debt interest in the taxation of the bank's Norwegian operations and its international branches. In 1997, the bank received approval for its interpretation of the rules concerning the distribution of taxes. The bank has later worked to ensure the full application of this interpretation for operations in all international branches also for the 1995 and 1996 financial years. By adjusting the tax assessment, the Central Tax Office has accepted this view.

DnB's expected future tax rate is estimated at 26 per cent.

## Financial results DnB Group — quarters

<b>Profit and loss accounts</b>			1st half		Full year
<i>Amounts in NOK million</i>	2Q03	2Q02	2003	2002	2002
Interest income	6 004	6 045	12 711	11 991	24 660
Interest expenses	3 957	3 898	8 541	7 893	16 282
<b>Net interest income and credit commissions</b>	<b>2 047</b>	<b>2 148</b>	<b>4 170</b>	<b>4 098</b>	<b>8 378</b>
Dividends	70	31	75	40	61
Net profit/(loss) from Vital	222	(119)	199	(42)	(114)
Commissions and fees receivable	1 030	991	2 030	1 942	3 921
Commissions and fees payable	344	360	701	722	1 411
Net gain on foreign exchange and financial instruments	377	64	610	284	611
Sundry ordinary operating income	171	159	322	290	591
Other income <sup>1)</sup>	0	3	2	6	35
<b>Net other operating income</b>	<b>1 526</b>	<b>769</b>	<b>2 536</b>	<b>1 798</b>	<b>3 694</b>
Salaries and other ordinary personnel expenses	1 018	916	2 030	1 836	3 788
Administrative expenses	591	584	1 195	1 160	2 284
Depreciation	150	114	301	217	486
Sundry ordinary operating expenses	317	328	613	626	1 200
Other expenses <sup>2)</sup>	18	57	42	58	255
<b>Total operating expenses</b>	<b>2 095</b>	<b>1 999</b>	<b>4 182</b>	<b>3 897</b>	<b>8 013</b>
<b>Pre-tax operating profit before losses</b>	<b>1 478</b>	<b>918</b>	<b>2 524</b>	<b>1 998</b>	<b>4 059</b>
Net losses/(reversals) on loans, guarantees, etc.	560	87	927	(39)	478
Net gain/(loss) on long-term securities	31	(282)	30	(283)	(314)
<b>Pre-tax operating profit</b>	<b>949</b>	<b>549</b>	<b>1 627</b>	<b>1 755</b>	<b>3 268</b>
Taxes	66	137	242	439	934
<b>Profit for the period</b>	<b>883</b>	<b>412</b>	<b>1 385</b>	<b>1 317</b>	<b>2 334</b>
Earnings per share	1.15	0.53	1.80	1.71	3.03
Diluted earnings per share	1.15	0.53	1.80	1.69	3.01
Average total assets	437 510	373 817	434 348	375 982	377 649

### Balance sheets

<i>Amounts in NOK million</i>	30 June 2003	31 Dec. 2002	30 June 2002
Cash and deposits with central banks	10 689	19 133	10 617
Lending to and deposits with credit institutions	31 577	20 391	23 470
Gross lending to customers	324 406	282 660	281 675
– Specified loan-loss provisions	(3 522)	(1 796)	(1 623)
– Unspecified loan-loss provisions	(2 319)	(2 115)	(2 115)
Net lending to customers	318 565	278 748	277 937
Repossessed assets	442	399	104
Commercial paper and bonds	38 410	33 870	34 638
Shareholdings etc.	2 768	2 751	3 241
Investments in Vital and associated companies	4 167	3 773	3 808
Intangible assets	4 633	3 815	3 524
Fixed assets	2 634	2 295	2 421
Other assets	19 266	16 853	14 433
Prepayments and accrued income	3 235	3 206	3 357
<b>Total assets</b>	<b>436 386</b>	<b>385 234</b>	<b>377 551</b>
Loans and deposits from credit institutions	52 446	49 071	40 226
Deposits from customers	213 014	194 803	199 689
Securities issued	102 166	74 875	72 063
Other liabilities	20 911	25 901	22 008
Accrued expenses and prepaid revenues	5 546	2 427	5 267
Provisions for commitments	1 518	1 540	1 512
Subordinated loan capital	13 266	10 502	9 741
Share capital	7 696	7 696	7 706
Equity reserves	18 438	18 420	18 022
Profit for the period	1 385	-	1 317
<b>Total liabilities and equity</b>	<b>436 386</b>	<b>385 234</b>	<b>377 551</b>

1) Gains on the sale of fixed assets

2) Restructuring, write-downs, etc.



## Financial results DnB Group 1998-2002

### Profit and loss accounts

<i>Amounts in NOK million</i>	2002	2001	2000	1999 <sup>1)</sup>	1998 <sup>1)</sup>
Interest income	24 660	25 474	22 987	21 411	19 532
Interest expenses	16 282	17 475	15 767	14 330	13 053
<b>Net interest income</b>	<b>8 378</b>	<b>7 999</b>	<b>7 221</b>	<b>7 081</b>	<b>6 480</b>
Dividends	61	60	242	146	145
Net profit/(loss) from Vital	(114)	238	345	350	183
Net commissions and fees receivable on banking services	2 510	2 434	2 842	2 371	2 070
Net gain on foreign exchange and financial instruments	611	1 168	1 517	1 256	387
Sundry ordinary operating income	591	1 120	519	528	504
<b>Net other ordinary operating income</b>	<b>3 659</b>	<b>5 019</b>	<b>5 465</b>	<b>4 651</b>	<b>3 289</b>
Salaries and other ordinary personnel expenses	3 788	3 667	3 493	3 265	3 119
Administrative expenses	2 284	2 257	2 304	2 202	2 136
Depreciation on fixed assets	486	476	459	481	426
Sundry ordinary operating expenses	1 200	1 376	1 352	1 432	1 447
<b>Total ordinary operating expenses</b>	<b>7 758</b>	<b>7 776</b>	<b>7 608</b>	<b>7 379</b>	<b>7 129</b>
<b>Pre-tax ordinary operating profit before losses</b>	<b>4 279</b>	<b>5 242</b>	<b>5 078</b>	<b>4 352</b>	<b>2 639</b>
Other income <sup>2)</sup>	35	30	15	43	46
Other expenses <sup>3)</sup>	255	75	81	787	134
<b>Pre-tax operating profit before losses</b>	<b>4 059</b>	<b>5 196</b>	<b>5 012</b>	<b>3 608</b>	<b>2 552</b>
Net losses/(reversals) on loans, guarantees, etc.	478	178	(241)	(15)	1 178
Net gain/(loss) on long-term securities	(314)	(332)	(5)	14	(0)
<b>Pre-tax operating profit</b>	<b>3 268</b>	<b>4 687</b>	<b>5 248</b>	<b>3 636</b>	<b>1 373</b>
Taxes	934	587	1 230	511	422
<b>Profit for the year</b>	<b>2 334</b>	<b>4 100</b>	<b>4 018</b>	<b>3 125</b>	<b>952</b>
Earnings per share (NOK)	3.03	5.29	5.16	4.01	1.22
Average total assets	377 649	367 366	341 428	325 160	317 202

### Balance sheets

<i>Amounts in NOK million</i>	31 Dec. 2002	31 Dec. 2001	31 Dec. 2000	31 Dec. 1999	31 Dec. <sup>2)</sup> 1998
Cash and deposits with central banks	19 133	2 820	8 387	13 094	3 665
Lending to and deposits with credit institutions	20 391	16 854	20 798	15 572	13 383
Gross lending to customers	282 660	279 101	256 693	231 646	229 965
- Specified loan-loss provisions	(1 796)	(1 764)	(1 871)	(2 636)	(3 290)
- Unspecified loan-loss provisions	(2 115)	(2 115)	(2 115)	(2 085)	(2 163)
Net lending to customers	278 748	275 222	252 707	226 924	224 513
Repossessed assets	399	98	76	75	60
Commercial paper and bonds.	33 870	38 809	35 439	33 937	48 507
Shareholdings etc.	2 751	3 453	2 711	3 920	3 572
Investments in Vital and associated companies	3 773	3 825	3 616	3 289	3 038
Intangible assets	3 815	929	1 375	1 239	1 560
Fixed assets	2 295	2 512	2 866	2 688	3 262
Other assets	16 853	10 450	12 565	9 623	9 188
Prepayments and accrued income	3 206	3 217	3 667	3 022	4 040
<b>Total assets</b>	<b>385 234</b>	<b>358 190</b>	<b>344 208</b>	<b>313 385</b>	<b>314 788</b>
Loans and deposits from credit institutions	49 071	34 920	51 322	45 498	47 607
Deposits from customers	194 803	191 575	175 430	170 900	166 771
Securities issued	74 875	75 878	63 919	50 011	56 851
Other liabilities	25 901	14 420	17 578	14 585	12 577
Accrued expenses and prepaid revenues	2 427	2 330	2 747	2 004	2 885
Provisions for commitments	1 540	1 412	1 192	1 363	1 013
Subordinated loan capital	7 725	8 219	8 105	7 344	6 838
Perpetual subordinated loan capital securities	2 777	3 601	0	0	0
Equity	26 117	25 836	23 914	21 679	20 247
<b>Total liabilities and equity</b>	<b>385 234</b>	<b>358 190</b>	<b>344 208</b>	<b>313 385</b>	<b>314 788</b>
Total risk-weighted volume	312 230	313 389	292 279	255 146	252 148

1) Pro forma figures

2) Gains on the sale of fixed assets, etc.

3) Restructuring, write-downs, etc.

## Key figures — quarters

Amounts in NOK million	DnB Group <sup>1)</sup>						
	2Q03	1Q03	4Q02	3Q02	2Q02	1st half 2003	2002
<b>Interest rate analysis</b>							
1 Combined average spread for lending and deposits (%)	2.49	2.58	2.65	2.65	2.53	2.52	2.50
2 Spread for ordinary lending to customers (%)	1.70	1.70	1.41	1.16	1.26	1.69	1.34
3 Spread for deposits from customers (%)	0.79	0.88	1.24	1.50	1.26	0.83	1.16
<b>Rate of return/profitability</b>							
4 Net other operating income, % of total income	42.7	32.2	34.0	26.9	26.4	37.8	30.5
5 Cost/income ratio (%)	58.6	66.6	64.1	69.5	68.5	62.4	66.1
6 Ordinary cost/income ratio excl. goodwill amortisation(%)	56.1	63.6	58.3	65.8	65.4	59.6	64.1
7 Return on equity (%)	13.0	7.6	8.3	6.5	6.1	10.4	9.9
8 Return on equity excl. goodwill amortisation (%)	14.3	8.8	9.3	7.5	6.8	11.6	10.5
9 Goodwill amortisation (NOK million)	86	80	68	69	46	166	80
10 Average equity (NOK million)	27 071	26 369	27 714	27 254	26 881	26 753	26 533
<b>Financial strength</b>							
11 Core (Tier 1) capital ratio at end of period (%)	6.5	6.8	7.8	8.0	7.9	6.5	7.9
12 Core (Tier 1) capital ratio incl. 50 per cent of profit for the period (%)	6.7	6.9	-	8.3	8.1	6.7	8.1
13 Capital adequacy ratio at end of period (%)	9.4	9.7	10.3	10.2	10.0	9.4	10.0
14 Capital adequacy ratio incl. 50 per cent of profit for the period (%)	9.6	9.8	-	10.5	10.2	9.6	10.2
15 Core capital at the end of period (NOK million)	23 456	23 592	24 210	24 531	24 422	23 456	24 422
16 Total eligible primary capital at the end of period (NOK million)	33 770	33 594	32 034	31 332	31 040	33 770	31 040
17 Risk-weighted volume at the end of period (NOK million)	359 791	345 287	312 230	307 669	310 192	359 791	310 192
<b>Loan portfolio and loan-loss provisions</b>							
18 Loan-loss ratio (%)	0.18	0.12	0.13	0.06	0.03	0.29	(0.01)
19 Problem commitments, % of total lending	2.36	1.63	0.92	0.90	0.80	2.36	0.80
20 Loan-loss provisions relative to total gross lending (%)	1.89	1.85	1.38	1.36	1.33	1.89	1.33
21 Problem commitments at end of period (NOK million)	7 571	5 148	2 580	2 517	2 235	7 571	2 235
<b>Liquidity</b>							
22 Ratio of customer deposits to net lending to customers at end of period (%)	66.9	66.5	69.9	67.0	71.8	66.9	71.8
<b>Total combined assets</b>							
23 Average total combined assets (NOK billion)	765	729	673	679	539	746	506
24 Total combined assets at end of period (NOK billion)	781	749	680	666	693	781	693
25 Customer savings at end of period (NOK billion)	562	528	495	486	522	562	522
<b>Staff</b>							
26 Number of full-time positions at end of period	7 218	7 323	7 023	7 068	7 134	7 218	7 134
27 - of which in Vital	607	621	632	635	631	607	631
<b>The DnB share</b>							
28 Number of shares at end of period (1 000)	769 630	769 630	769 630	769 630	770 591	769 630	770 591
29 Average number of shares (1 000)	769 630	769 630	769 630	770 270	770 591	769 630	770 591
30 Average number of shares - fully diluted (1 000)	770 399	769 630	774 531	775 700	777 066	769 630	777 066
31 Earnings per share (NOK)	1.15	0.65	0.75	0.57	0.53	1.80	1.71
32 Earnings per share excl. goodwill amortisation (NOK)	1.26	0.76	0.84	0.66	0.59	2.01	1.81
33 Earnings per share fully diluted (NOK)	1.15	0.65	0.74	0.57	0.53	1.80	1.69
34 Equity per share (NOK)	35.76	34.59	36.34	35.68	35.10	35.76	35.10
35 Share price at end of period (NOK)	35.60	28.70	32.60	32.40	40.90	35.60	40.90
36 Price/book value	1.00	0.83	0.90	0.91	1.17	1.00	1.17
37 Market capitalisation (NOK billion)	27.4	22.1	25.1	24.9	31.5	27.4	31.5

1) Asset management operations acquired from Skandia are included in the figures as from 1 June 2002 and Nordlandsbanken are included in the figures as from 1 January 2003.

### Definitions

- 7 Profit for the period as a percentage of average equity.
- 18 Net losses on loans (excluding guarantees) as a percentage of lending after the deduction of specified loan-loss provisions at end of period.
- 19 Problem commitments after the deduction of specified loan-loss provisions relative to lending after the deduction of specified loan-loss provisions. Figures at end of period.
- 20 Accumulated specified and unspecified loan-loss provisions relative to gross lending at end of period.
- 31 Profit for the period divided by the average number of shares.
- 36 The last quoted share price on the Oslo Stock Exchange at end of period relative to the book value of equity at end of period.
- 37 Number of shares times share price at end of period

## Key figures 1998-2002

Amounts in NOK million	DnB Group <sup>1)</sup>				
	2002	2001	2000	1999	1998
<b>Interest rate analysis</b>					
1 Combined average spread for lending and deposits (%)	2.58	2.62	2.79	3.08	3.05
2 Spread for ordinary lending to customers (%)	1.31	1.27	1.20	1.39	1.22
3 Spread for deposits from customers (%)	1.27	1.35	1.58	1.68	1.84
<b>Rate of return/profitability</b>					
4 Net other operating income, % of total income	32.0	40.0	44.3	41.1	35.5
5 Cost/income ratio (%)	65.6	60.3	60.6	69.0	73.3
6 Ordinary cost/income ratio excl. goodwill amortisation(%)	63.7	59.8	60.1	62.9	72.3
7 Return on equity (%)	8.6	15.8	17.0	14.4	4.6
8 Return on equity excl. goodwill amortisation (%)	9.4	16.3	17.6	15.1	5.4
9 Goodwill amortisation (NOK million)	217	138	134	148	160
10 Average equity (NOK million)	27 005	26 003	25 576	21 645	20 659
<b>Financial strength</b>					
11 Core (Tier 1) capital ratio at end of period (%)	7.8	8.8	7.5	7.8	7.4
12 Capital adequacy ratio at end of period (%)	10.3	11.4	10.6	10.5	9.8
13 Core capital at the end of period (NOK million)	24 210	27 728	21 915	19 787	18 643
14 Total eligible primary capital at the end of period (NOK million)	32 034	35 677	30 867	26 916	24 812
15 Risk-weighted volume at the end of period (NOK million)	312 230	313 389	292 279	255 146	252 148
<b>Loan portfolio and loan-loss provisions</b>					
16 Loan-loss ratio (%)	0.16	0.06	(0.11)	0.00	0.53
17 Problem commitments, % of total lending	0.90	0.84	1.05	1.91	2.40
18 Loan-loss provisions relative to total gross lending (%)	1.38	1.39	1.55	2.04	2.37
19 Problem commitments at end of period (NOK million)	2 580	2 355	2 678	4 371	5 433
<b>Liquidity</b>					
20 Ratio of customer deposits to net lending to customers at end of period (%)	69.9	69.6	69.4	75.3	74.3
<b>Total combined assets</b>					
21 Average total combined assets (NOK billion)	588	453	426	363	310
22 Total combined assets at end of period (NOK billion)	680	460	445	407	319
23 Customer savings at end of period (NOK billion)	495	297	278	264	180
<b>Staff</b>					
24 Number of full-time positions at end of period	7 023	6 932	7 052	7 285	7 437
25 - of which in Vital	632	619	570	553	537
<b>The DnB share</b>					
26 Number of shares at end of period (1 000)	769 630	770 590	778 658	778 658	778 658
27 Average number of shares (1 000)	770 155	774 773	778 658	778 658	778 658
28 Average number of shares - fully diluted (1 000)	774 531	779 972	781 400	778 658	778 658
29 Earnings per share (NOK)	3.03	5.29	5.16	4.01	1.22
30 Earnings per share excl. goodwill amortisation (NOK)	3.31	5.47	5.33	4.25	1.43
31 Earnings per share fully diluted (NOK)	3.01	5.26	5.14	4.01	1.22
32 Equity per share (NOK)	36.34	33.53	30.71	27.84	24.24
33 Share price at end of period (NOK)	32.60	40.40	47.50	32.90	26.30
34 Price/book value	0.90	1.20	1.55	1.18	1.08 <sup>3)</sup>
35 Market capitalisation (NOK billion)	25.1	31.1	37.0	25.6	16.8 <sup>3)</sup>
36 Dividend per share (NOK)	2.40	2.40	2.25	1.75	1.35
37 "RISK" adjustment (NOK) <sup>2)</sup>	3.52	(3.66)	2.64	(0.39)	(0.98)

1) All figures have been prepared in accordance with the DnB Group's accounting principles as at 30 June 2003. All figures prior to 2000 represent the combined business of DnB and Postbanken (pro forma accounts). Asset management operations acquired from Skandia are included in the figures as from 1 June 2002 and Nordlandsbanken as from 1 January 2003.

2) Estimated "RISK" adjustment for 2002

3) Excluding Postbanken

### Definitions

- 7 Profit for the period as a percentage of average equity.
- 16 Net losses on loans (excluding guarantees) as a percentage of lending after the deduction of specified loan-loss provisions at end of period.
- 17 Problem commitments after the deduction of specified loan-loss provisions relative to lending after the deduction of specified loan-loss provisions. Figures at end of period.
- 18 Accumulated specified and unspecified loan-loss provisions relative to gross lending at end of period.
- 29 Profit for the period divided by the average number of shares.
- 34 The last quoted share price on the Oslo Stock Exchange at end of period relative to the book value of equity at end of period.
- 35 Number of shares times share price at end of period



**Section 3**

**DnB Group and  
business areas**

## Group strategy

### Targets

DnB's primary goal is to enhance shareholder value through an attractive and competitive return in the form of dividends and increases in the DnB share price. DnB's strategy targets areas where the Group has or can achieve lasting competitive advantages. DnB aspires to be the preferred partner for Norwegian and selected Nordic customers and international companies' preferred partner in Norway, and will capitalise on its special expertise within selected areas outside the Nordic region.

Alongside profitability, a long-term perspective and team spirit are key strategic elements. DnB's operations should generate added value for shareholders. A long-term approach to customer relationships and market activities will strengthen the Group's customer franchise and provide customer service of superior value. Positive team spirit will give a further impetus to achieving performance targets.

Profitable growth, a more efficient cost base and optimal utilisation of the Group's capital base are vital to the success of this strategy.

### Strategic position

DnB has a leading position relative to Norwegian retail and corporate customers. The Group will further consolidate this position by being the best partner to meet customers' financial needs. This partnership will be based on building sound relationships between DnB and customers through distribution and dialogue, providing the best advisory and customer services and offering competitive prices on good overall solutions.

With a wide array of products, DnB is able to fulfill large international companies' financial needs in Norway. On the basis of Norway's position as a shipping nation, DnB has become one of the world's foremost shipping banks. A corresponding position has been built up within the energy sector based on activities in the North Sea. The establishment of DnB Asset Management provides additional opportunities for growth in selected global areas.

### Strategic measures

Continual improvement of the product range is essential to ensuring the quality of DnB's customer relationships. DnB will consider offering solutions from other providers of financial services and seeking alliances with other market players to boost efficiency or develop leading products and services in the market. DnB will develop electronic distribution channels to provide ready access for customers.

Within certain areas, DnB will be able to offer products included in other service providers' market offerings. DnB will seek to become an even better supplier of niche products in international markets.

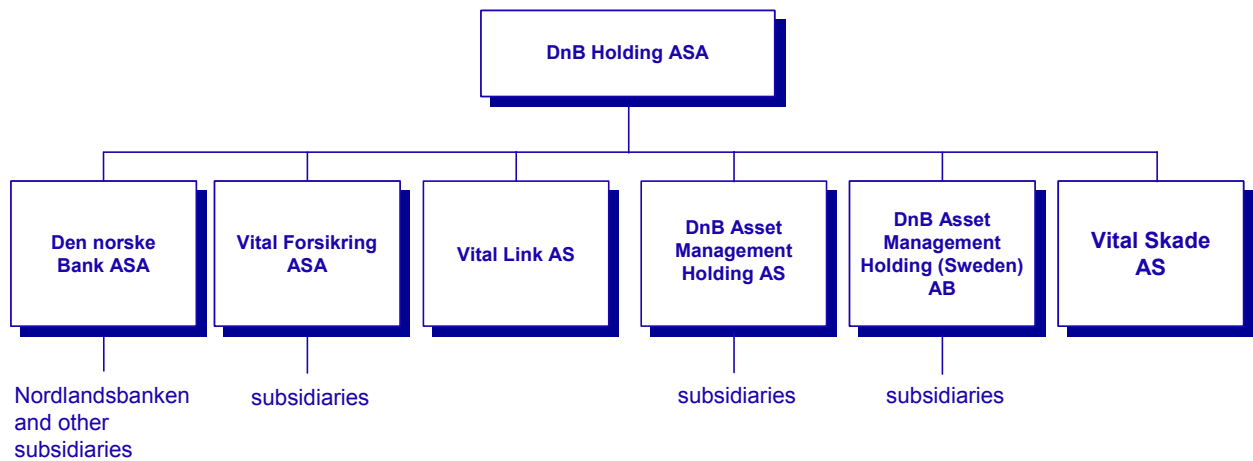
The Group will work to increase cost efficiency through continued everyday improvements in operational procedures, effective purchasing routines, the elimination of products and services and strict priorities with respect to development projects.

DnB will consider expanding and adjusting its customer franchise and range of products and services through structural measures provided that this will lead to increased long-term shareholder value. Additional acquisitions may be an option if such moves would help DnB achieve its long-term targets.

## Legal structure

In accordance with the requirements of the Norwegian regulatory authorities, the banking, asset management and life insurance activities of the DnB Group are organised in separate limited companies under the holding company DnB Holding ASA. Banking activities are organised in Den norske Bank ASA, while asset management activities are organised in two companies: DnB Asset Management Holding AS and DnB Asset Management Holding (Sweden) AB. Life insurance activities are carried out by two separate companies: Vital Forsikring ASA (traditional life and pension products) and Fondsforsikringsselskapet Vital Link AS (unit linked products). 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 foreign insurance underwriters.

### DnB Group - corporate structure

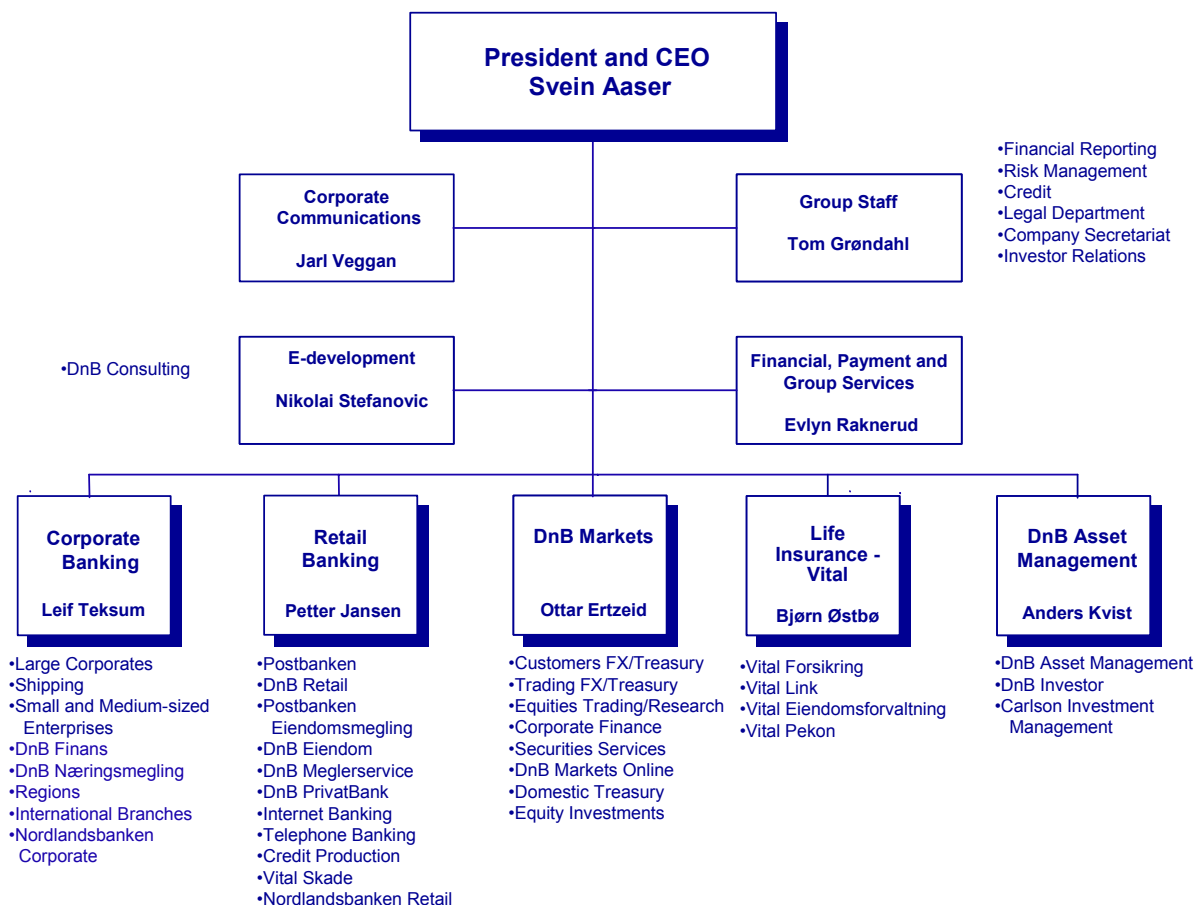


## Group structure

DnB is organised into five business areas with responsibility for underlying divisions, departments and subsidiaries. The business areas are independent profit centres subject to specific profit requirements. **Corporate Banking** serves small and medium-sized companies as well as large Norwegian corporations, shipping companies and international corporate customers; **Retail Banking** serves private customers and smaller companies; **DnB Markets** is the Group's capital markets arm; **Life Insurance (Vital)** represents the Group's life insurance operations and **DnB Asset Management** comprises the Group's global asset management operation.

In addition, the Group has support and staff functions organised into separate units. Efforts to increase cross-sales and boost efficiency in the internal supply of products and services are key strategic elements.

### DnB Group - organisation chart as at 30 June 2003





## Business areas

### Operating results and key financial data for main business areas (pro forma figures)

The business area reporting is based on internal management reporting to the Board of Directors and group chief executive.

#### Extracts from profit and loss accounts <sup>1)</sup>

Amounts in NOK million	Net interest income		Net other operating income		Operating expenses		Pre-tax operating profit/(loss) before losses		Net losses on loans and long-term securities		Pre-tax operating profit/(loss)	
	First half		First half		First half		First half		First half		First half	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Corporate Banking	1 851	1 954	783	722	1 174	1 166	1 461	1 511	655	(81)	805	1 592
Retail Banking	1 836	1 714	688	657	1 938	1 891	586	479	78	47	507	432
DnB Markets	252	340	790	600	452	462	590	478	0	0	590	478
Life Insurance - Vital	0	0	301	3	0	0	301	3	0	0	301	3
DnB Asset Management	37	8	283	175	248	202	72	(19)	0	0	72	(19)
Nordlandsbanken <sup>2)</sup>	279		89		189		179		206		(27)	
Other operations	(85)	82	(398)	(359)	181	177	(665)	(454)	(43)	277	(622)	(731)
<b>DnB Group</b>	<b>4 170</b>	<b>4 098</b>	<b>2 536</b>	<b>1 798</b>	<b>4 182</b>	<b>3 897</b>	<b>2 524</b>	<b>1 998</b>	<b>897</b>	<b>243</b>	<b>1 627</b>	<b>1 755</b>

#### Main balance sheet items, average balances <sup>1)</sup>

Amounts in NOK billion	Net lending to customers		Customer deposits		Assets under management		Allocated capital <sup>3)</sup>	
	First half		First half		First half		First half	
	2003	2002	2003	2002	2003	2002	2003	2002
Corporate Banking	153.9	153.6	102.9	101.9			12.6	12.0
Retail Banking	138.2	126.2	102.0	95.8			3.4	3.2
DnB Markets	1.3	1.0	10.0	8.8			1.5	1.3
Life Insurance - Vital					71.2	67.9	4.1	4.9
DnB Asset Management					313.0	128.8	1.1	0.4
Nordlandsbanken <sup>2)</sup>	24.0		9.1				2.2	
Other operations	0.4	0.6	(7.5)	(7.7)	(66.4)	(63.7)	1.8	4.7
<b>DnB Group</b>	<b>317.8</b>	<b>281.5</b>	<b>216.5</b>	<b>198.8</b>	<b>317.8</b>	<b>133.0</b>	<b>26.8</b>	<b>26.5</b>

#### Key figures

Per cent	Cost/income ratio excl. goodwill amortisation		Ratio of deposits to lending		Return on equity <sup>4)</sup>		Full-time positions (end of period)	
	First half		First half		First half		First half	
	2003	2002	2003	2002	2003	2002	2003	2002
Corporate Banking	44.4	43.4	66.9	66.4	9.3	19.2	1 585	1 576
Retail Banking	76.3 <sup>5)</sup>	79.2	73.8	75.9	21.4	19.7	2 496	2 660
DnB Markets	43.3	49.1			57.9	53.0	411	431
Life Insurance - Vital					12.5	0.1	607	631
DnB Asset Management	77.5	110.2			9.4	(7.0)	263	383
Nordlandsbanken <sup>2)</sup>	51.3		38.0		(1.8)		376	
Other operations							1 480	1 455
<b>DnB Group</b>	<b>60.2</b>	<b>65.1</b>	<b>68.1</b>	<b>70.6</b>	<b>10.4</b>	<b>9.9</b>	<b>7 218</b>	<b>7 134</b>

- 1) The DnB Group's income, expenses and balance sheet volumes are allocated to the business areas. In the above table some of the income generated in DnB 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. These double entries are included in the "Other operations" line along with other eliminations and the Group Centre as well as gain/(loss) on DnB's equity investments. The "Other operations" line can be split into the following components:

Amounts in NOK million	Net interest income		Net other operating income		Operating expenses		Pre-tax operating profit/(loss) before losses		Net losses on loans and long-term securities		Pre-tax operating profit/(loss)	
	First half		First half		First half		First half		First half		First half	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Group Centre	10	194	(66)	(98)	240	231	(295)	(135)	(21)	(2)	(274)	(133)
Gain/(loss) on DnB's equity investments			(24)	(107)			(24)	(107)	(22)	281	(2)	(388)
Double entries	5	(8)	(299)	(279)	(13)	(12)	(282)	(275)	0	0	(282)	(275)
Eliminations	(100)	(103)	(9)	125	(45)	(42)	(63)	64	0	(1)	(63)	65
<b>Total</b>	<b>(85)</b>	<b>82</b>	<b>(398)</b>	<b>(359)</b>	<b>181</b>	<b>177</b>	<b>(665)</b>	<b>(454)</b>	<b>(43)</b>	<b>277</b>	<b>(622)</b>	<b>(731)</b>

The Group Centre line comprises Financial, Payment and Group Services and Group Staff, investments in IT infrastructure and shareholder-related expenses.

Amortisation of goodwill for the Group's acquisition of Nordlandsbanken, Skandia Asset Management, Vital and similar fair value adjustments relating to the Postbanken acquisition are not allocated to the business areas. Goodwill related to the acquisition of Nordlandsbanken amounted to NOK 531 million and is amortised over 10 years starting in January 2003. Goodwill related to the acquisition of Skandia Asset Management amounted to SEK 3 402 million and is amortised over 20 years starting in January 2002. Amortisation for the period January-May has been charged to equity. Goodwill in Vital is amortised by NOK 25 million each quarter, ending in 2005. The amortisation of Postbanken's fair value adjustments amounts to NOK 12 million per quarter, ending in 2004.

- 2) Figures are presented according to group principles and assessments and comprise all previous Nordlandsbanken assets and liabilities, including those transferred to other DnB units.
- 3) Allocation of equity to the business areas is based on DnB's internal risk assessment model, which assigns risk capital for credit, market, insurance, liquidity and operational risk to the various areas of the Group. The Group's additional equity is mainly a consequence of official capital requirement regulations, but also a necessary cushion for uncertainty in the risk estimates and a buffer to meet future requirements.
- 4) Calculations of return on equity are based on profits after taxes. A 28 per cent tax rate is used for Corporate Banking, Retail Banking, DnB Markets, DnB Asset Management and Nordlandsbanken. The tax rate used for Life Insurance - Vital was 10 per cent for the first half of 2002 and 15 per cent for 2003, which represents the expected tax rate.
- 5) If the SME segment is included under Retail Banking, the cost/income ratio will be 71.0 per cent. Such adjustment is appropriate when comparing DnB's financial figures with those of international competitors.

## Corporate Banking

Corporate Banking serves small, medium-sized and large companies. The business area is organised in three divisions; Large Corporates (incl. DnB Næringsmegling), Shipping and Regions, and one subsidiary: DnB Finans. The business area is headed by Leif Teksum, group executive vice president.

Corporate Banking's strategy is to be the best financial partner for Norwegian and selected Nordic companies. Within special sectors such as shipping, oil and energy DnB also provides services outside the Nordic region. In addition, the business area wishes to offer DnB's products and expertise to international companies in Norway.

### Financial performance

<i>Amounts in NOK million</i>	2Q03	1Q03	4Q02	3Q02	2Q02	First half	
						2003	2002
Net interest income	922	929	966	1 027	1 067	1 851	1 954
Net other operating income	433	350	404	283	351	783	722
Total income	1 355	1 279	1 370	1 310	1 418	2 634	2 677
Operating expenses	590	584	566	575	587	1 174	1 166
Pre-tax operating profit before losses	765	695	804	735	831	1 461	1 511
Net losses/(reversals)	289	366	344	123	42	655	(81)
Pre-tax operating profit	476	329	461	611	789	805	1 592
Net lending to customers (NOK billion)	156.5	151.3	151.0	151.0	153.3	153.9	153.6
Deposits from customer (NOK billion)	101.5	104.4	100.2	97.6	97.9	102.9	101.9
Cost/income ratio excl. goodwill (%)	43.4	45.5	41.2	43.8	41.3	44.4	43.4
Ratio of deposits to lending (%)	64.8	69.0	66.3	64.6	63.8	66.9	66.4
Return on equity (% p.a.)	10.8	7.7	10.6	14.1	18.8	9.3	19.2

### Comments to the financial performance for the first half of 2002/2003

- Performance reflected sound operations and stringent cost control
- Adjusted for exchange rate movements, there was an increase of 8.9 per cent in loans and guarantees on the corresponding period the previous year
- In cooperation with DnB Markets, a total of NOK 30.7 billion in syndicated credits was arranged for customers, in addition to NOK 23 billion in commercial paper and bond issues
- New lending targeted customers with low credit risk, and the quality of the loan portfolio is still considered satisfactory although risk has risen somewhat
- Deposits were up 0.6 per cent from December 2002
- Net losses on loans and guarantees in the first half of 2003 amounted to NOK 666 million excluding gains on long-term securities of NOK 10 million

### Customers and market development

- The domestic bank market reflected fierce competition with low demand and pressure on margins
- Developments in the Norwegian economy in the first half of 2003 continued the trend from 2002, undermining the financial position of an increasing number of the business area's customers
- The economic challenges facing the Norwegian business sector are expected to continue throughout 2003, particularly for exposed industries
- Corporate Banking will thus devote extensive resources to following up asset quality, and will seek growth in the high-quality end of the Norwegian business sector
- Large Corporates leads the market for large Norwegian corporates, offering services in New York, London and Singapore in addition to the domestic market
- Around 60 per cent of Norway's largest corporations used DnB as their main banker in the first half of 2003

- DnB is one of the world's largest shipping banks and serves Norwegian and international shipping and offshore clients from offices in Oslo, Bergen, London, New York and Singapore
- Corporate Banking activities in domestic regions target primarily small and medium-sized companies
- In the first six months of 2003, DnB continued to consolidate its position in this market, and surveys show growing customer satisfaction
- DnB Nettregnskap, an Internet accounting service which includes customers' payment transactions and other information relating to the accounts, was launched in June, and the first agreements with customers have been signed

### Corporate Banking market shares

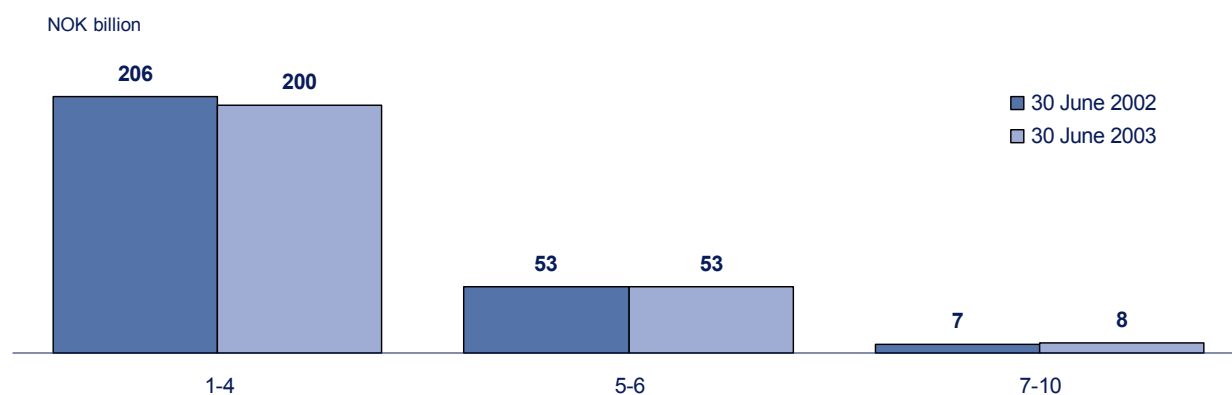
	31 May 2003	31 March 2003	31 Dec. 2002	30 Sept. 2002	30 June 2002
<i>Per cent</i>					
Of total lending to corporates <sup>1)</sup>	9.1	9.3	9.3	9.6	9.8
- of which commercial and savings banks	22.9	23.1	22.9	23.4	23.8
Of deposits from corporates <sup>2)</sup>	25.2	24.0	23.9	23.4	24.6

1) Overall lending includes all credits given to Norwegian customers by domestic commercial and savings banks, state banks, insurance companies, finance companies, bonds, commercial paper, money market loans and foreign institutions

2) Domestic savings and commercial banks

Source: Norges Bank, DnB

### Development in risk classification



Based on DnB's risk classification system where 1 represents the lowest risk and 10 the highest risk

### Products and organisation

Corporate Banking is organised in three divisions:

- Large Corporates serves large Norwegian corporates, the public sector, international companies doing business in Norway, international customers within oil and energy as well as financial institutions
- The Shipping Division serves Norwegian and international shipping and offshore clients
- Regions serves businesses divided into two different segments:
  - Large companies with a turnover above NOK 40 million
  - Small and medium-sized enterprises with a turnover of up to NOK 40 million

Corporate Banking offers customers a broad range of financial services, including lending, bond issues, syndicated loans, deposits, cash management, corporate finance and acquisition finance.

**Staff**

- Corporate Banking is committed to systematic competence building to ensure that customers receive the best advisory services and derive the full benefit of DnB's products and services, including expertise within online solutions for corporate customers
- Specialised training in credit rating and risk and profitability analyses is given high priority
- At the end of the first half of 2003, the business area had a staff of 1 585 full-time positions, with 1 456 in Norway, of which 371 in subsidiaries, as well as 129 full-time positions located abroad

**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 products.

**Financial performance in Corporate Banking divisions**

	Large Corporates		Shipping		Regions		DnB Finans	
	First half		First half		First half		First half	
<i>Amounts in NOK million</i>	2003	2002	2003	2002	2003	2002	2003	2002
Net interest income	456	616	304	269	818	813	270	254
Net other operating income	351	260	85	112	361	350	51	46
Total income	807	876	390	380	1 180	1 163	321	301
Operating expenses	280	259	122	119	578	590	166	164
Pre-tax operating profit before losses	527	617	267	261	601	573	155	136
Net losses/(reversals)	105	(32)	(23)	(62)	544	73	28	(60)
Pre-tax operating profit/(loss)	421	650	290	324	57	500	127	196
Net lending to customers (NOK billion)	47.2	48.9	28.4	28.7	64.6	62.5	14.3	13.7
Deposits from customer (NOK billion)	44.1	40.3	14.6	15.5	44.4	46.2	0.0	0.0
Cost/income ratio excl. goodwill (%)	34.7	29.5	31.4	31.3	49.0	50.7	51.2	53.5
Ratio of deposits to lending (%)	93.4	82.3	51.3	54.2	68.8	73.9	-	-
Return on equity (% p.a.)	15.2	23.2	19.2	24.4	1.5	14.2	18.6	30.0

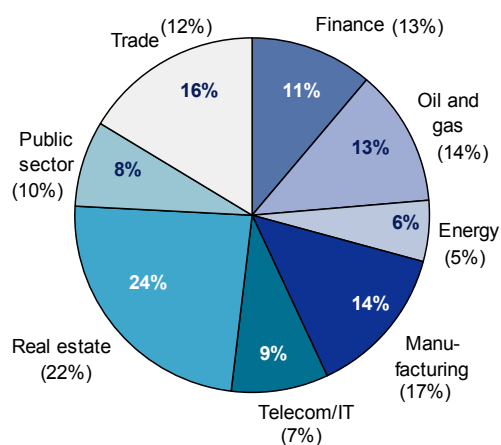
## Large Corporates

### Average volumes <sup>1)</sup>

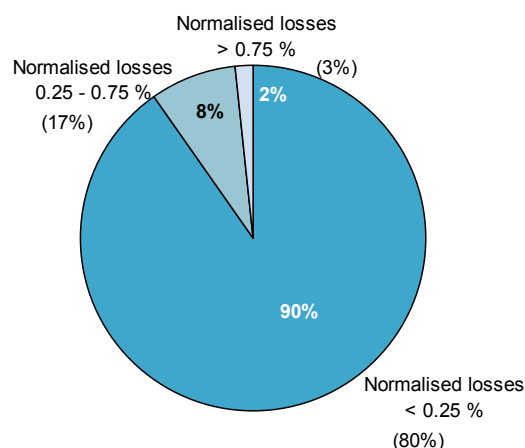
Amounts in NOK billion						First half	
	2Q03	1Q03	4Q02	3Q02	2Q02	2003	2002
Net lending to customers	47	47	46	46	48	47	48
Guarantees	21	22	17	16	16	22	16
Customer deposits	43	45	39	39	38	44	40

1) Average figures for the period

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



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



1) Percentages as at 30 June 2002 in parentheses

### Business profile

- Serving large Norwegian corporates, the public sector, international companies doing business in Norway, international customers within oil and energy as well as financial institutions
- Around 60 per cent of Norway's biggest corporations used DnB as their main banker in the first half of 2003, and DnB provided one or more financial products to 73 per cent of the companies for which it was not principal banker

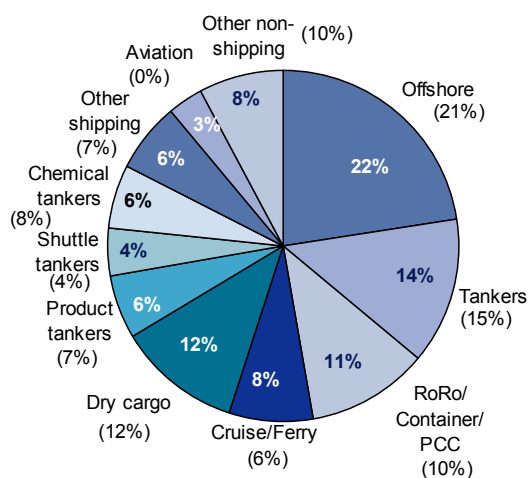
## Shipping Division

### Average volumes <sup>1)</sup>

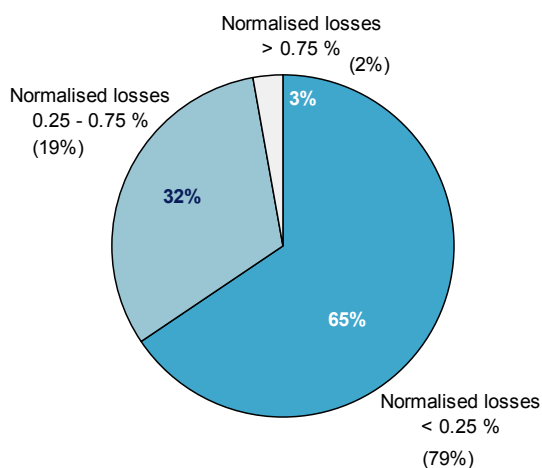
Amounts in NOK billion	2Q03	1Q03	4Q02	3Q02	2Q02	First half	
						2003	2002
Net lending to customers	31	26	27	27	28	28	28
Guarantees	10	9	9	9	9	9	9
Customer deposits	14	15	15	14	15	15	15

1) Average figures for the period

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



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



1) Percentages as at 30 June 2002 in parentheses

### Business profile

- Among the world's leading shipping and offshore banks
- Provides commercial and investment banking services to high-quality Norwegian and international shipping and offshore clients from offices in Oslo, Bergen, London, New York and Singapore
- Strong and proactive client focus and long-term relationship perspective

Activity in shipping markets was generally high during the first half of 2003. Both tanker and bulk markets were strong with high rates through the first half of 2003. However, there is uncertainty related to future rates. Changes in the competitive climate lead to increased competition for the best clients and thus pressure on margins.

In connection with Aequitas Holdings AS' offer to acquire all shares in Leif Høegh & Co., DnB Markets acted as financial advisor and DnB Shipping acted as Arranger and Agent for the financing of the transaction.

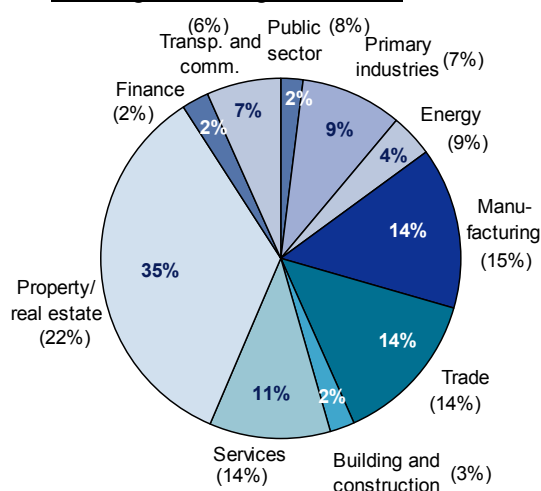
## Regions

### Average volumes <sup>1)</sup>

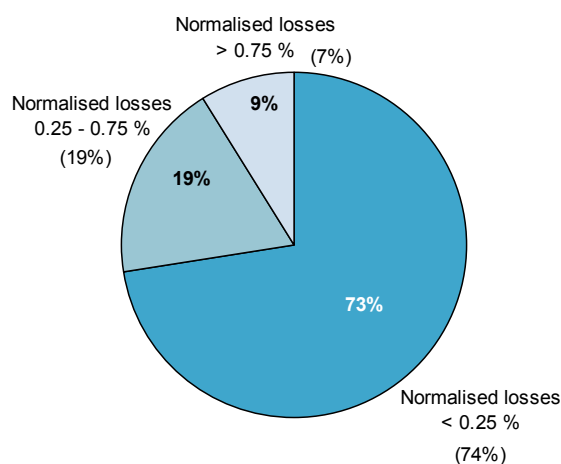
Amounts in NOK billion							First half	
	2Q03	1Q03	4Q02	3Q02	2Q02	2003	2002	
Net lending to customers	65	65	64	64	64	65	63	
Guarantees	8	9	7	7	6	8	7	
Customer deposits	44	45	46	45	45	44	46	

1) Average figures for the period

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



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



1) Percentages as at 30 June 2002 in parentheses

### Business profile

- Serving more than 49 000 businesses divided into two different segments:
  - Large companies with a turnover above NOK 40 million
  - Small and medium-sized enterprises with a turnover of up to NOK 40 million

The largest regional clients give priority to local presence combined with the expertise of a major bank. Through local financial services centres DnB is represented with a broad range of products, services and competencies. DnB has a sound platform for strengthening its position as the preferred provider of financial products and services for this customer segment.

### DnB Finans

- DnB Finans is a leading finance company in Norway, offering car financing to retail customers and factoring, leasing and various other forms of financing and related services to the corporate and public sectors
- Figures for the first half of 2003 showed pre-tax operating profits before losses of NOK 155 million, compared with NOK 136 million for the corresponding period of 2002 due to increased income and sound cost control



## Retail Banking

Retail Banking, serving private customers and smaller companies under the brand names Den norske Bank, Postbanken and Vital, is Norway's largest retail bank. The business area is headed by Petter Jansen, group executive vice president.

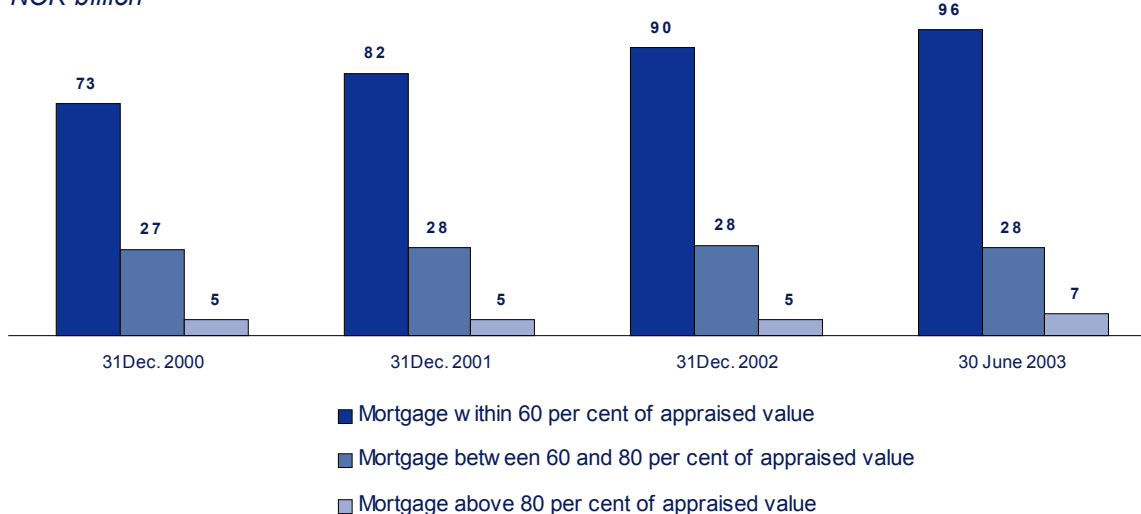
The business area aims to maintain its leading market position and stand out as the customer's best financial partner. This will be achieved by continually improving service concepts and expanding the range of services.

### Financial performance

<i>Amounts in NOK million</i>	2Q03	1Q03	4Q02	3Q02	2Q02	First half	
						2003	2002
Net interest income	901	935	979	926	878	1 836	1 714
Net other operating income	384	304	339	327	355	688	657
Total income	1 286	1 239	1 318	1 253	1 232	2 524	2 370
Operating expenses	980	958	1 016	1 005	944	1 938	1 891
Pre-tax operating profit before losses	306	280	302	248	288	586	479
Net losses	58	20	22	34	51	78	47
Pre-tax operating profit	248	260	280	214	238	507	432
Net lending to customers (NOK billion)	140.0	136.4	133.9	130.8	127.7	138.2	126.2
Deposits from customers (NOK billion)	103.4	100.6	96.8	98.1	96.1	102.0	95.8
Cost/income ratio excl. goodwill (%)	75.7	76.8	76.6	79.7	76.1	76.3	79.2
Ratio of deposits to lending (%)	73.8	73.8	72.3	75.0	75.2	73.8	75.9
Return on equity (% p.a.)	20.9	21.9	24.0	18.5	21.4	21.4	19.7

### Comments to the financial performance for the first half of 2002/2003

- Satisfactory profits in the first half of 2003 - return on equity 21 per cent
- Higher net interest income, mainly due to increased lending and deposit volumes
- Lending increased by more than 9 per cent, referring primarily to well-secured housing loans
- Costs increased by 2 per cent compared with the previous year through restructuring and efficiency measures
- Cost/income ratio decreased by 3 percentage points
- The volume of problem commitments showed a moderate rise in the first half and was at a satisfactory level
- Loan losses were up NOK 31 million, but remained at a low level

**Residential mortgages <sup>1)</sup>***NOK billion*

1) Adjusted definitions

**Customers/markets**

- Serving around 1.7 million private individuals
- More than 230 000 customers use telephone payment services (telegiro)
- 251 000 customers subscribe to customer benefits programmes
- 599 000 clients use the Group's Internet banks
- More than 8.6 million payment transactions were carried out in the first half of 2003, an increase of 12.6 per cent compared with the first half of 2002

**Retail banking market shares**

	31 May 2003	31 March 2003	31 Dec. 2002	30 Sept. 2002	30 June 2002
<i>Per cent</i>					
Bank lending to households	20.2	20.1	20.1	20.1	20.3
Bank deposits from households	21.9	21.9	21.9	22.3	22.8

Source: Norges Bank, DnB

**Organisation and distribution**

Through Norway's largest distribution network, Retail Banking offers a wide range of financial products and services to its customers. The major distribution channels are:

- Den norske Bank and Postbanken's branch offices
- The postal network
- Internet and telephone banking
- Private banking targeting customers in need of more sophisticated financial advisory services, production, staff and support functions are largely centralised in cost-efficient joint units

Den norske Bank ASA and Norway Post have a master agreement relating to the distribution of financial services through the postal network, which is effective until 31 December 2005. The agreement is mainly based on transaction-specific prices and a common aim to increase the number of financial services distributed through the postal network.

- Postbanken and Norway Post have established joint service solutions provided through more than 1 100 in-store postal outlets, where customers can carry out everyday banking transactions in their local stores
- Payment transactions through these channels rose by 27 per cent to more than 4 million transactions from the first half of 2002 to 2003

**New products**

- More than 180 000 customers have accepted to receive notices such as account statements via e-mail
- New index-linked investment products and equity-linked deposits
- More than 60 000 customers subscribe to Postbanken's new customer loyalty program: Postbanken Leve, offering customers a range of basic banking services at favourable terms
- Two new investment funds were launched in the second quarter: DnB Kompass and Postbanken Folkefond. These funds have flexible investment strategies including equity and money market funds and bonds

**Employees**

- The number of full-time positions has been reduced by 164 to 2 496 through restructuring and efficiency measures
- Changing customer needs and the introduction of new products make it vital to upgrade professional skills
- Upgrading of professional skills is achieved partly by educating and reallocating the existing workforce and partly by recruiting new staff
- More efficient production and distribution of services through new and better IT solutions, telephone and Internet banking is likely to lead to further reductions in the number of employees in the coming years

**Cooperation with other group entities**

Cross selling of products is one of the major strengths of the DnB Group. Through its distribution network Retail Banking offers:

- Asset management services (DnB Asset Management)
- Insurance (Vital)
- Financial instruments (DnB Markets)

**Residential real estate broking**

DnB Eiendom and Postbanken Eiendomsmegling are two of Norway's leading residential real estate broking operations:

**Properties sold/market shares**

<i>Properties sold</i>	2Q03	1Q03	4Q02	3Q02	2Q02	First half	
						2003	2002
DnB Eiendom	2.242	1.567	1.352	1.702	2.177	3.809	3.898
Postbanken Eiendom	2.708	2.373	2.045	2.244	2.750	5.081	5.056
Total properties sold	4.950	3.940	3.397	3.946	4.927	8.890	8.954
Market share (%) <sup>1)</sup>	19	19	18	18	18	19	18

1) Management's estimates

- DnB Eiendom had 46 outlets located in Den norske Bank branches as at 30 June 2003
- Postbanken Eiendomsmegling operates through 61 franchises owned by independent real estate brokers
- In addition to broking income, the real estate broking operations generate business in the form of residential mortgages and savings
- The time elapsed from an assignment is received to the property is sold increased somewhat in parts of the country in the first half of 2003

### **Consumer finance**

- DnB Kort is responsible for the DnB Group's card-based services and consumer finance products
- DnB Kort showed healthy profits in the first half of 2003. Pre-tax operating profits increased by NOK 42 million or 66 per cent compared with the previous year to NOK 106 million
- Average lending volume rose NOK 766 million to NOK 4 434 million from the first half of 2002, stemming in part from increased sales of consumer loans
- During the same period there was a slight increase in non-performing loans in line with expectations, but from a low level
- As at 30 June 2003, the DnB Group had issued more than 1.7 million cards
- Postbanken's new customer loyalty programme Postbanken Leve includes a Visa card (debit card) and a MasterCard (credit card) and has been well received by the customers

### **Non-life insurance**

In 2002, Vital Skade, the Group's non-life insurance operation, was transferred to Retail Banking, which in addition to Internet is the company's primary distribution channel. Products are sold on a commission basis. Vital Skade assumes no risk on its own, but operates as an agent. The reorganisation has led to more effective marketing. Brisk sales through the Internet banks and several new cooperation agreements with employee organisations increased net operating income from NOK 17 million in the first half of 2002 to NOK 27 million in 2003. Costs were at level with the previous year.

## Capital markets

DnB Markets, the capital markets arm of DnB, is Norway's largest capital markets operation and offers a wide range of securities and investment services. DnB Markets comprises the following units: Sales FX/Treasury, Trading FX/Treasury, Equities (Sales/Research), Corporate Finance and Securities Services. The Group Treasury and Equity Investments are organisationally part of DnB Markets though profits and losses for these units are not recorded under this business area. Ottar Ertzeid, group executive vice president, is head of DnB Markets.

DnB Markets aims to be the leading capital markets operation providing foreign exchange, interest rate and debt and equity financing services to Norwegian and Norwegian-related clients, as well as offering international customers services relating to Norway and the Norwegian krone.

### Financial performance

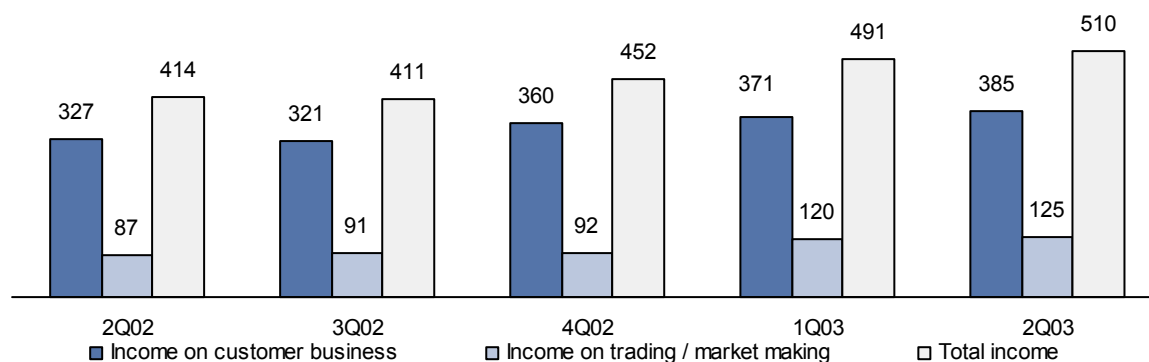
Amounts in NOK million	2Q03	1Q03	4Q02	3Q02	2Q02	First half	
						2003	2002
Net interest income	119	133	170	158	156	252	340
Net other operating income	409	381	307	278	280	790	600
Total income	528	514	477	435	436	1 042	940
Operating expenses	222	229	224	220	227	452	462
Pre-tax operating profit before losses	306	284	253	216	209	590	478
Net losses/(reversals)	0	0	(38)	0	0	0	0
Pre-tax operating profit	306	284	291	216	209	590	478
Cost/income ratio excl. goodwill (%)	42.0	44.7	47.0	50.5	52.1	43.3	49.1
Return on equity (% p.a.)	61.1	54.9	60.7	46.0	46.1	57.9	53.0

### Comments to the financial performance for the first half of 2002/2003

- DnB Markets achieved record profits in the first half of 2003 due to increased turnover in most areas
- Falling interest rates and substantial changes in the NOK exchange rate throughout the period led to increased demand for currency and interest rate hedging products and fixed-income securities
- The positive trend in the stock market stimulated activity within equities broking, and activity was brisk within corporate finance

### Income distribution DnB Markets <sup>1)</sup>

NOK million



1) Excluding interest on allocated capital

**Customers/markets**

- DnB Markets is Norway's largest capital markets operation
- Market share of over 30 per cent in terms of revenues
- The market is served from 12 cities in Norway, branches in London, New York and Singapore and over the Internet. DnB Markets' 12th sales desk in Norway was established during the second quarter of 2003 in connection with DnB's acquisition of Nordlandsbanken
- In addition, certain products are sold through other business areas in the Group as well as through external agents
- Leading FX-provider and adviser to Norwegian corporate customers
- Business from retail customers and small and medium-sized corporate clients has grown in significance
- Leading arranger of debt financing in capital markets for Norwegian borrowers
- Leading position within derivatives and structured products in Norway
- Leading within equities sales in the retail market in Norway
- The investment firm with the highest number of equity transactions on the Oslo Stock Exchange (OSE)
- Leading within domestic securities services with settlement for foreign OSE members (end of June market share of 61 per cent of the number of trades and 73 per cent of the turnover for these members)

**Products**

- Foreign exchange, money market instruments and derivatives
- Fixed-income instruments and loan syndications
- Equities, research and corporate finance services
- Other investment products
- Securities and custodial services

**Employees**

- DnB Markets has close to 500 employees located in offices in Norway and abroad
- The organisation and staff assignments have been continually adapted to developments in the various market segments and product areas

**Cooperation with other group entities**

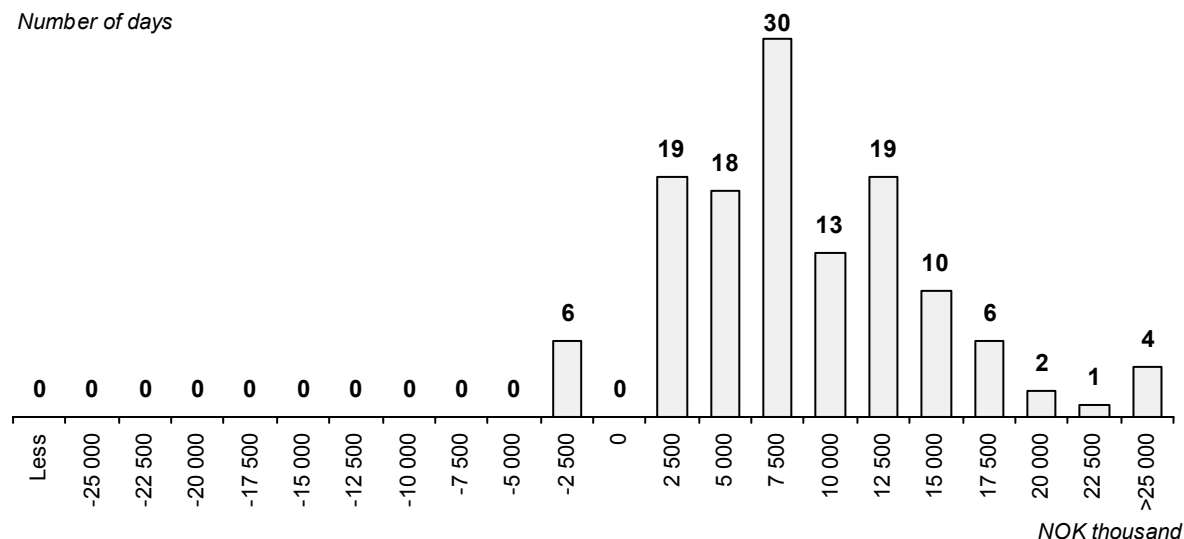
Maintaining a broad distribution network and effective cooperation with other business areas in the Group, such as Corporate Banking and Retail Banking, are key priorities for DnB Markets.

**Revenues within various segments**

<i>Amounts in NOK million</i>	2Q03	1Q03	4Q02	3Q02	2Q02	First half	
						2003	2002
FX & interest rate derivatives	184	182	190	134	138	365	296
Investment products	119	108	101	130	110	227	168
Corporate finance	47	46	35	24	42	93	97
Securities services	36	35	34	33	37	71	76
<b>Total customer revenues</b>	<b>385</b>	<b>371</b>	<b>360</b>	<b>321</b>	<b>327</b>	<b>756</b>	<b>637</b>
Total market making/trading revenues	125	120	92	91	87	245	260
Interest income on allocated capital	18	23	24	24	22	41	43
<b>Total revenues</b>	<b>528</b>	<b>514</b>	<b>477</b>	<b>435</b>	<b>436</b>	<b>1 042</b>	<b>940</b>

## Distribution of revenues over the 128 trading days up to 30 June 2003

Number of days



The value of items on and off the balance sheet is affected by interest rate movements. The table below shows potential losses for DnB 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 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 2003 and market rates on the same date.

Amounts in NOK million	Up to 1 month	From 1 month to 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	Total
<b>Trading portfolio</b>						
NOK	3	8	6	18	6	0
USD	8	29	38	1	5	5
EURO	3	0	5	8	4	3
GBP	0	0	0	0	0	0
Other currencies	1	9	12	6	1	11
<b>Banking portfolio</b>						
NOK	2	17	87	28	61	102
<b>Total</b>						
NOK	1	25	81	11	55	101
USD	8	29	38	1	5	5
EURO	0	0	0	0	0	0
GBP	0	0	0	0	0	0
Other currencies	1	9	12	6	1	11

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

## Life Insurance - Vital

Vital Forsikring 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.

Life insurance operations in the DnB Group are represented by Vital Forsikring ASA including subsidiaries and the sister company Vital Link AS. Figures below refer to Life insurance operations in the DnB Group, if not stated otherwise. Bjørn Østbø, group executive vice president, is the head of Life Insurance - Vital.

Vital aspires to build a leading position within pension savings in Norway. Alone or in cooperation with others, the company will, in a cost-efficient manner, develop, sell and deliver the best savings and insurance solutions for companies, retail customers and the public sector.

### Financial performance

Amounts in NOK million	2Q03	1Q03	4Q02	3Q02	2Q02	First half	
						2003	2002
Interest result <sup>1)</sup>	1 283	110	69	(5)	(602)	1 393	(59)
Risk result <sup>2)</sup>	(140)	(24)	(29)	(6)	112	(164)	75
Administration result	(25)	(8)	(80)	(27)	(2)	(32)	(31)
Other	2	(42)	(3)	(13)	-	(40)	(23)
Transferred from / (to) security reserve <sup>3)</sup>	0	(1)	69	-	(1)	(1)	(4)
Profit for allocation <sup>4)</sup>	1 119	36	26	(51)	(494)	1 155	(42)
Funds transferred to policyholders	827	51	(2)	-	(331)	878	3
Tax charge / (revenues)	42	(17)	(17)	(8)	(78)	25	(63)
<b>Profit Vital Forsikring</b>	<b>250</b>	<b>2</b>	<b>45</b>	<b>(42)</b>	<b>(85)</b>	<b>252</b>	<b>17</b>
Net profit/(loss) in Vital Link	(2)	0	(18)	(7)	(9)	(2)	(8)
Net profit/(loss) from Vital	248	2	27	(49)	(94)	250	9
Goodwill amortisation Vital Forsikring	25	25	25	25	25	51	51
<b>Net profit/(loss) from Vital in the group accounts</b>	<b>222</b>	<b>(23)</b>	<b>1</b>	<b>(74)</b>	<b>(119)</b>	<b>199</b>	<b>(42)</b>
+ Goodwill amortisation Vital Forsikring	25	25	25	25	25	51	51
+ Adjustment of allocated capital in excess of recorded capital <sup>5)</sup>	9	18	14	20	30	27	60
+ Taxes	41	(17)	(24)	(11)	(81)	24	(66)
<b>Pre-tax operating profits for the business area</b>	<b>298</b>	<b>3</b>	<b>17</b>	<b>(39)</b>	<b>(145)</b>	<b>301</b>	<b>3</b>

1) For developments in financial result, the asset mix and returns, see tables pages 55, 57 and 58

2) Disability provisions are expected to be increased by around NOK 600 million in the course of 2003, of which NOK 147 million and 146 million was charged to the first-quarter and second-quarter accounts, respectively

3) After approval by the Banking, Insurance and Securities Commission, Vital transferred funds exceeding the minimum requirement from the security reserve in 2002. The remaining security reserve totaled NOK 106 million at the end of June 2003

4) Profit for allocation to the owner and taxes for products subject to profit sharing 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
  - 0.38 per cent of policyholders' funds
  - 12 per cent of effective risk premium adjusted for survival risk on contracts providing sufficient profits
- Profit for allocation to the owner and taxes cannot exceed 35 per cent of total profits for allocation to policyholders, the owner and taxes. If this figure is negative, the entire amount should be charged to the owner. Profit for allocation to the owner and taxes includes profits from operations not subject to profit sharing

5) Allocated capital represents ownership risk for Vital and is based on DnB's risk assessment model



**Extracts from balance sheets and key figures <sup>1)</sup>**

<i>Amounts in NOK million</i>	2Q03	1Q03	4Q02	3Q02	2Q02	First half	
						2003	2002
Policyholders' funds <sup>2)</sup>	73 949	71 060	68 501	68 607	68 593	73 949	68 593
Solvency capital <sup>3)</sup>	8 778	6 158	5 701	4 580	5 389	8 778	5 389
Return on equity <sup>4)</sup>	25.3	0.3	1.5	(3.3)	(10.7)	12.5	0.1
Costs in per cent of policyholders' funds <sup>2)</sup>	1.05	1.02	1.40	1.16	0.90	1.02	1.00

1) Figures refer to the end of the accounting periods

2) Policyholders' funds consists of insurance provisions, result for the period and 75 per cent of security adjustment reserve

3) Vital Forsikring. For the composition of solvency capital, see table on page 59

4) Calculations of return on equity is based on allocated capital and after tax charges

**Financial result – Vital Forsikring**

<i>Amounts in NOK million</i>	2Q03	1Q03	4Q02	3Q02	2Q02	First half	
						2003	2002
Net result from equities	1 365	(392)	220	(2 432)	(3 387)	973	(3 166)
Net result from other asset classes	1 432	1 122	1 191	2 000	2 059	2 554	2 921
Value-adjusted financial result <sup>1)</sup>	2 797	730	1 411	(432)	(1 328)	3 527	(245)
Guaranteed return on policyholders' funds	632	620	651	602	586	1 252	1 179
Financial result	2 165	110	760	(1 034)	(1 914)	2 275	(1 424)
+ From securities adjustment reserve	(882)	0	0	0	0	(882)	53
+ Covered by/(transferred to) additional allocations <sup>2)</sup>	0	0	(691)	1 029	1 312	0	1 312
Recorded interest result	1 283	110	69	(5)	(602)	1 393	(59)

1) Before changes in unrealised gains / (losses) on long-term securities

2) In accounting for the expected contribution from Vital, DnB in 2002 took account of Vital's opportunity to cover part of the losses through the reversal of additional allocations in year-end adjustments.

**Comments to the financial performance for the first half of 2002/2003**

- The stock market upturn and falling interest rates ensured a sound financial result
- NOK 882 million was accumulated in the securities adjustment reserve
- Increase in premium income
- Net inflow of transfers
- Increase in solvency capital
- The risk result includes a NOK 293 million increase in disability provisions

**Premium income**

<i>Amounts in NOK million</i>	2Q03	1Q03	4Q02	3Q02	2Q02	First half	
						2003	2002
Single premiums	704	975	700	936	618	1 680	1 239
Annual premiums	726	2 052	414	732	447	2 777	2 468
Total premiums due	1 430	3 027	1 114	1 668	1 065	4 457	3 707
Inflow of reserves <sup>1)</sup>	274	779	657	407	393	1 053	1 342
Outflow of reserves	229	342	340	243	197	570	429
Net premiums paid	1 475	3 464	1 431	1 832	1 261	4 940	4 620
Outflow of premiums	229	342	340	243	197	570	429
<b>Total premium income</b>	<b>1 703</b>	<b>3 805</b>	<b>1 771</b>	<b>2 075</b>	<b>1 458</b>	<b>5 510</b>	<b>5 049</b>
Sale of individual policies through DnB's distribution network (%)	46.6	37.9	45.2	39.0	46.2	42.0	44.0
1) of which transferred from Vital Forsikring to Vital Link	90	175	116	42	67	265	173

**Market shares**

	31 March 2003	31 Dec. 2002	30 Sept. 2002	30 June 2002	31 March 2002
<i>Per cent</i>					
Of total premiums due	23.8	17.1	17.7	21.2	24.8
Of total premium plus inflow of premium reserves	23.8	18.5	18.5	22.2	24.5
Of new business	31.4	36.5	33.1	29.3	27.2
Of insurance funds	19.0	18.9	18.9	19.3	19.4
Of insurance funds for unit linked products	36.3	35.5	34.0	34.4	35.1

All premiums include reserves transferred from other life insurance companies

Source: Association of Norwegian Financial Managers in the Finance Sector / FNH / DnB

**Products and organisation**

Vital 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 provided by Vital Link with a choice of investment profile (unit linked)
- Group life, endowment and personal insurance
- Savings products from other units in the DnB Group, including investment funds from DnB Investor and equity-linked bonds from DnB Markets

Vital is represented nationwide through its sales offices, on the Internet, through DnB and Postbanken's distribution networks and independent agents.

Changes made in the management structure of life insurance operations in 2002 included the establishment of business units for corporate clients, individual clients and the public sector as profit centres.

**Employees**

- Vital gives priority to retaining skilled employees and developing high levels of competence within insurance products, management and other relevant areas of expertise
- Vital staff comprised 607 full-time positions as at 30 June 2003, down from 631 a year earlier

Development in full-time positions:

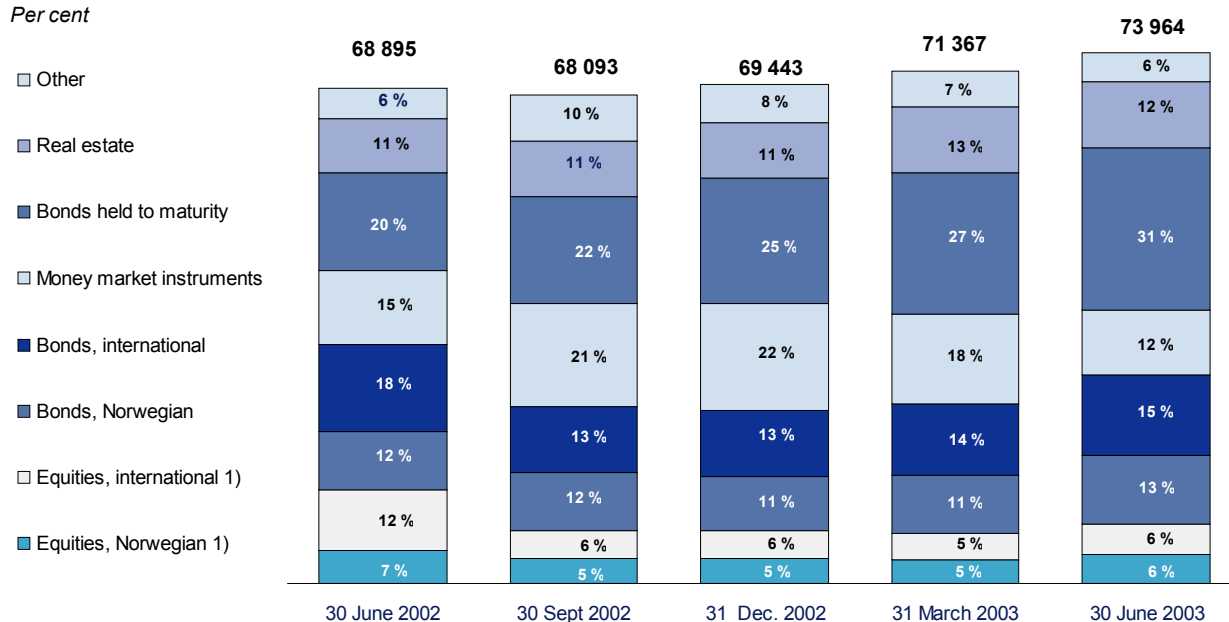
	30 June 2003	31 March 2003	31 Dec. 2002	30 Sept. 2002	30 June 2002
Vital Forsikring	578	591	602	604	604
Vital Link	29	30	30	31	27
<b>Total</b>	<b>607</b>	<b>621</b>	<b>632</b>	<b>635</b>	<b>631</b>

**Cross-sales/cooperation**

- By taking advantage of the strength of the DnB Group's total distribution network, Vital will be well placed to enjoy continued market progress
- Vital's growth in the retail market is not least due to the company's extensive distribution network, where DnB channels play a principal role
- In the first half of 2003, DnB accounted for 42 per cent of the sales of Vital's products in the retail market, compared with 44 per cent in the same period in 2002

**Balance sheets – Vital Forsikring**

	30 June 2003	31 March 2003	31 Dec. 2002	30 Sept. 2002	30 June 2002
<i>Amounts in NOK million</i>					
<b>Financial assets</b>					
Norwegian equities <sup>1)</sup>	4 107	3 228	3 544	3 477	4 671
International equities <sup>1)</sup>	4 235	3 757	3 856	3 851	8 415
Norwegian bonds	9 470	8 050	7 484	8 171	8 091
International bonds	11 236	9 881	9 119	9 090	12 182
Money market instruments	9 064	12 626	15 039	14 421	10 254
Bonds held to maturity	22 617	19 598	17 398	14 878	13 466
Real estate	9 093	9 130	7 735	7 699	7 579
Other	4 142	5 097	5 268	6 507	4 239
<b>Total assets</b>	<b>73 964</b>	<b>71 367</b>	<b>69 443</b>	<b>68 093</b>	<b>68 895</b>
<b>Equity</b>	<b>3 267</b>	<b>3 016</b>	<b>3 014</b>	<b>628</b>	<b>1 699</b>
Subordinated loan capital	1 304	1 298	1 349	1 423	1 424
Securities adjustment reserve	882	0	0	0	0
<b>Insurance provisions</b>					
Premium reserve	63 324	61 755	59 774	59 010	57 828
Additional allocations	713	720	726	2 387	2 400
Premium fund and pension regulation fund	2 961	3 035	3 408	3 382	4 186
Security reserve	106	106	105	175	175
Other reserves	517	494	127	293	279
Other liabilities	890	943	940	795	904
<b>Total equity and liabilities</b>	<b>73 964</b>	<b>71 367</b>	<b>69 443</b>	<b>68 093</b>	<b>68 895</b>
<sup>1)</sup> Net equity exposure in Vital Forsikring after entering into derivative contracts	7 670	6 397	5 870	5 264	12 350

**Balance sheet – Vital Forsikring***Per cent*

<sup>1)</sup> After entering into derivative contracts, Vital's equity exposure as at 30 June 2003 was 10 per cent.

**Return on assets – Vital Forsikring**

Per cent	2Q03	1Q03	4Q02	3Q02	2Q02	First half	
						2003	2002
Financial assets							
Norwegian equities <sup>1)</sup>	27.0	(10.2)	3.8	(23.7)	(17.2)	16.8	(10.7)
International equities <sup>1)</sup>	14.3	(1.2)	1.1	(19.4)	(23.2)	13.1	(24.7)
Norwegian bonds	5.5	3.4	3.1	4.2	1.3	9.1	1.2
International bonds	2.9	2.9	3.0	5.4	3.8	5.8	4.9
Money market instruments	2.0	1.7	2.1	1.9	1.5	3.7	2.7
Bonds held to maturity	1.6	1.7	1.5	1.7	1.7	3.3	3.5
Real estate	1.9	1.8	2.4	2.8	2.1	3.7	4.5
<b>Recorded return on total assets <sup>1)</sup></b>	<b>2.7</b>	<b>1.1</b>	<b>2.1</b>	<b>(0.6)</b>	<b>(1.8)</b>	<b>3.8</b>	<b>(0.2)</b>
Value-adjusted return on assets I <sup>2)</sup>	4.0	1.1	2.1	(0.6)	(1.8)	5.1	(0.3)
Value-adjusted return on assets I, annualised <sup>2)</sup>	16.8	4.3	8.6	(2.4)	(7.0)	10.5	(0.6)
Value-adjusted return on assets II, annualised <sup>3)</sup>	20.2	7.3	12.0	(0.8)	(7.7)	13.7	(1.7)

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

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

3) Including changes in value of bonds held to maturity.

**Solvency capital <sup>1)</sup> – Vital Forsikring**

Amounts in NOK million	30 June	31 March	31 Dec.	30 Sept.	30 June
	2003	2003	2002	2002	2002
Securities adjustment reserve	882	-	-	-	-
Interim profit/(loss)	1 155	36	-	(2 366)	(1 295)
Additional allocations	713	720	726	2 387	2 400
Unrealised gains	1 603	1 018	506	(33)	(309)
Security reserve	106	106	105	175	175
Subordinated loan capital	1 305	1 298	1 349	1 423	1 424
Equity	3 014	3 014	3 014	2 994	2 994
<b>Solvency capital</b>	<b>8 778</b>	<b>6 192</b>	<b>5 701</b>	<b>4 580</b>	<b>5 389</b>
<b>Buffer capital in excess of the 8 per cent minimum capital requirement and additional allocations, and security adjustment reserve</b>	<b>4 286</b>	<b>2 406</b>	<b>2 428</b>	<b>1 731</b>	<b>2 508</b>

1) The table above shows the composition of and development in the 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.

**Capital adequacy and solvency margin capital – Vital Forsikring**

	30 June 2003	31 March 2003	31 Dec. 2002	30 Sept. 2002	30 June 2002
<i>Amounts in NOK million</i>					
<b>Capital adequacy <sup>1)</sup></b>					
Total eligible primary capital	3 893	3 864	3 927	4 062	4 122
Capital ratio (%)	13.2	14.0	14.8	15.3	13.1
Core capital	2 775	2 772	2 767	2 832	2 872
Core capital (%)	9.4	10.0	10.4	10.7	9.1
<b>Solvency margin capital <sup>2)</sup></b>					
Solvency margin capital	4 303	4 272	4 337	4 177	4 759
Solvency margin capital exceeding minimum requirement	1 340	1 476	1 542	1 519	2 092
Solvency margin capital in per cent of solvency margin capital requirement (%)	145	153	155	157	178

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

## Asset management

DnB Asset Management provides investment fund and discretionary portfolio management services to Norwegian and Nordic corporate customers, the public sector, private pension funds and retail customers. Anders Kvist, group executive vice president, heads the business area.

DnB Asset Management seeks to provide first-class returns on customer funds within the preferred risk profile and investment horizon. DnB 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.

### Extracts from profit and loss accounts <sup>1)</sup>

Amounts in NOK million	2Q03	1Q03	2Q02	1Q02	Proforma		
					First half 2003	First half 2002	First half 2002
Net interest income	18	19	4	4	37	8	42
Commission income and other income							
- from retail customers	46	37	} 112	} 64	83	} 175	} 315
- from institutional clients	94	106			200		
Total income	158	162	116	67	320	183	357
Operating expenses	119	129	119	82	248	202	331
Pre-tax operating profit/(loss)	39	33	(3)	(15)	72	(19)	26
<b>Assets under management <sup>2)</sup></b>							
Institutional	319	290	290	81	319	290	290
- of which Vital	68	64	62	63	68	62	62
Retail	21	19	21	20	21	21	21
Total	340	308	310	101	340	310	310
<b>Key figures</b>							
Cost/income ratio excl. goodwill	75.6	79.4	103.0	122.5	77.5	110.2	92.6
Return on equity (% p.a.)	10.0	8.7	(0.8)	(13.9)	9.4	(7.0)	3.4

1) Including SAM as from 1 June 2002.

2) Assets under management at end of period.

3) Profits from SAM have been annualised.

### Income

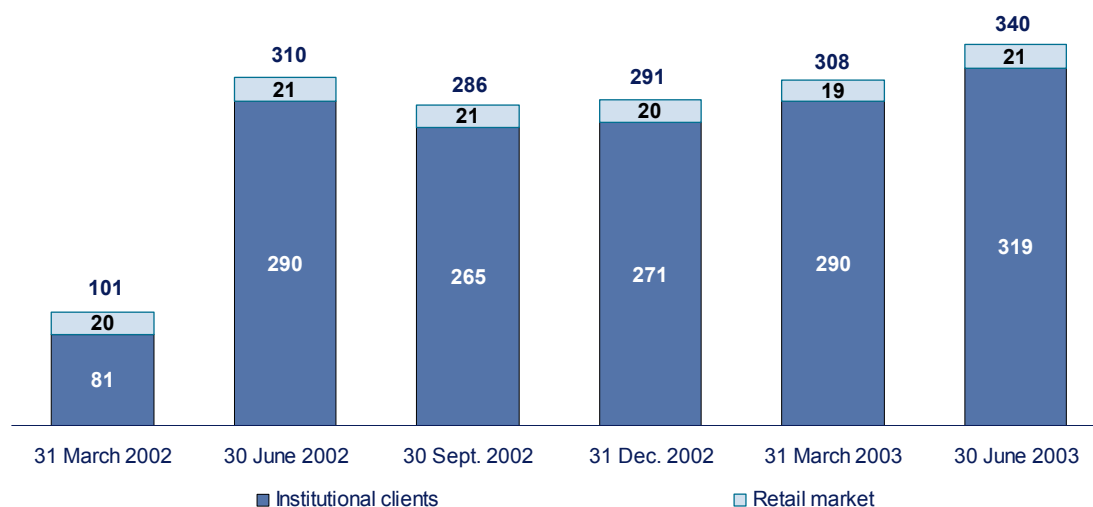
- Commission income increased by NOK 100 million relative to the first half of 2002. This was due to the acquisition of SAM, which was included in the accounts as from 1 June 2002
- Relative to comparable operations in the first half of 2002, commission income was down NOK 40 million. This was mainly due to the negative equity market development in 2002, which continued through the first quarter of 2003
- Gross margins have decreased due to a higher relative share of investments in lower margin money market funds from retail customers

### Operating expenses

- Operating expenses in the first half of 2003 were NOK 248 million, which was NOK 80 million below expenses for comparable operations in the first half of 2002. This is due to a significant global restructuring effort implemented ahead of plan, which will be finalised in 2003
- During the first half of 2003, NOK 51 million of restructuring provisions were utilised, leaving NOK 58 million in such provisions at the end of June

## Assets under management

NOK billion



The increase in assets under management as at 30 June 2002 relates to the acquisition of Skandia Asset Management

## Changes in assets under management

### Net inflow

Amounts in NOK million	2Q03	1Q03	2Q02	1Q02	1H03	1H02	Full year	
							2002	Proforma 2002
Retail market	(273)	(417)	2 870	619	(690)	3 489	(225)	(157)
Institutional clients	2 200	4 892	3 070	835	7 092	3 905	3 069	(773)
Total	1 927	4 475	5 940	1 454	6 402	7 394	2 844	(930)

1) Exclusive dividends of NOK 957 million, of which NOK 650 million refers to retail and NOK 307 million to institutional clients

- Assets under management increased by NOK 49 billion or 17 per cent in the first half of 2003
- The net inflow of new funds increased assets under management by NOK 6.4 million or 2.2 per cent (non-annualised)
- New institutional mandates won in both Sweden and Norway
- Market developments led to a NOK 16.3 billion increase in assets under management, representing a 5.8 per cent increase measured in the customers' base currencies
- The depreciation of NOK against other currencies, especially SEK, increased assets under management by NOK 26.6 billion or 9 per cent
- During the first half of 2003 Morgan Stanley's global equity index (MSCI World) increased by 7.5 per cent measured in local currency, and by 16.1 per cent in NOK
- The stock exchanges in Stockholm (OMX) and Oslo (OSEBX) increased by 0.8 and 16.5 per cent respectively

### Investment returns on assets under management

- Returns on a number of major client portfolios and funds outperformed relevant benchmarks. This applies among others to Vital Forsikring's total equity and bond investments and major Swedish equity portfolios, as well as DnB Asset Management's Healthcare and Eastern European funds

**Customers/markets**

- DnB Asset Management serves the Norwegian and Swedish savings markets, offering domestic and international asset management services
- Brand names
  - DnB Asset Management in the Norwegian and Swedish institutional markets
  - DnB Investor in the Norwegian retail market
  - Carlson in the Swedish institutional and retail markets
- Around 400 institutional clients and a leading position in the institutional market in both Norway and Sweden
- The largest clients are Skandia Liv and Vital
- The number of customer relationships in the retail market, calculated as the aggregate number of investments made or mandates per customer, was over 763 000 at the end of June 2003. This includes more than 170 000 savings agreements
- Market shares
  - DnB Investor (mutual funds in Norway) 22.9 per cent, being the largest mutual fund manager in Norway, Carlson Fonder (mutual funds in Sweden) is among the ten largest mutual fund managers in Sweden

**Products**

- Mutual funds and Absolute Return Products
  - 33 of 105 DnB managed funds managed by DnB have received the top or second highest ranking from the rating company Morningstar
  - DnB launched two new retail funds in May, DnB Kompass and Postbanken Folkefond.
- Discretionary portfolio management
- Management and monitoring of investment portfolios
- Advising customers with respect to asset allocation and risk levels

**Organisation**

- The implementation of a unified international asset management operation and a global organisation of operating and support functions is ahead of plan and is expected to be completed by the end of 2003
- A combination of regional and sector-oriented management teams with a presence in all major financial markets
- While 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, Hong Kong and India
- Asset management services are provided through channels adapted to the various markets:

Retail customers in Norway	<ul style="list-style-type: none"> <li>• DnB's extensive network of branches, post offices and regional financial services centres</li> <li>• The Internet</li> <li>• External channels including brokers and investment advisors</li> </ul>
Retail customers in Sweden and Germany	<ul style="list-style-type: none"> <li>• Local distributors</li> </ul>
Institutional market in Sweden and Norway	<ul style="list-style-type: none"> <li>• The business area's own sales force and, in Norway, through cooperation with Corporate Banking</li> </ul>

**Employees**

- Staff cuts corresponding to 70 full-time positions in the first half of 2003
- Additional staff reductions of 29 full-time positions will be implemented in 2003
- 263 full-time positions at end of period
- Subsequent to the staff reductions, around 60 per cent of the employees work within investment management, analysis, advisory services and sales



**Cooperation with other group entities**

- DnB's extensive network represents the major distribution channel to the Norwegian retail market
- DnB Asset Management and Corporate Banking cooperate in providing a complete range of financial services to corporate customers
- DnB Asset Management manages Vital's equity and bond portfolios
- DnB Asset Management cooperates with other group entities in developing products adapted to the various markets

**DnB Investor****Fund capital and market shares**

	30 June 2003		31 March 2003		31 Dec. 2002		30 Sept. 2002		30 June 2002	
	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 <sup>1)</sup> and per cent <sup>2)</sup></i>										
Equity funds (Norwegian)	4 723	24.6	3 729	25.0	4 432	20.2	4 211	19.9	5 883	20.2
Equity funds (international)	4 572	13.1	3 942	14.6	4 142	19.7	4 322	18.1	5 753	17.8
Balanced funds	1 150	41.6	1 005	43.7	1 096	42.9	1 212	46.3	1 510	46.5
Fixed-income funds	2 614	17.0	1 811	12.6	1 622	12.8	1 607	13.4	1 968	16.4
Money market funds	14 882	30.0	14 811	31.3	14 646	31.7	14 661	31.3	14 062	31.4
<b>Total mutual funds</b>	<b>27 940</b>	<b>22.9</b>	<b>25 299</b>	<b>23.9</b>	<b>25 939</b>	<b>24.2</b>	<b>26 013</b>	<b>24.4</b>	<b>29 175</b>	<b>24.1</b>
of which Skandia Fondsforvaltning AS <sup>3)</sup>							3 363	3.2	4 129	3.4

1) Including mutual funds acquired in connection with the acquisition of Skandia Asset Management as from 1 June 2002.

2) Source: Norwegian Mutual Fund Association

3) Skandia Fondsforvaltning AS was merged with DnB Investor AS on 1 October 2002.

## Nordlandsbanken

Nordlandsbanken, headed by Morten Støver, serves shipping customers, small and medium-sized companies and the retail market.

Operations focus on the market in the county of Nordland in Northern Norway, and the bank will be a regional bank headquartered in Bodø, aiming to become the best financial partner for customers in Nordland by combining local presence, DnB and Nordlandsbanken's joint expertise and DnB's extensive product range.

Measures to realise cost synergies were pursued, including moving operations to common premises in several cities, establishing a joint infrastructure for banking operations in Nordland and centralising collateral functions and loan administration to Bodø.

Figures for Nordlandsbanken presented below are based on DnB's valuation of Nordlandsbanken's balance sheet as at 31 December 2002 and are prepared in accordance with DnB's accounting principles for business areas. See section 1 for details concerning the accounting treatment of the acquisition.

### Financial performance <sup>1)</sup>

<i>Amounts in NOK million</i>	2Q03	1Q03	First half 2003
Net interest income	131	148	279
Net other operating income	55	35	89
Total income	186	183	368
Operating expenses	92	97	189
Pre-tax operating profit before losses	94	85	179
Net losses	203	3	206
Pre-tax operating profit	(109)	82	(27)
<b>Key Figures</b>			
Net lending to customers (NOK billion)	23.6	24.4	24.0
Deposits from customer (NOK billion)	9.1	9.2	9.1
Cost/income ratio excl. goodwill (%)	49.4	53.3	51.3
Ratio of deposits to lending (%)	38.6	37.5	38.0
Return on equity (% p.a.)	(18.6)	11.0	(1.8)

1) Excluding amortisation of goodwill and funding costs related to the acquisition and including interest on allocated equity.

### Comments to the financial performance for the first half of 2003

- Satisfactory pre-tax operating profit before losses in the first half of 2003
- The combined interest spread was 2.8 per cent for the January through June period
- Positive trend in cost/income ratio due to integration of operations
- Weak developments in parts of the corporate segment resulted in a high level of loan losses
- Net problem commitments amounted to NOK 3.2 billion as at 30 June 2003

### Customers and market development

- Around 8 000 active corporate customers
- Around 54 000 active retail customers
- The market situation continued to represent major challenges for some of Nordlandsbanken's customers in the second quarter
- Price trends for salmon and the competitive situation in the Norwegian business community will have a pronounced impact on future developments

- The process of implementing DnB's credit policy and processes continued in the second quarter, and a review was made of potential problem commitments in the credit portfolio. However, uncertainty remains regarding estimated losses in the acquired portfolio. High priority was given to securing values, especially within fish-farming
- Nordlandsbanken acquired all the shares in the fish-farming and processing company Dåfjord Laks in the first quarter of the year, repossessed the pledged assets in the second quarter and took over Nordea's commitment in July

**Staff**

- 376 full-time positions as at 30 June 2003, including 40 positions in subsidiaries

**Cooperation with other group entities**

The integration of Nordlandsbanken with DnB's other operations will ensure close cooperation with respect to products and markets, and the transition to DnB's routines and systems. Priority will be given to fully adopting DnB's credit policy and processes.



**Section 4**

**Shareholder  
information**

## Equity-related data

### Key figures

	First half 2003	2002	2001 <sup>2)</sup>	2000	1999 <sup>1)</sup>
Shares outstanding at end of period (1 000)	769 630	769 630	770 591	778 658	778 658
Average number of shares (1 000)	769 630	770 155	774 773	778 658	652 013
Average no. of shares - accounting basis (1 000)	769 630	770 155	774 773	778 658	675 039 <sup>3)</sup>
Average no. of shares - fully diluted (1 000) <sup>4)</sup>	769 630	774 531	779 972	781 400	-
Earnings per share (NOK)	1.80	3.03	5.29	5.16	4.01
EPS excluding goodwill (NOK)	2.01	3.31	5.47	5.33	4.25
EPS fully diluted (NOK)	1.80	3.01	5.26	5.14	-
Return on equity (per cent)	10.4	8.6	15.9	17.0	14.4
RARORAC (per cent)	13.2	10.4	14.3	15.7	14.5
Price at the end of the period	35.6	32.6	40.4	47.5	32.9
Price/earnings ratio <sup>5)</sup>	9.89	8.07	7.63	9.21	8.20
Price/book value	1.00	0.90	1.20	1.55	1.18
Dividend per share (NOK)	n/a	2.40	2.40	2.25	1.75
Dividend yield (per cent) <sup>5)</sup>	n/a	7.36	5.94	4.74	5.32
Equity per share (NOK)	35.76	36.34	33.53	30.71	27.84

1) Pro forma figures

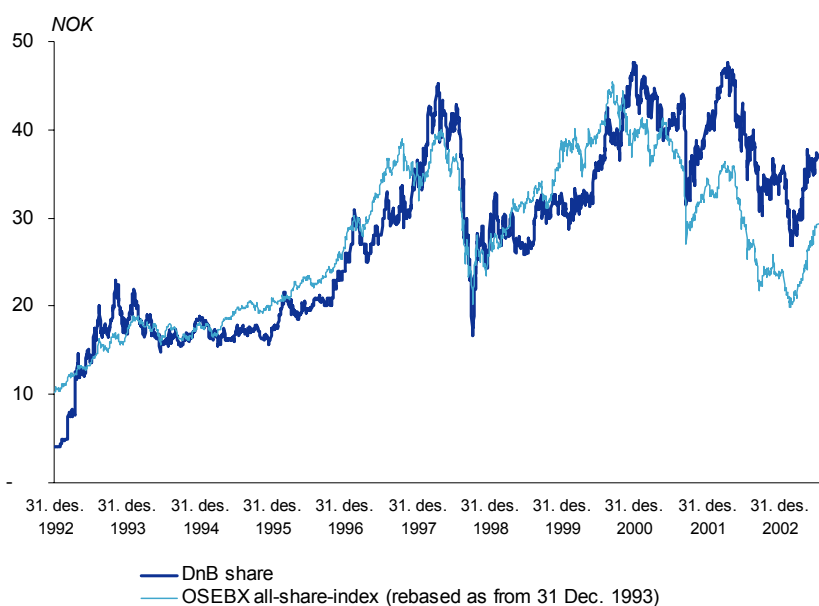
2) Including the effect of the cancellation of shares at the AGM 2002 (8 067 420 shares)

3) An average of 652 013 158 shares were outstanding in 1999

4) Based on the dilution effect of 26 425 000 shares from an employee option scheme linked to a Nordic financial institution index which includes Gjensidige NOR, Sparebanken Midt-Norge, Danske Bank, SEB, Svenska Handelsbanken and Nordea

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

### Share price development

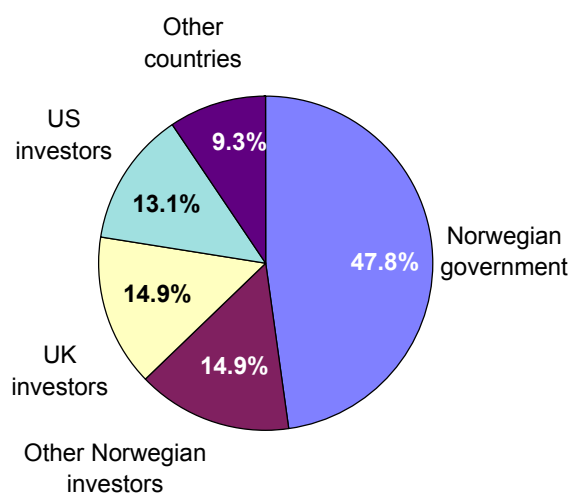


## Shareholder structure as at 30 June 2003

### Major shareholders

		Shares in 1 000	Ownership in %
Government Bank Investment Fund		368 158	47.78
State Street Bank, clients omnibus D		29 555	3.84
JPMorgan Chase Bank, treaty acc.	NOM	27 726	3.60
Folketrygdfondet		24 765	3.21
The Northern Trust, treaty acc.	NOM	17 715	2.30
The Northern Trust, USL Exemp Account	NOM	15 744	2.04
Fidelity funds, Europe fund		15 079	1.96
Citibank, UK Residents Client Acc.	NOM	13 828	1.79
Orkla ASA		12 919	1.68
Boston Safe Dep & Trust		11 438	1.48
Deutsche Bank Trust, US Treaty		10 550	1.37
DnB Employee Fund		8 000	1.04
Fidelity Lending Acc		6 075	0.79
MSF - Mutual Discovery Fund		5 158	0.67
Goldman Sachs International	NOM	4 952	0.64
The Northern Trust, USL Treaty acc.		4 949	0.64
Fidelity Low Price Fund		4 650	0.60
Deutsche Bank, Gulf 1		4 264	0.55
Fidelity Funds International Fund		3 934	0.51
Nordstjernen Holding		3 556	0.46
<b>Total largest shareholders</b>		<b>593 015</b>	<b>76.96</b>
Other		177 575	23.04
<b>Total</b>		<b>770 590</b>	<b>100.00</b>

### Shareholder structure







**Section 5**

# **The Norwegian economy**

## The Norwegian economy

### Key macro-economic indicators

<i>Per cent</i>	2002	2003	2004	2005
GDP growth				
- Norway, total	1.0	0.2	1.4	1.7
- Mainland Norway	1.3	0.9	2.1	2.3
Private consumption	3.3	2.5	2.8	3.1
Gross fixed investment	(3.3)	(1.7)	0.6	0.2
Inflation (CPI)	1.3	2.8	1.4	2.4
Savings ratio <sup>1)</sup>	7.4	6.4	7.5	7.8
Unemployment rate	3.9	4.5	4.7	4.4
Current account <sup>2)</sup>	13.7	11.6	9.2	9.1
Net foreign assets <sup>2) 3)</sup>	49.5	60.2	66.9	75.5
General government budget balance <sup>2) 3)</sup>	10.0	8.1		

1) Per cent of disposable income

2) Per cent of GDP

3) Source: Ministry of Finance, DnB

Source: DnB Markets

### Financial market growth

<i>Percentage change from previous year</i>	31 Dec. 2000	31 Dec. 2001	31 Dec. 2002	31 May 2003
<b>Credit</b> <sup>1)</sup>				
Total	13.9	8.2	4.0	6.1
- of which commercial and savings banks	14.5	9.9	6.5	6.1
Total retail market	12.1	12.5	11.2	10.6
Total corporate market	14.3	5.8	(0.3)	3.3
<b>Savings</b>				
Total <sup>2)</sup>	10.9	6.1	4.9	3.4 <sup>5)</sup>
- of which commercial and savings banks	10.2	9.0	7.7	7.9
Total retail market <sup>3)</sup>	11.1	7.8	8.0	7.0
Total corporate market <sup>4)</sup>	10.7	7.7	2.0	5.0

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

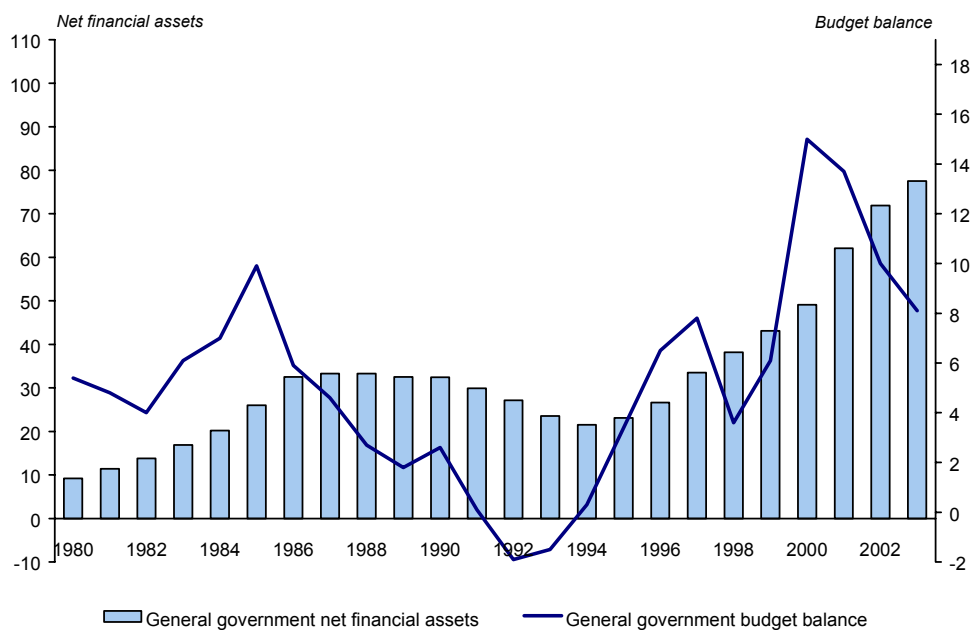
2) Deposits in commercial and savings banks, participation in mutual funds, funds for insurance commitments, equity-linked bonds

3) Deposits in commercial and savings banks, participation in mutual funds, insurance premiums recorded as income over the last 12 months, equity-linked bonds

4) Deposits in commercial and savings banks, participation in mutual funds, insurance premiums recorded as income over the last 12 months

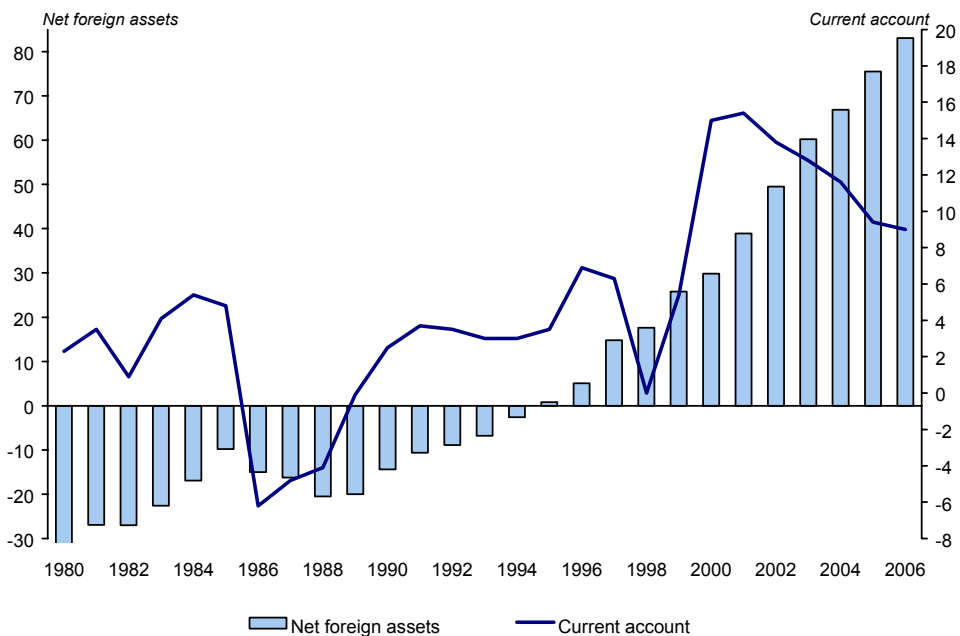
5) As at 31 March

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



Source: Ministry of Finance

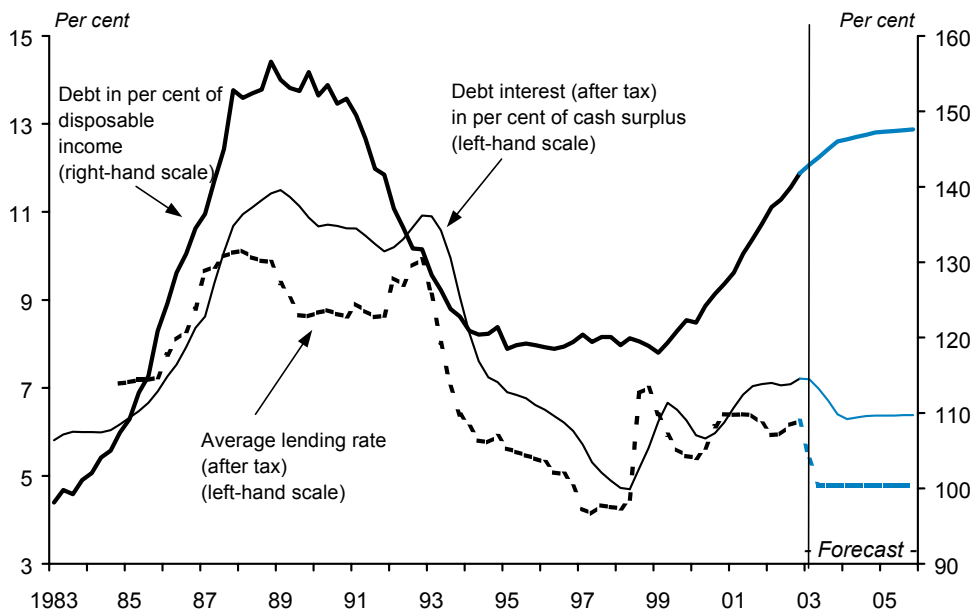
### Current account and net foreign assets (incl. private sector) <sup>1)</sup> (Per cent of GDP)



Source: Ministry of Finance

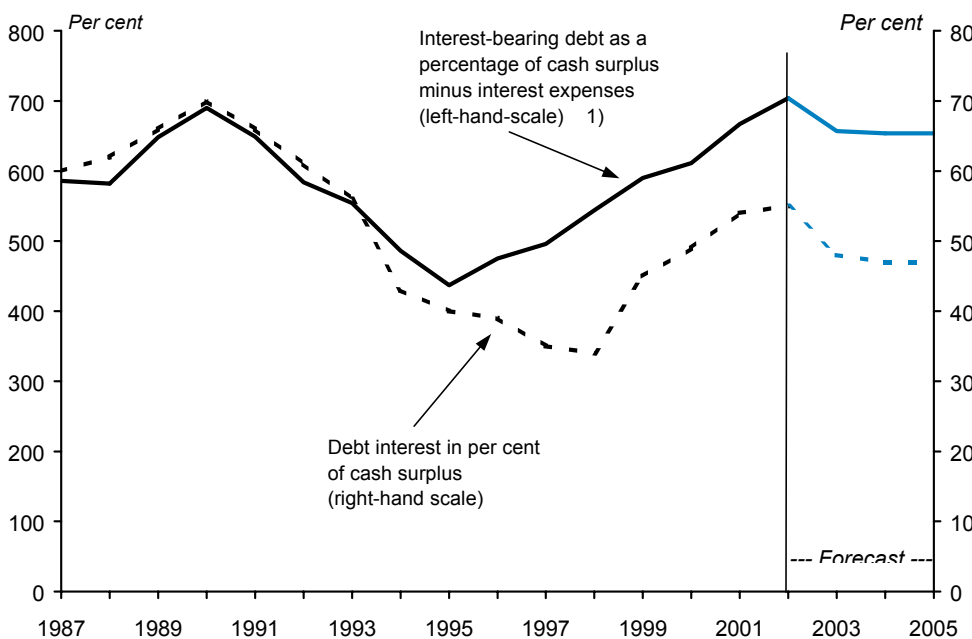
1) The projections are based on an assumed oil price of NOK 198 per barrel in 2002, NOK 190 in 2003 and NOK 146 in 2006. (The oil price in December 2002 was NOK 197 per barrel and in June 2003 NOK 190)

### Household debt servicing capacity



Source: Norges Bank

### Private non-financial enterprises excl. petroleum and shipping



Source: Norges Bank

1) 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.

**Section 6**

**DnB NOR Group**

## Merger with Gjensidige NOR

Following approval by the General Meetings of the merger plan between DnB and Gjensidige NOR, the parties have intensified the planning process for the merger. A number of sub-projects have been initiated to pave the way for the merger process in the various business areas, define their strategies and work out plans for organising efforts and carrying out the integration. The organisational structure is about to be forged, and the boards of directors' synergy estimates for the merger have been quantified and specified in detail. The merger is expected to be implemented during the fourth quarter of the year. DnB and Gjensidige NOR will work in close cooperation with the concession authorities to ensure optimal efficiency in carrying out the merger.

### Pro forma profit and loss accounts (selected items) <sup>1)</sup>

NOK million	2Q03	1Q03
Net interest income	3 471	3 480
Net other operating income	1 921	1 641
Profit from life insurance operations	297	15
Total income	5 688	5 136
Operating expences	3 299	3 306
Operating profit	2 390	1 829
Net losses on loans and guarantees	811	448
Net gain/(loss) on long-term investments	31	(1)
Taxes	232	365
Profit for the period	1 377	1 015

1) Note: preliminary and unadited figures

### Pro forma balance sheet and key figures (selected items) <sup>1)</sup>

NOK billion	31 June	31 March
	2 003	2 003
Net lending to customers	541	529
Deposits from customers	336	331
Equity	42	41
Total assets	699	695
Total combined assets	1 171	1 129
	2Q03	1Q03
Earnings per share before goodwill amortisation (NOK)	1.18	0.90
Earnings per share after goodwill amortisation (NOK)	1.05	0.78
Return on equity (per cent)	13.3	10.1

1) Note: preliminary and unadited figures