

Third quarter report 2007



DnB NOR Bank ASA

DnB NOR

Financial highlights

Third quarter 2007

- Pre-tax operating profits before write-downs were up 2.3 per cent to NOK 3.1 billion (3.0)
- Profit for the period increased by 16.9 per cent to NOK 2.8 billion (2.4)
- Return on equity was 20.0 per cent (18.4)
- Expenses represented 52.7 per cent of income (50.5)
- The core capital ratio was 7.2 per cent (7.0)

January–September 2007

- Pre-tax operating profits before write-downs were up 9.1 per cent to NOK 9.9 billion (9.1)
- Profit for the period increased by 5.5 per cent to NOK 7.7 billion (7.3)
- Return on equity was 18.0 per cent (18.9)
- Expenses represented 50.4 per cent of income (50.2)
- The core capital ratio was 7.2 per cent (7.0)

Figures for the DnB NOR Bank Group.
Comparable figures for 2006 in parentheses.

Third quarter report 2007

Introduction

Third quarter

The DnB NOR Bank Group¹⁾ achieved strong profits in the third quarter of 2007, up 16.9 per cent from the year-earlier period. Third quarter performance reflected both positive and negative extraordinary items, including property gains and unrealised losses resulting from the financial market turmoil. The strong Norwegian economy and sound portfolio quality resulted in low write-downs on loans and guarantees in the third quarter of 2007.

Pre-tax operating profits before write-downs came to NOK 3 063 million, up NOK 70 million from the third quarter of 2006. After taxes, profits totalled NOK 2 823 million, a rise of NOK 409 million from a year earlier. Third-quarter profits in 2007 included gains of NOK 865 million from the sale of the banking group's premises at Aker Brygge in Oslo.

The financial market turmoil had a limited impact on the banking group. The banking group recorded a net unrealised loss of NOK 600 million stemming from an increase in credit spreads on investments in bonds and other interest rate instruments. The loss will be reversed over the residual maturity of the bonds, which averages less than three years.

Return on equity was 20.0 per cent, compared with 18.4 per cent in the third quarter of 2006. The cost/income ratio was 52.7 per cent in the July through September period, as against 50.5 per cent in the corresponding period in 2006.

At the Group's capital markets day in London on 9 October, DnB NOR presented new financial target figures. The new targets are pre-tax operating profits before write-downs of NOK 20 billion in 2010 based on 10 per cent average annual growth, and minimum 16 per cent return on equity from 2008. A new cost programme will reduce group costs by NOK 1 billion annually by 2010 and bring DnB NOR's cost/income ratio below 46 per cent. DnB NOR's current dividend policy and capital adequacy requirements will remain unchanged.

As from 1 January 2007, capital adequacy calculations for some portfolios are based on the Basel II framework. The core capital ratio for the banking group was 7.2 per cent as at 30 September 2007. A partial audit has been conducted of the accounts of DnB NOR Bank and the banking group as at 30 September 2007, thus in accordance with capital adequacy rules, 50 per cent of interim profits has been included in the capital adequacy figures. The core capital ratio for the banking group at year end 2006 was 6.8 per cent. The Board of Directors considers the banking group to be well capitalised relative to the risk level in the loan portfolios and other operations.

¹⁾ DnB NOR Bank ASA is a subsidiary of DnB NOR ASA and part of the DnB NOR Group. The DnB NOR Bank Group, hereinafter called "the banking group", comprises the bank and the bank's subsidiaries. Other companies owned by DnB NOR ASA, including Vital Forsikring and DnB NOR Kapitalforvaltning, are not part of the banking group. Operations in DnB NOR ASA and the total DnB NOR Group are not covered in this report but described in a separate report and presentation.

January–September period

The banking group's pre-tax operating profits before write-downs came to NOK 9 942 million in the first nine months of 2007, up from NOK 9 109 million in the year-earlier period. After taxes, profits were up 5.5 per cent to NOK 7 715 million, from NOK 7 313 million in the January through September period in 2006. Return on equity was 18.0 per cent, compared with 18.9 per cent in the first nine months of 2006. The cost/income ratio was 50.4 per cent, as against 50.2 per cent in the year-earlier period.

Income

Income totalled NOK 6 483 million for the July through September period, an increase of NOK 441 million or 7.3 per cent from the third quarter of 2006.

Net interest income

Net interest income was NOK 4 690 million in the third quarter of 2007, up NOK 732 million or 18.5 per cent compared with the year-earlier period.

Average lending increased by NOK 112 billion or 14.3 per cent from the third quarter of 2006. The rise mainly represented well-secured housing loans and corporate customer loans with relatively low risk. There was a rise of NOK 79 billion or 17.2 per cent in average deposits. Lending spreads contracted by 0.15 percentage points compared with the year-earlier period, representing 1.09 per cent in the third quarter of 2007. During the same period, deposit spreads expanded by 0.25 percentage points to 1.06 per cent in the July through September period in 2007.

The table below specifies changes from the third quarter of 2006 according to main items:

Changes in net interest income

Amounts in NOK million	3rd quarter	
	2007	Change
Net interest income	4 690	732
Lending and deposit volumes		490
Lending and deposit spreads		17
Other net interest income		225

Net other operating income

Net other operating income amounted to NOK 1 793 million in the third quarter of 2007, down NOK 291 million compared with the corresponding period of 2006. Unrealised losses on the bond portfolio due to wider credit spreads, resulting in higher yields and thus a lower discounted net present value of the bonds, were partially offset by a boost in income from foreign exchange and interest rate instruments.

Net other operating income represented 27.7 per cent of total income in the third quarter of 2007, as against 34.5 per cent in the year-earlier period.

The table below specifies changes from the third quarter of 2006 according to main items:

Changes in net other operating income

Amounts in NOK million	3rd quarter		3rd quarter
	2007	Change	2006
Net other operating income	1 793	(291)	2 085
Net gains on foreign exchange and interest rate instruments ¹⁾		361	
Unrealised losses due to wider credit spreads		(600)	
Other operating income		(52)	

1) Excluding guarantees and income reductions resulting from wider credit spreads.

Operating expenses

Operating expenses totalled NOK 3 420 million in the third quarter of 2007, up NOK 371 million from the year-earlier period. Excluding operations in DnB NOR, there was a NOK 216 million rise in expenses.

The cost trend in the third quarter of 2007 reflected a rise in staff numbers due to new international initiatives and IT development activity, including large IT investments in Norway and international units.

The table below shows changes in operating expenses from the third quarter of 2006 according to main items:

Changes in operating expenses

Amounts in NOK million	3rd quarter		3rd quarter
	2007	Change	2006
Operating expenses	3 420	371	3 049
IT development		100	
Rise in staff numbers		89	
Depreciation and write-downs		49	
Wage settlements		36	
Marketing expenses etc.		28	
Pension expenses		26	
Other operating expenses		44	

Net gains on fixed and intangible assets

Net gains on fixed and intangible assets came to NOK 874 million in the third quarter of 2007, compared with NOK 124 million in the year-earlier period. The gains in the third quarter of 2007 mainly referred to the sale of the banking group's premises at Aker Brygge in Oslo.

Write-downs on commitments

Write-downs on loans and guarantees came to NOK 70 million in the third quarter of 2007, with individual write-downs of NOK 76 million and reversals on group write-downs of NOK 6 million. The reversals on group write-downs reflected the strong Norwegian economy and sound portfolio quality.

After deductions for individual write-downs, net non-performing and impaired commitments came to NOK 4 078 million at end-September 2007, up NOK 278 million from 31 December 2006. This figure includes net non-performing and impaired commitments of NOK 172 million in BISE Bank. Net non-performing and impaired commitments represented 0.43 per cent of net lending at end-September 2007, down from 0.52 per cent a year earlier. Excluding DnB NOR, these figures were 0.38 per cent and 0.50 per cent respectively.

Taxes

The banking group's tax charge for the third quarter of 2007 was NOK 1 044 million. The tax charge is based on an anticipated average tax rate of 27 per cent of the banking group's pre-tax operating profits.

Balance sheet

Total assets in the banking group's balance sheet were NOK 1 206

billion as at 30 September 2007, as against NOK 1 062 billion a year earlier.

Net lending to customers rose by NOK 106 billion or 13.1 per cent during the twelve-month period.

Customer deposits rose by NOK 78 billion or 16.9 per cent from the third quarter of 2006.

In order to keep the banking group's liquidity risk at a low level, the majority of customer loans are financed through customer deposits, long-term securities, subordinated loan capital and equity. With respect to short-term funding of the bank, restrictive borrowing limits have been established.

The ratio of customer deposits to net lending to customers was maintained at a satisfactory level, standing at 59.0 per cent at end-September 2007, compared with 57.0 per cent a year earlier.

Securities issued by the banking group increased by NOK 0.6 billion from the third quarter of 2006, totalling NOK 317 billion at end-September 2007.

The rating agencies' assessments of DnB NOR are of significance to the banking group's funding terms. DnB NOR Bank has the following long-term ratings: Aa1 from Moody's, AA from Dominion Bond Rating Service and A+ with a positive outlook from Standard & Poor's.

Risk and capital adequacy

The third quarter of 2007 reflected liquidity problems in international financial markets. The financial turmoil affected in particular financial institutions with direct and indirect loans and investments in the American housing loan market, as well as institutions with weak and short-term funding structures. On account of a conservative liquidity policy, the banking group enjoyed a sound liquidity situation during the entire period.

The banking group quantifies risk by measuring risk-adjusted capital requirements. The net risk-adjusted capital requirement increased by NOK 1.3 billion in the July through September period of 2007, to NOK 42.5 billion. The table below shows developments in the risk-adjusted capital requirement:

Amounts in NOK billion	30 Sept.	30 June	31 Dec.	30 Sept.
	2007	2007	2006	2006
Credit risk	38.1	37.7	36.0	35.7
Market risk	2.9	2.8	2.4	2.4
Operational risk	4.4	4.2	4.0	4.0
Business risk	2.2	2.1	2.1	2.1
Gross risk-adjusted capital requirement	47.6	46.8	44.6	44.2
Diversification effect ¹⁾	5.1	5.6	4.9	4.8
Net risk-adjusted capital requirement	42.5	41.2	39.7	39.4
Diversification effect in per cent of gross risk-adjusted capital requirement ¹⁾	10.8	12.0	11.0	10.9

1) The diversification effect refers to the effect achieved by the banking group in reducing risk by operating within several risk categories where unexpected losses are unlikely to occur at the same time.

There was a net increase in the risk-adjusted capital requirement for credit risk of NOK 0.4 billion in the third quarter of 2007. Strong growth in credit volumes in the business area Corporate Banking and Payment Services was partly offset by a reduction in calculated credit risk in the Retail Banking business area. Credit quality was very strong and stable in the third quarter. Corporate Banking and Payment Services recorded particularly brisk growth within shipping and offshore. Due to the turmoil in financial markets, syndicated volumes were lower than normal during the quarter.

Market risk in DnB NOR Markets increased by NOK 0.1 billion due to higher volumes. Risk calculations in the business area are under

review in light of the experience gained from the financial turmoil during the third quarter.

The increase in the risk-adjusted capital requirement for operational and business risk reflected higher levels of activity in the business areas.

Risk-weighted volume included in the calculation of the capital adequacy requirement increased by NOK 30 billion during the third quarter, to NOK 831 billion. The core capital ratio was 7.2 per cent, while the capital adequacy ratio was 10.0 per cent.

Transitional rules for calculating risk-weighted volume according to internal models stipulate a floor representing a 5 per cent reduction in risk-weighted volume relative to the former calculation method. Without such a floor, the core capital ratio would have been 7.9 per cent and the capital adequacy ratio 11.0 per cent.

Business areas

The activities of the banking group are organised in three business areas according to the customer segments served by the banking group and the products offered. In addition, DnB NOR is regarded as a separate profit centre.

Corporate Banking and Payment Services

<i>Amounts in NOK million</i>	3rd quarter 2007	3rd quarter 2006
Total income	3 084	2 540
Operating expenses	1 008	906
Pre-tax operating profit before write-downs	2 076	1 633
Pre-tax operating profit	2 089	1 732
Net lending to customers (NOK billion) ¹⁾	417.3	362.1
Deposits from customers (NOK billion) ¹⁾	294.8	251.0
<i>Key figures</i>		
Return on capital BIS (%)	19.4	18.1
Cost/income ratio (%)	32.7	35.7
Customer lending spread (%)	1.07	1.18
Customer deposit spread (%)	0.76	0.60
Ratio of deposits to lending (%)	70.6	69.3

1) Average volume, including credit institutions.

Corporate Banking and Payment Services achieved pre-tax operating profits of NOK 2 089 million in the third quarter of 2007, an increase of NOK 357 million from the year-earlier period. The high level of activity in the first and second quarter of 2007 continued through the third quarter. Combined with sustained strong growth in volumes, this contributed to the rise in profits.

Reflecting continued high credit demand throughout the third quarter of 2007, average loans and guarantees rose by NOK 62.2 billion from the third quarter of 2006, to NOK 483.9 billion. The strongest growth took place among customers outside Norway, and adjusted for exchange rate movements, there was an increase of NOK 68.0 billion.

Sound earnings and a persistent increase in borrowing among corporate clients ensured a boost in liquidity in the business sector, and average deposits rose by NOK 43.8 billion from the year-earlier period, to NOK 294.8 billion.

Income totalled NOK 3 084 million in the third quarter of 2007, up NOK 544 million from the corresponding period in 2006. Ordinary net interest income rose by NOK 338 million. Competition remains fierce both in Norway and in international markets. However, the turmoil in international capital markets is expected to reduce pressure on spreads and open up for somewhat wider spreads on the international portfolio. Compared with the third quarter of 2006, lending spreads contracted by 0.11 percentage points, while there was an increase of 0.03 percentage points from the second quarter of 2007. Deposit spreads rose by 0.16 percentage points from the third quarter of 2006.

Other operating income increased by NOK 28 million, reflecting a large number of transactions within foreign exchange and interest

rate products, and a higher level of activity within corporate finance and guarantees. The turmoil in international credit markets had a limited impact on operations. There was a drop in syndication activity in the market during the third quarter, though in spite of market unrest, income from such activity was higher than in the year-earlier period. The increase in other operating income was offset by weaker results from associated companies and reduced income from payment services. Within payment transfers, the shift to automated products reduced income in spite of rising volumes.

Operating expenses totalled NOK 1 008 million in the third quarter of the year, up NOK 101 million from the corresponding period of 2006. International expansion resulted in higher costs and rising staff numbers. At end-September 2007, 23.6 per cent of the business area's employees were located outside Norway, compared with 19.2 per cent a year earlier. Solid growth in operational leasing gave an increase in depreciation. The cost/income ratio was 32.7 per cent in the third quarter, down 3.0 percentage points from the corresponding period in 2006. At end-September 2007, staff in Corporate Banking and Payment Services represented 2 291 full-time positions, including 581 positions in subsidiaries and 541 in international units.

Due to sound quality in the credit portfolios combined with the healthy economic trend, there were net reversals of NOK 10 million on write-downs on loans in the third quarter of 2007.

Customer satisfaction showed a positive trend. There was a slight reduction in lending market shares from a year earlier, to 14.9 per cent at end-August 2007.

Corporate Banking and Payment Services anticipates a continued high level of activity, though credit growth is expected to slow down due to rising money market rates.

Retail Banking

<i>Amounts in NOK million</i>	3rd quarter 2007	3rd quarter 2006
Total income	2 736	2 746
Operating expenses	1 524	1 533
Pre-tax operating profit before write-downs	1 212	1 213
Pre-tax operating profit	1 158	1 189
Net lending to customers (NOK billion) ¹⁾	430.3	392.0
Deposits from customers (NOK billion) ¹⁾	224.9	209.3
<i>Key figures</i>		
Return on capital BIS (%)	25.3	24.7
Cost/income ratio (%)	55.7	55.8
Customer lending spread (%)	1.10	1.29
Customer deposit spread (%)	1.40	1.03
Ratio of deposits to lending (%)	52.3	53.4

1) Average volume, including credit institutions.

Retail Banking recorded pre-tax operating profits of NOK 1 158 million in the third quarter of 2007, down NOK 31 million from the corresponding period in 2006. The decline can mainly be ascribed to narrowing lending spreads.

Lending growth based on average volumes for the quarter was 9.8 per cent or NOK 38.3 billion from the third quarter of 2006. Average lending was NOK 430.3 billion in the July through September period in 2007. Demand for housing loans continued high in spite of rising interest rate levels. Average customer deposits rose by 7.4 per cent or NOK 15.6 billion to NOK 224.9 billion during the same period.

Net interest income from ordinary operations declined by NOK 34 million compared with the third quarter of 2006, to NOK 1 817 million. Due to strong competition in the housing loan market and notification periods in connection with increases in customer interest rates, lending spreads contracted from 1.29 per cent in the third quarter of 2006 to 1.10 per cent in the corresponding period in 2007. Compared with previous quarters in 2007, however, there was a slight improvement in lending spreads, with a 0.04 percentage point rise from the second to the third quarter of 2007. Deposit spreads widened by 0.37 percentage points from the

third quarter of 2006.

Net other operating income totalled NOK 751 million, down NOK 32 million from the year-earlier period, of which NOK 17 million stemmed from reduced income from payment transactions.

Operating expenses were stable, totalling NOK 1 524 million in the third quarter of the year, compared with NOK 1 533 million in the year-earlier period. The cost/income ratio was 55.7 per cent, as against 55.8 per cent in the third quarter of 2006. Retail Banking staff numbered 3 696 full-time positions at end-September 2007.

Write-downs on loans and guarantees totalled NOK 54 million for the July through September period in 2007, an increase from NOK 24 million in the third quarter of 2006.

At end-August 2007, the market share of credit to retail customers was 29.1 per cent, down from 29.9 per cent at end-September 2006. The market share of savings was 33.6 per cent at end-August 2007, compared with 34.8 per cent at end-September 2006.

DnB NOR, Postbanken and NorgesGruppen were the first to launch in-store banking outlets as an alternative channel for everyday banking services, and the first outlet was opened in September. In-store banking outlets will be nationwide during 2008.

Retail Banking is further developing its electronic channels, the Internet bank and the mobile bank, to enhance its customer offering and increase the number of self-service options. As from 1 November, a number of new SMS services will be launched in the mobile bank and it will be possible, for example, to transfer amounts between accounts. New deposit products were launched as a result of interest rate increases, and in October customers were offered a favourable fixed-rate deposit account with a required savings period of one year for amounts of NOK 25 000 or more.

By acquiring Svensk Fastighetsförmedling, DnB NOR has commenced its drive towards Swedish retail customers. The acquisition of SalusAnsvar, which distributes financial products to members of Swedish professional organisations, is part of this initiative. The necessary approvals from the Swedish authorities were granted on 18 October 2007, and on the acceptance closing date, 26 October, shareholders representing 94.5 per cent of the company's shares had accepted DnB NOR's offer. The acceptance deadline has been extended to 9 November, subsequent to which DnB NOR will demand redemption of shares from any minority shareholders.

DnB NOR has decided to establish its own non-life insurance company, and has an ambition to capture a considerable share of the retail non-life insurance market. The new company will start operations by the end of 2008. So far, DnB NOR has delivered non-life insurance in cooperation with external risk bearers. The establishment of the new company means that DnB NOR will be able to offer services from a larger share of the value chain.

Rising interest rates are expected to result in lower lending growth during the remainder of the year. It is anticipated that new savings products and improved spreads will ensure a higher level of net interest income in the fourth quarter of 2007 than in the year-earlier period.

DnB NOR Markets

<i>Amounts in NOK million</i>	3rd quarter 2007	3rd quarter 2006
Total income	355	792
Operating expenses	304	327
Pre-tax operating profit before write-downs	51	465
<i>Key figures</i>		
Return on capital BIS (%)	3.8	42.5
Cost/income ratio (%)	85.7	41.2

DnB NOR Markets achieved pre-tax operating profits of NOK 51 million in the third quarter of 2007. Performance reflected the turmoil in global financial markets. Within market making and other proprietary trading, a general increase in credit spreads resulted in

unrealised mark-to-market losses on bonds of NOK 675 million in the third quarter of 2007, as against a gain of NOK 1 million in the year-earlier period. The bond portfolio comprised almost exclusively bonds with the highest possible credit rating (AAA). The loss will be reversed over the residual maturity of the bonds, which averages 2.8 years.

Moreover, the third quarter was characterised by brisk activity and good results. Income from customer-related activity totalled NOK 727 million for the July through September period in 2007, up 35.7 per cent from the year-earlier period.

Customer-related income from currency, interest rate and commodity derivatives was up 75.3 per cent to NOK 373 million in the third quarter of 2007, from NOK 213 million in the year-earlier period. Great fluctuations in exchange rates and Norwegian money market rates helped ensure brisk demand for both currency and interest rate hedging products. During the quarter, DnB NOR Markets extended its customer offering within hedging of commodity prices, including metals. In September, a new trading desk was opened in Stockholm, serving Swedish clients.

Customer-related revenues from the sale of securities and other investment products came to NOK 107 million in the third quarter of 2007, down from NOK 151 million in the year-earlier period. Income from equities sales was on a level with the third quarter of 2006, while income from trading in bonds and structured products declined. During the third quarter, DnB NOR Markets launched several new types of warrants, which were well received by clients.

Customer-related revenues from corporate finance services were up 50.5 per cent to NOK 150 million, from NOK 100 million in the third quarter of 2006. In view of the turmoil in capital markets, activity levels in DnB NOR Markets remained at a satisfactory level throughout the quarter. The international entities showed a positive development.

Customer-related revenues from the sale of custodial and other securities services rose by 33.3 per cent to NOK 96 million, from NOK 72 million in the third quarter of 2006. Custody in Norway for international investors, a high level of securities finance and securities lending activity were key factors behind the rise in income.

Earnings from market making and other proprietary trading were negative at NOK 422 million, which represented a NOK 653 million reduction from the year-earlier period. The decline can be ascribed to widening credit spreads on bonds, resulting in unrealised losses of NOK 675 million, as against a gain of NOK 1 million in the year-earlier period. The loss will be reversed over the residual maturity of the bonds.

Credit market trends, stock market activity and fluctuations in the NOK exchange rate and Norwegian interest rate levels will be decisive factors for the business area's future performance.

DnB NORD

<i>Amounts in NOK million</i>	3rd quarter 2007	3rd quarter 2006
Total income	457	281
Operating expenses	330	175
Pre-tax operating profit before write-downs	127	106
Pre-tax operating profit	96	92
Net lending to customers (NOK billion) ¹⁾	51.5	33.4
Deposits from customers (NOK billion) ¹⁾	19.6	11.2
<i>Key figures</i>		
Return on capital BIS (%)	8.4	12.5
Cost/income ratio (%)	72.2	62.4
Customer lending spread (%)	1.32	1.51
Customer deposit spread (%)	2.36	1.49
Ratio of deposits to lending (%)	38.1	33.5

1) Average volume, including credit institutions.

DnB NORD recorded pre-tax operating profits of NOK 96 million in the third quarter of 2007, up NOK 4 million compared with the

year-earlier period. The acquisition of BISE Bank and a general rise in volume pushed up income, while factors causing a rise in operating expenses included the integration of BISE Bank, higher staff numbers and performance-based pay. Costs in BISE Bank totalled NOK 57 million.

Customer lending averaged NOK 51.5 billion in the third quarter of 2007, up 54.0 per cent from the corresponding period in 2006. Average customer deposits rose by 75.1 per cent from the year-earlier period, to NOK 19.6 billion.

Income totalled NOK 457 million in the third quarter of the year, an increase of NOK 176 million or 62.8 per cent from the third quarter of 2006. Operating expenses were NOK 330 million in the July through September period in 2007, up NOK 155 million or 88.4 per cent from the year-earlier period. At end-September 2007, DnB NOR staff represented 3 144 full-time positions, up from 1 917 a year earlier.

Net write-downs on loans and guarantees were NOK 37 million in the third quarter of 2007, as against NOK 16 million in the year-earlier period.

An important strategic target for DnB NOR is to take part in the extensive trading and investment activity in the Baltic Sea region. In order to succeed, DnB NOR is in the process of harmonising products and integrating IT solutions across national borders.

DnB NOR is well represented in the Baltic region and Poland, with more than 770 000 customers and 175 branches. In Denmark and Finland, DnB NOR is a full-service bank for corporate customers, while the entities in the Baltic region and Poland also serve retail customers.

Strong credit growth is expected to continue in the Baltic region throughout 2007, though there are signs of a certain slowdown, especially in Latvia, where the authorities have initiated measures to curb growth. DnB NOR expects to grow in pace with the market. In autumn 2006, DnB NOR initiated measures to limit losses in the event of exchange rate volatility in Latvia. A potential currency depreciation will thus have limited effect on DnB NOR's financial performance. In Poland, there is also brisk growth in the financial sector, and DnB NOR aims to increase market shares by focusing on small and medium-sized companies. The acquisition of BISE Bank is an important part of this initiative. In Denmark and Finland, DnB NOR will seek greater market shares among large corporates and medium-sized businesses.

Prospects for the rest of the year

The international economic situation changed during the third quarter due to the uncertainty surrounding housing prices in the United States. It is expected that the turmoil could continue for a few more months, but that it will be mainly limited to the financial markets with only an insignificant impact on the real economy.

The Norwegian economy is very sound, and the positive economic trend over the past few years has resulted in a robust financial situation for households and companies. High capacity utilisation and a shortage of labour, combined with rising interest rates are expected

to gradually curb economic growth. An increase in oil investments, however, contributes to maintaining manufacturing production. Growth in operating profits in the business sector is expected to slow somewhat, in consequence of rising wage inflation and subdued growth in the Norwegian economy. The high household credit demand is expected to decline slightly towards year-end, but will remain at a high level.

With a very sound customer base and an extensive distribution network, the banking group is well-positioned for further growth in Norway. Growth will be secured through new products and services, an increase in cross-sales to existing customers and a further strengthening of distribution power. DnB NOR, Postbanken and NorgesGruppen are the first to offer in-store banking outlets as an alternative channel for everyday banking services, and the first outlet was opened in the third quarter. In-store banking outlets will be nationwide during 2008. DnB NOR has launched new advanced mobile phone banking services, to be introduced from the fourth quarter.

DnB NOR will establish a new non-life insurance company building on the Group's operations in this field, and aims to build up a significant market share in the retail non-life insurance market. The company will be in operation by the end of 2008.

The banking group's operations will be expanded through organic growth, small-scale acquisitions in the Nordic region and opportunities to be realised through DnB NOR. DnB NOR Bank is also considering possibilities to increase cooperation with NOR/LB in relevant areas. The target is to increase the share of income from international operations in the future.

DnB NOR Bank's offer to purchase all shares in SalusAnsvar was accepted by Swedish authorities in October 2007. The company distributes financial products to members of Swedish professional organisations and trade unions. The company is listed and has approximately 200 employees and 540 000 customers. The acquisition will give the banking group access to a well-established distribution network and a large customer base in Sweden. In order to further strengthen the position in the Swedish market, the banking group has entered into an agreement to acquire SkandiaBanken Bilfinans and will thus become one of the key providers of car financing in Scandinavia.

As part of the banking group's international growth strategy, DnB NOR Bank will open a branch office in Santiago and representative offices in Piraeus and Mumbai. These initiatives will strengthen the ability to locally follow up existing clients within shipping, energy and fisheries, while creating new business opportunities.

DnB NOR's productivity and cost awareness will be further strengthened through the Group's new cost programme, which will reduce the Group's operating expenses by NOK 1 billion annually by 2010.

High priority is given to improving customer satisfaction and operational stability for customer systems.

Solid economic conditions for Norway and DnB NOR indicate that 2007 will be a profitable year for the banking group.

Oslo, 31 October 2007
The Board of Directors of DnB NOR Bank ASA

Olav Hytta
(chairman)

Bent Pedersen
(vice-chairman)

Per Hoffmann

Kari Lotsberg

Torill Rambjør

Tore Olaf Rimmereid

Ingjerd Skjeldrum

Rune Bjerke
(group chief executive)

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Income statement

DnB NOR Bank ASA						
<i>Amounts in NOK million</i>	Note	3rd quarter 2007	3rd quarter 2006	First three quarters		Full year 2006
				2007	2006	
Total interest income	4	14 583	10 175	40 528	27 591	39 108
Total interest expenses	4	10 765	6 849	29 863	17 887	25 997
Net interest income	4	3 818	3 326	10 665	9 704	13 111
Commissions and fees receivable etc.	5	1 373	1 318	4 397	4 341	5 861
Commissions and fees payable etc.	5	496	445	1 419	1 383	1 866
Net gains on financial instruments at fair value	5, 6	370	719	2 505	2 630	3 712
Net realised gains on investment securities (AFS)	5	0	0	0	0	0
Profit from companies accounted for by the equity method	5	0	0	0	0	0
Other income	5	227	158	625	480	2 909
Net other operating income	5	1 474	1 750	6 108	6 067	10 615
Total income		5 292	5 075	16 773	15 771	23 726
Salaries and other personnel expenses	7	1 455	1 363	4 377	4 078	5 538
Other expenses	7	1 057	1 024	3 197	3 302	4 609
Depreciation and write-downs of fixed and intangible assets	7	120	99	315	277	383
Total operating expenses	7	2 632	2 486	7 888	7 656	10 530
Net gains on fixed and intangible assets	9	706	(105)	704	42	63
Write-downs on loans and guarantees	10	44	(76)	199	(289)	(337)
Pre-tax operating profit		3 321	2 560	9 390	8 446	13 597
Taxes		930	645	2 629	2 068	3 207
Profit from discontinuing operations after taxes		0	0	0	0	0
Profit for the period		2 391	1 915	6 761	6 378	10 390
Earnings per share (NOK) ¹⁾		13.89	11.12	39.28	37.05	60.36
Earnings per share for discontinuing operations (NOK) ¹⁾		0.00	0.00	0.00	0.00	0.00

1) DnB NOR Bank has not issued options or other financial instruments that could cause dilution of earnings per share.

Balance sheet

		DnB NOR Bank ASA		
		30 Sept.	31 Dec.	30 Sept.
<i>Amounts in NOK million</i>	Note	2007	2006	2006
Assets				
Cash and deposits with central banks		6 189	9 346	13 324
Lending to and deposits with credit institutions	12	174 214	117 261	139 147
Lending to customers	11, 12	747 925	722 881	699 141
Commercial paper and bonds		110 573	137 302	100 963
Shareholdings		7 406	3 590	2 915
Financial derivatives		65 811	56 657	50 182
Shareholdings, available for sale		0	0	0
Commercial paper and bonds, held to maturity		0	0	0
Investment property		0	0	0
Investments in associated companies		584	569	537
Investments in subsidiaries		10 981	8 594	8 417
Intangible assets	13	2 066	1 990	2 032
Deferred tax assets		459	404	7
Fixed assets		663	2 687	2 742
Biological assets		0	0	0
Discontinuing operations	2	882	0	0
Other assets		5 329	6 033	2 786
Total assets		1 133 082	1 067 313	1 022 194
Liabilities and equity				
Loans and deposits from credit institutions		132 062	120 072	112 566
Deposits from customers		510 792	457 465	442 214
Financial derivatives		72 455	57 258	44 965
Securities issued	14	300 153	324 183	313 473
Payable taxes		5 094	2 642	2 669
Deferred taxes		3	3	972
Other liabilities		22 629	21 087	17 433
Discontinuing operations	2	0	0	0
Provisions		3 992	4 113	3 780
Subordinated loan capital	14	32 092	33 240	35 425
Total liabilities		1 079 271	1 020 064	973 496
Minority interests		0	0	0
Revaluation reserve		0	0	0
Share capital		17 214	17 214	17 214
Other reserves and retained earnings		36 597	30 035	31 484
Total equity		53 811	47 249	48 698
Total liabilities and equity		1 133 082	1 067 313	1 022 194
Off-balance sheet transactions and contingencies	16			

Income statement

<i>Amounts in NOK million</i>	Note	DnB NOR Bank Group				
		3rd quarter 2007	3rd quarter 2006	First three quarters		Full year 2006
Total interest income	4	16 141	11 043	44 543	30 069	42 720
Total interest expenses	4	11 451	7 085	31 563	18 623	27 251
Net interest income	4	4 690	3 958	12 980	11 446	15 469
Commissions and fees receivable etc.	5	1 536	1 421	4 846	4 617	6 249
Commissions and fees payable etc.	5	534	465	1 513	1 437	1 939
Net gains on financial instruments at fair value	5, 6	436	702	2 489	2 454	3 601
Net realised gains on investment securities (AFS)	5	0	0	0	0	0
Profit from companies accounted for by the equity method	5	(40)	94	18	146	171
Other income	5	396	332	1 213	1 078	1 475
Net other operating income	5	1 793	2 085	7 053	6 858	9 556
Total income		6 483	6 042	20 033	18 304	25 026
Salaries and other personnel expenses	7	1 893	1 713	5 626	5 034	6 849
Other expenses	7	1 297	1 172	3 849	3 705	5 205
Depreciation and write-downs of fixed and intangible assets	7	229	163	616	456	632
Total operating expenses	7	3 420	3 049	10 091	9 195	12 686
Net gains on fixed and intangible assets	9	874	124	888	287	354
Write-downs on loans and guarantees	10	70	(51)	260	(243)	(258)
Pre-tax operating profit		3 868	3 169	10 569	9 639	12 952
Taxes		1 044	755	2 854	2 326	3 357
Profit from discontinuing operations after taxes		0	0	0	0	0
Profit for the period		2 823	2 414	7 715	7 313	9 595
Profit attributable to shareholders		2 773	2 368	7 532	7 199	9 452
Profit attributable to minority interests		50	46	183	115	143
Earnings per share (NOK) ¹⁾		16.11	13.76	43.75	41.81	54.91
Earnings per share for discontinuing operations (NOK) ¹⁾		0.00	0.00	0.00	0.00	0.00

1) DnB NOR Bank has not issued options or other financial instruments that could cause dilution of earnings per share.

Balance sheet

		DnB NOR Bank Group		
		30 Sept.	31 Dec.	30 Sept.
<i>Amounts in NOK million</i>		2007	2006	2006
	Note			
Assets				
Cash and deposits with central banks		8 805	11 453	15 474
Lending to and deposits with credit institutions	12	75 624	65 203	63 821
Lending to customers	11, 12	918 116	838 023	811 944
Commercial paper and bonds		112 132	114 203	103 696
Shareholdings		7 761	3 818	3 088
Financial derivatives		65 996	56 345	50 288
Shareholdings, available for sale		0	0	0
Commercial paper and bonds, held to maturity		0	0	0
Investment property		169	148	147
Investments in associated companies		1 380	1 499	1 444
Investments in subsidiaries		-	-	-
Intangible assets	13	4 057	3 166	3 189
Deferred tax assets		278	190	27
Fixed assets		3 259	5 392	5 190
Biological assets		0	0	0
Discontinuing operations	2	1 641	27	43
Other assets		6 964	5 663	4 116
Total assets		1 206 182	1 105 131	1 062 465
Liabilities and equity				
Loans and deposits from credit institutions		148 800	124 383	121 111
Deposits from customers		541 317	480 471	463 177
Financial derivatives		72 712	57 646	45 053
Securities issued	14	317 082	326 806	316 466
Payable taxes		5 323	4 888	2 997
Deferred taxes		70	39	1 133
Other liabilities		24 682	15 367	17 917
Discontinuing operations	2	0	0	0
Provisions		4 239	4 372	4 013
Subordinated loan capital	14	32 759	33 979	36 200
Total liabilities		1 146 984	1 047 950	1 008 065
Minority interests		2 467	2 201	1 650
Revaluation reserve		0	0	0
Share capital		17 214	17 214	17 214
Other reserves and retained earnings		39 516	37 765	35 535
Total equity		59 197	57 181	54 399
Total liabilities and equity		1 206 182	1 105 131	1 062 465
Off-balance sheet transactions and contingencies	16			

Statement of changes in equity

DnB NOR Bank ASA						
<i>Amounts in NOK million</i>	Revalu- ation reserve	Share capital	Share premium reserve	Other equity ¹⁾	Total other reserves and retained earnings	Total equity ¹⁾
Balance sheet as at 1 January 2006 NGAAP ²⁾	0	17 214	9 995	13 966	23 961	41 176
IFRS effects						
IAS 39 - Extended use of fair value of financial instruments				383	383	383
IAS 16 - Market value of buildings for own use				448	448	448
IFRS 3 - Exclusion of goodwill amortisation				347	347	347
Other IFRS effects				(18)	(18)	(18)
Total IFRS effects	0	0	0	1 161	1 161	1 161
Balance sheet as at 1 January 2006	0	17 214	9 995	15 127	25 122	42 336
Net change in currency translation reserve				(16)	(16)	(16)
Profit for the period				6 378	6 378	6 378
Net income for the period	0			6 362	6 362	6 362
Balance sheet as at 30 September 2006	0	17 214	9 995	21 489	31 484	48 698
Balance sheet as at 31 December 2006 NGAAP	0	17 214	9 995	18 148	28 143	45 357
IFRS effects						
IAS 39 - Extended use of fair value of financial instruments				1 057	1 057	1 057
IAS 16 - Market value of buildings for own use				430	430	430
IFRS 3 - Exclusion of goodwill amortisation				428	428	428
Other IFRS effects				(23)	(23)	(23)
Total IFRS effects	0	0	0	1 891	1 891	1 891
Balance sheet as at 31 December 2006	0	17 214	9 995	20 039	30 035	47 249
Net change in currency translation reserve				(198)	(198)	(198)
Profit for the period				6 761	6 761	6 761
Net income for the period				6 562	6 562	6 562
Balance sheet as at 30 September 2007	0	17 214	9 995	26 602	36 597	53 811

1) Of which currency translation reserve:

<i>Balance sheet as at 1 January 2006</i>	22	22
<i>Net change in currency translation reserve</i>	(16)	(16)
<i>Balance sheet as at 30 September 2006</i>	6	6
<i>Balance sheet as at 31 December 2006</i>	(32)	(32)
<i>Net change in currency translation reserve</i>	(198)	(198)
<i>Balance sheet as at 30 September 2007</i>	(230)	(230)

2) Including effects of new regulations on the treatment of loans and guarantees, and merger with DnB NOR Hypotek.

Statement of changes in equity (continued)

DnB NOR Bank Group

<i>Amounts in NOK million</i>	Minority interests ¹⁾	Revalu- ation reserve	Share capital	Share premium reserve	Other equity ¹⁾	Total other reserves and retained earnings	Total equity ¹⁾
Balance sheet as at 1 January 2006 NGAAP ²⁾	947	0	17 214	10 711	15 940	26 651	44 812
IFRS effects							
IAS 39 - Extended use of fair value of financial instruments					611	611	611
IAS 16 - Market value of buildings for own use					571	571	571
IFRS 3 - Exclusion of goodwill amortisation					474	474	474
IAS 10 - Dividends/Group contribution					3 297	3 297	3 297
Other IFRS effects					18	18	18
Total IFRS effects	0	0	0	0	4 970	4 970	4 970
Balance sheet as at 1 January 2006	947	0	17 214	10 711	20 910	31 622	49 783
Net change in currency translation reserve	47				11	11	58
Profit for the period	115				7 199	7 199	7 313
Net income for the period	162	0	0	0	7 210	7 210	7 371
Dividends 2005					(3 297)	(3 297)	(3 297)
Minority interests, DnB NORD	545						545
Minority interests, other	(4)						(4)
Balance sheet as at 30 September 2006	1 650	0	17 214	10 711	24 824	35 535	54 399
Balance sheet as at 31 December 2006 NGAAP	2 201	0	17 214	10 711	19 113	29 824	49 240
IFRS effects							
IAS 39 - Extended use of fair value of financial instruments					1 174	1 174	1 174
IAS 16 - Market value of buildings for own use					529	529	529
IFRS 3 - Exclusion of goodwill amortisation					640	640	640
IAS 10 - Dividends/Group contribution					5 544	5 544	5 544
Other IFRS effects					53	53	53
Total IFRS effects	0	0	0	0	7 941	7 941	7 941
Balance sheet as at 31 December 2006	2 201	0	17 214	10 711	27 054	37 765	57 181
Net change in currency translation reserve	(147)				(237)	(237)	(384)
Profit for the period	183				7 532	7 532	7 715
Net income for the period	36				7 295	7 295	7 332
Dividends 2006					(5 544)	(5 544)	(5 544)
Minority interests, DnB NORD	229						229
Balance sheet as at 30 September 2007	2 467	0	17 214	10 711	28 805	39 516	59 197

1) Of which currency translation reserve:

<i>Balance sheet as at 1 January 2006</i>	0	(27)	(27)
<i>Net change in currency translation reserve</i>	47	11	58
<i>Balance sheet as at 30 June 2006</i>	47	(16)	31
<i>Balance sheet as at 31 December 2006</i>	44	(39)	6
<i>Net change in currency translation reserve</i>	(147)	(237)	(384)
<i>Balance sheet as at 30 June 2007</i>	(103)	(276)	(378)

2) Including effects of new regulations on the treatment of loans and guarantees.

Cash flow statement

DnB NOR Bank ASA			DnB NOR Bank Group			
Full year	January - September			January - September	Full year	
2006	2006	2007	Amounts in NOK million	2007	2006	
			Operations			
(107 359)	(70 339)	(33 240)	Net payments on loans to customers	(84 743)	(102 464)	(129 985)
58 942	39 229	53 428	Net receipts on deposits from customers	56 452	43 212	66 112
37 009	24 921	36 450	Interest received from customers	40 306	27 286	40 476
(8 857)	(3 825)	(12 362)	Interest paid to customers	(12 912)	(4 074)	(9 226)
			Net receipts/payments on the sale/aquisition of financial assets			
(52 057)	(23 356)	36 472	for investment or trading	9 874	(24 656)	(28 088)
6 140	4 112	4 428	Net receipts on commissions and fees	4 877	4 388	6 528
(11 463)	(8 710)	(9 089)	Payments to operations	(11 084)	(10 123)	(13 491)
(477)	(113)	(233)	Taxes paid	(330)	(184)	(562)
580	647	501	Other receipts	1 089	1 245	1 407
(77 542)	(37 435)	76 355	Net cash flow relating to operations	3 529	(65 369)	(66 829)
			Investment activity			
(899)	(187)	1 449	Net receipts/payments on the sale/acquisition of fixed assets	928	(429)	(802)
			Net receipts/payments on the sale/acquisition of long-term			
45	(144)	(2 379)	investments in shares	(3 463)	(115)	45
1 215	124	197	Dividends received on long-term investments in shares	174	115	115
362	(207)	(732)	Net cash flow relating to investment activity	(2 361)	(429)	(642)
			Funding activity			
(6 833)	(43 919)	(42 059)	Net receipts/payments on loans to/from credit institutions	11 094	(15 822)	(13 852)
(5 831)	6 708	477	Net receipts/payments on other short-term liabilities	4 160	4 930	(5 567)
			Net receipts/payments on issue/redemption of			
94 079	77 509	(7 720)	bonds and commercial paper ¹⁾	6 322	78 333	92 803
10 302	10 080	4 310	Issue of subordinated loan capital	4 310	10 080	10 302
(2 152)	(296)	(2 186)	Redemptions of subordinated loan capital	(2 186)	(596)	(2 152)
(3 932)	(3 297)	(7 700)	Dividend/group contribution payments	(7 700)	(3 297)	(3 932)
(16 806)	(10 386)	(20 059)	Net interest payments on funding activity	(21 205)	(10 858)	(17 673)
68 826	36 399	(74 937)	Net cash flow from funding activity	(5 205)	62 770	59 929
(8 354)	(1 243)	685	Net cash flow	(4 036)	(3 027)	(7 542)
30 138	30 138	21 783	Cash as at 1 January	18 230	25 698	25 698
0	0	0	Increase in cash and deposits through acquisitions	197	74	74
(8 354)	(1 243)	685	Net payments of cash	(4 036)	(3 027)	(7 542)
21 783	28 896	22 469	Cash at end of period	14 391	22 745	18 230

The cash flow statement shows receipts and payments of cash and cash equivalents during the year. The statement has been prepared in accordance with the direct method and has been adjusted for items that do not generate cash flows, such as accruals, depreciation and write-downs on loans and guarantees. Cash flows are classified as operating activities, investment activities or funding activities. Balance sheet items are adjusted for the effects of exchange rate movements. Cash is defined as cash and deposits with central banks, and deposits with credit institutions with no agreed period of notice.

1) A significant share of the Group's operations was during 2006 funded by issuing bonds and commercial paper.

Key figures

						DnB NOR Bank Group				
						3rd quarter	3rd quarter	January - September		Full year
						2007	2006	2007	2006	2006
Interest rate analyses										
1.	Combined average spread for lending and deposits (%)					2.15	2.06	2.08	2.09	2.08
2.	Spread for ordinary lending to customers (%)					1.09	1.24	1.08	1.31	1.27
3.	Spread for deposits from customers (%)					1.06	0.82	1.00	0.78	0.81
Rate of return/profitability										
4.	Net other operating income, per cent of total income					27.7	34.5	35.2	37.5	38.2
5.	Cost/income ratio (%)					52.7	50.5	50.4	50.2	50.1
6.	Return on equity, annualised (%)					20.0	18.4	18.0	18.9	18.2
Financial strength										
7.	Core (Tier 1) capital ratio at end of period (%)					7.2	7.0	7.2	7.0	6.8
8.	Capital adequacy ratio at end of period (%)					10.0	10.7	10.0	10.7	10.2
9.	Core capital at end of period (NOK million)					59 652	53 819	59 652	53 819	53 554
10.	Risk-weighted volume at end of period (NOK million)					831 346	768 425	831 152	768 425	787 311
Loan portfolio and write-downs										
11.	Write-downs relative to net lending to customers, annualised					0.03	(0.03)	0.04	(0.04)	(0.03)
12.	Net non-performing and impaired commitments, per cent of net lending					0.43	0.52	0.43	0.52	0.45
13.	Net non-performing and impaired commitments at end of period (NOK million)					4 078	4 271	4 078	4 271	3 800
Liquidity										
14.	Ratio of customer deposits to net lending to customers at end of period (%)					59.0	57.0	59.0	57.0	57.3
Staff										
15.	Number of full-time positions at end of period					12 065	10 547	12 065	10 547	10 710

Definitions

- 1, 2, 3 Based on nominal values excluding lending to and deposits with credit institutions and impaired loans.
- 5 Total expenses relative to total income. Expenses are excluding allocation to employees.
- 6 Profit for the period, excluding profit attributable to minority interests, adjusted for the period's change in fair value recognised in equity. Average equity is calculated on the basis of recorded equity excluding minority interests.

Note 1 – Transition to IFRS and accounting principles etc.

Impact of transition to IFRS

With effect from 1 January 2007, the DnB NOR Bank Group has prepared accounts according to IFRS principles. DnB NOR Bank ASA has prepared statutory accounts according to the Norwegian Ministry of Finance's regulations on annual accounts, Section 1-5, on the use of IFRS. Up till 31 December 2006, the accounts of DnB NOR Bank ASA and the DnB NOR Bank Group were based on Norwegian accounting legislation, accounting regulations issued by the Ministry of Finance and Norwegian generally accepted accounting principles (NGAAP).

Effects on the income statement and equity of the transition from NGAAP to IFRS are presented below. The effects are described in further detail in note 2 to the first quarter report 2007.

DnB NOR Bank ASA		Effects on the income statement	DnB NOR Bank Group	
3rd quarter	Jan. - Sept.		Jan. - Sept.	3rd quarter
2006	2006	<i>Amounts in NOK million</i>	2006	2006
1 812	5 841	Profit for the period NGAAP	6 816	2 273
78	447	IAS 39 - Extended use of fair value of financial instruments	328	56
(1)	(9)	IAS 16 - Market value of buildings for own use	(39)	(17)
34	104	IFRS 3 - Exclusion of goodwill amortisation	168	56
(8)	(5)	Other IFRS effects	41	46
1 915	6 378	Profit for the period IFRS	7 313	2 414

DnB NOR Bank ASA		Equity	DnB NOR Bank Group	
			<i>Amounts in NOK million</i>	
47 000		Balance sheet as at 30 September 2006 NGAAP		52 228
383		IAS 39 - Extended use of fair value of financial instruments		611
448		IAS 16 - Market value of buildings for own use		571
347		IFRS 3 - Exclusion of goodwill amortisation		474
		IAS 10 - Dividends/Group contribution		3 297
(18)		Other IFRS effects		18
1 161		Total IFRS effects as at 1 January 2006 ¹⁾		4 970
		Dividends 2005 paid in 2006		(3 297)
537		IFRS effects on profit for the period ²⁾		498
48 698		Balance sheet as at 30 September 2006 IFRS		54 399

1) The IFRS adjustments affect retained earnings only, see Statement of changes in equity.

2) For a specification of effects on the income statement, see table above.

Accounting principles

The third quarter accounts have been prepared according to IFRS principles as approved by the EU, including IAS 34 - Interim Financial Reporting. A description of the accounting principles applied in preparing the accounts of the bank and the banking group is found in note 1 in the report for the first quarter of 2007.

Estimates

When preparing the accounts of the bank and the banking group, management makes assessments and estimates and prepares assumptions that influence the effect of the accounting principles applied and thus the recorded values of assets and liabilities, income and expenses.

Note 3 in the report for the first quarter of 2007 gives a description of important estimates and assumptions. With effect from 31 December 2006, the bank and the banking group changed the assumption concerning life expectancy in connection with the calculation of pension commitments. This has affected pension expenses for 2007. See note 7 Operating expenses. In all other respects, the same estimation techniques and assumptions that are described in the report for the first quarter of 2007 have been applied when preparing the accounts for the third quarter of 2007.

Comparable figures

Comparable figures are based on IFRS. Comparable figures have not been restated following the acquisitions of Svensk Fastighetsförmedling and BISE Bank.

Note 2 – Changes in group structure

Svensk Fastighetsförmedling

DnB NOR Bank acquired all of the shares in the Swedish real estate brokerage chain Svensk Fastighetsförmedling AB at a total cost of SEK 440.5 million in the second quarter of 2007, thus making the real estate brokerage operations of DnB NOR Bank Group the most extensive in the Nordic region.

The purchase was made with accounting effect from 30 June 2007 and was reflected in the banking group's consolidated accounts as of this date. Profit and loss items from the acquired company are included in the banking group's consolidated accounts as of 30 September 2007, representing a net loss of NOK 5 million.

The table below shows the calculation of the cost price and the excess of cost over book value, including the preliminary allocation of such excess values. A payment of SEK 301.6 million was made at the time of acquisition. DnB NOR Bank will pay an additional SEK 70 million 13 months and 25 months respectively after the acquisition. Transaction costs represent fees to advisers. Including transaction costs and discounted future payments, the total acquisition cost was SEK 440.5 million.

In connection with the acquisition, values of SEK 11.5 million representing franchise contracts and customer relations with franchisees were identified and recorded as intangible assets. These assets are expected to have a useful life of 10 years and are depreciated over this period. Any other excess of cost over book value is classified as goodwill and includes the value of greater distribution power in Sweden for the sale of housing loans and other products from the banking group. Goodwill will be subject to annual impairment testing.

Preliminary acquisition analysis Svensk Fastighetsförmedling	DnB NOR Bank Group
<i>Amounts in SEK million</i>	<i>30 September 2007</i>
Cost price	
Cash price	301.6
Additional payment after 13 months	66.9
Additional payment after 25 months	64.1
Transaction costs	7.9
Cost price	440.5
Excess of cost over book value	
Cost price	440.5
Share of equity, 100 per cent	38.9
Excess of cost over book value	401.6
Allocation of excess values	
Value of customer contracts/customer relations	11.5
Goodwill	390.1
Excess of cost over book value	401.6

BISE Bank

In late 2006, DnB NOR Bank signed an agreement to acquire 76.3 per cent of the Polish BISE Bank through its partially-owned subsidiary DnB NORD. Subsequent to this, DnB NORD has regularly purchased minority shares, bringing its holding to 97.35 per cent at end-September. BISE Bank was included in the banking group's consolidated accounts in the second quarter of 2007.

The total cost price including transaction costs was EUR 136.1 million. Transaction costs represented EUR 3.9 million, consisting mainly of fees to advisers and assistance in connection with the share acquisitions. No excess values were identified relating to recorded assets and liabilities. In connection with the purchase, a due diligence was undertaken of BISE Bank to identify any additional intangible assets and commitments. When making allocations for the excess of cost over book value, provisions of EUR 1.4 million were made for contingent liabilities relating to legal actions. The value of customer contracts/customer relations, estimated at EUR 4.3 million, is expected to have a useful life of 12 years and is depreciated over this period. Any other excess of cost over book value is classified as goodwill and represents the value of greater distribution power in the Polish retail and corporate markets. Goodwill will be subject to annual impairment testing.

Note 2 – Changes in group structure (continued)

Preliminary acquisition analysis BISE Bank

DnB NOR Bank Group

Amounts in EUR million

30 September 2007

Cost price	
Purchase of shares, 97.35 per cent	132.2
Transaction costs	3.9
Cost price	136.1
Excess of cost over book value	
Cost price	136.1
Share of equity, 97.35 per cent	44.6
Minority interests in BISE Bank	0.3
Excess of cost over book value	91.2
Allocation of excess values	
Provisions for contingent liabilities	(1.4)
Value of customer contracts/customer relations	4.3
Deferred taxes	0.5
Identified excess values	2.3
Goodwill ¹⁾	88.9
Excess of cost over book value	91.2

1) 49 per cent of estimated goodwill, corresponding to EUR 43.6 million, represented NORD/LB's ownership share in DnB NORD. This amount is recorded as a reduction in minority interests and is not shown as goodwill in the accounts of the DnB NOR Bank Group.

The banking group's consolidated accounts include profits from BISE Bank in the amount of NOK 20.5 million for the January through September period, with NOK 6.3 million referring to the third quarter.

SEB's vendor-based car financing

During the first quarter of 2007, DnB NOR Finans entered into an agreement to acquire SEB's leasing portfolio within vendor-based car financing in Sweden. The acquisition was completed in the third quarter. The acquired portfolio totals approximately SEK 2.4 billion. In connection with the transaction, goodwill and other intangible assets totaling SEK 135 million were recorded in the balance sheet.

SkandiaBanken Bilfinans

In order to further strengthen the banking group's position in the Swedish market, DnB NOR Finans has entered into an agreement to acquire SkandiaBanken Bilfinans and will thus become one of the key providers of car financing in Scandinavia. Through the purchase, the banking group will take over 115 000 customer contracts, 120 employees and a total credit portfolio of approximately NOK 11 billion, equally balanced between Norway and Sweden. DnB NOR Finans will pay a premium of just under NOK 1 billion over the company's equity. The transaction is expected to be completed during the first half of 2008, conditional on approval by Swedish and Norwegian authorities.

SalusAnsvar

DnB NOR Bank's offer to purchase all shares in SalusAnsvar was accepted by Swedish authorities on 18 October 2007. On the acceptance closing date, 26 October, shareholders representing 94.5 per cent of the company's shares had accepted DnB NOR Bank's offer. The acceptance deadline has been extended to 9 November, subsequent to which DnB NOR Bank will demand redemption of shares from any minority shareholders. The company distributes financial products to members of Swedish professional organisations and trade unions. The company is listed and has approximately 200 employees and 540 000 customers. The acquisition will give the banking group access to a well-established distribution network and a large customer base in Sweden. 100 per cent acceptance will give a total purchase price of SEK 749 million.

Discontinuing operations

In connection with the sale of DnB NOR Bank Group's premises at Aker Brygge in Oslo, a gain of NOK 865 million was recorded as income in the third quarter of 2007. The premises at Aker Brygge were classified as discontinuing operations as at 30 June 2007. Other bank buildings due to be sold during autumn 2007 were classified as discontinuing operations as at 30 September 2007.

Note 3 – Business areas

The activities of the DnB NOR Bank Group, which include DnB NOR Bank ASA and subsidiaries, are organised into three functional business areas and four staff and support units. In addition, DnB NOR is reported as a separate profit centre. The business areas carry responsibility for customer segments served by the banking group, as well as the products offered.

The income statement and balance sheets for business areas have been prepared on the basis of internal financial reporting for the functional organisation of the DnB NOR Bank Group into business areas. Figures for the business areas are based on DnB NOR's management model and the banking group's accounting principles. The figures have been restated in accordance with the banking group's current principles for allocating costs and capital between business areas and are based on a number of assumptions, estimates and discretionary distribution.

Income statement 3rd quarter

Amounts in NOK million	DnB NOR Bank Group											
	Corporate Banking and Payment Services		Retail Banking		DnB NOR Markets		DnB NOR		Other operations/ eliminations ¹⁾		DnB NOR Bank Group	
	3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Net interest income - ordinary operations	2 029	1 691	1 817	1 851	53	70	281	193	510	153	4 690	3 958
Interest on allocated capital	398	220	169	112	50	25	41	20	(658)	(377)	0	0
Net interest income	2 427	1 911	1 985	1 963	103	95	321	212	(148)	(224)	4 690	3 958
Net other operating income	657	628	751	783	252	697	136	69	(2)	(92)	1 793	2 085
Total income	3 084	2 540	2 736	2 746	355	792	457	281	(149)	(316)	6 483	6 042
Operating expenses ¹⁾	1 008	906	1 524	1 533	304	327	330	175	254	107	3 420	3 049
Pre-tax operating profit before write-downs	2 076	1 633	1 212	1 213	51	465	127	106	(403)	(423)	3 063	2 994
Net gains on fixed and intangible assets	3	95	0	0	0	0	5	3	865	26	874	124
Write-downs on loans and guarantees	(10)	(3)	54	24	0	0	37	16	(11)	(88)	70	(51)
Pre-tax operating profit	2 089	1 732	1 158	1 189	51	465	96	92	473	(309)	3 868	3 169
<i>*) Of which group overhead</i>	<i>37</i>	<i>26</i>	<i>14</i>	<i>12</i>	<i>6</i>	<i>5</i>	<i>0</i>	<i>0</i>	<i>(57)</i>	<i>(43)</i>		

Income statement January - September

Amounts in NOK million	DnB NOR Bank Group											
	Corporate Banking and Payment Services		Retail Banking		DnB NOR Markets		DnB NOR		Other operations/ eliminations		DnB NOR Bank Group	
	Jan.-Sept.		Jan.-Sept.		Jan.-Sept.		Jan.-Sept.		Jan.-Sept.		Jan.-Sept.	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Net interest income - ordinary operations	5 556	4 817	5 053	5 498	162	194	790	491	1 418	446	12 980	11 446
Interest on allocated capital	1 049	558	444	304	132	63	106	45	(1 730)	(971)	0	0
Net interest income	6 605	5 375	5 497	5 802	294	257	896	536	(312)	(525)	12 980	11 446
Net other operating income	2 196	1 951	2 323	2 343	2 154	2 453	425	219	(44)	(108)	7 053	6 858
Total income	8 801	7 326	7 820	8 145	2 448	2 711	1 321	756	(357)	(633)	20 033	18 304
Operating expenses ¹⁾	2 978	2 654	4 671	4 525	1 098	1 094	904	499	439	422	10 091	9 195
Pre-tax operating profit before write-downs	5 822	4 672	3 149	3 620	1 350	1 616	417	257	(796)	(1 056)	9 942	9 109
Net gains on fixed and intangible assets	11	138	0	0	(1)	0	12	7	866	142	888	287
Write-downs on loans and guarantees	47	(4)	194	143	22	0	73	35	(76)	(417)	260	(243)
Pre-tax operating profit	5 787	4 814	2 955	3 477	1 326	1 616	356	229	146	(497)	10 569	9 639
<i>*) Of which group overhead</i>	<i>95</i>	<i>76</i>	<i>43</i>	<i>36</i>	<i>19</i>	<i>16</i>	<i>0</i>	<i>0</i>	<i>(157)</i>	<i>(128)</i>		

1) Of which elimination of double entries:

Amounts in NOK million	3rd quarter	
	2007	2006
Net interest income - ordinary operations	(7)	(9)
Interest on allocated capital		
Net interest income	(7)	(9)
Net other operating income	(425)	(246)
Total income	(432)	(255)
Operating expenses		
Pre-tax operating profit before write-downs	(432)	(255)
Net gains on fixed and intangible assets		
Write-downs on loans and guarantees		
Pre-tax operating profit	(432)	(255)

The elimination of double entries primarily concerns net profits on customer business carried out in cooperation between DnB NOR Markets and other business areas and taken to income in both areas.

Note 3 – Business areas (continued)

Main average balance sheet items

Amounts in NOK billion	DnB NOR Bank Group											
	Corporate Banking and Payment Services		Retail Banking		DnB NOR Markets		DnB NOR		Other operations/eliminations		DnB NOR Bank Group	
	3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Net lending to customers ¹⁾	417.3	362.1	430.3	392.0	16.7	8.6	51.5	33.4	2.2	5.8	918.0	801.9
Deposits from customers ¹⁾	294.8	251.0	224.9	209.3	22.5	11.0	19.6	11.2	(2.6)	(6.4)	559.3	476.1

Key figures

Per cent	DnB NOR Bank Group											
	Corporate Banking and Payment Services		Retail Banking		DnB NOR Markets		DnB NOR		Other operations		DnB NOR Bank Group	
	3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter		3rd quarter	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Cost/income ratio	32.7	35.7	55.7	55.8	85.7	41.2	72.2	62.4			52.7	50.5
Ratio of deposits to lending ¹⁾	70.6	69.3	52.3	53.4			38.1	33.5			60.9	59.4
Return on capital ^{2) 3)}	19.4	18.1	25.3	24.7	3.8	42.5	8.4	12.5			20.0	18.4
Number of full-time positions as at 30 September ⁴⁾	2 291	2 584	3 696	4 040	599	550	3 144	1 917	2 334	1 456	12 065	10 547

1) Based on nominal values and includes lending to and deposits from credit institutions.

2) Return on capital is calculated on the basis of allocated capital. Allocated capital for Corporate Banking and Payment Services, Retail Banking, DnB NOR Markets and DnB NOR is calculated as 6.5 per cent of risk-weighted volume.

3) Estimated return on capital is based on profit after tax. A tax rate of 28 per cent is applied for Corporate Banking and Payment Services, Retail Banking and DnB NOR Markets. The expected tax rate for DnB NOR is 20 per cent for 2007 and 15 per cent 2006.

4) As a consequence of the reorganization of the Group in June 2007, 405 and 444 full-time positions respectively have been transferred from Corporate Banking and Payment Services and Retail Banking to Group Centre. As the services are repurchased, there is a limited effect on operating expenses in the business areas, and the presented figures have thus not been adjusted.

Note 4 – Net interest income

Amounts in NOK million	DnB NOR Bank ASA				
	3rd quarter 2007	3rd quarter 2006	January - September 2007	January - September 2006	Full year 2006
Interest on loans to and deposits with credit institutions	2 264	1 195	6 565	2 919	4 391
Interest on loans to customers	10 831	7 818	29 442	21 531	30 098
Interest on impaired commitments	27	20	84	77	101
Interest on commercial paper and bonds	1 407	954	4 169	2 483	3 808
Front-end fees etc.	139	75	314	211	255
Other interest income	(87)	114	(46)	369	454
Total interest income	14 583	10 175	40 528	27 591	39 108
Interest on loans and deposits from credit institutions	1 579	1 155	4 461	2 871	4 177
Interest on demand deposits from customers	4 783	2 603	12 401	6 770	9 741
Interest on securities issued	3 742	3 138	11 399	8 151	11 835
Interest on subordinated loan capital	489	390	1 460	996	1 436
Other interest expenses	172	(437)	142	(901)	(1 192)
Total interest expenses	10 765	6 849	29 863	17 887	25 997
Net interest income	3 818	3 326	10 665	9 704	13 111

Note 4 – Net interest income (continued)

<i>Amounts in NOK million</i>	DnB NOR Bank Group				
	3rd quarter	3rd quarter	January - September		Full year
	2007	2006	2007	2006	2006
Interest on loans to and deposits with credit institutions	1 208	706	3 868	1 827	2 891
Interest on loans to customers	13 362	9 109	35 922	24 932	34 838
Interest on impaired commitments	29	24	95	93	124
Interest on commercial paper and bonds	1 463	994	4 322	2 580	3 934
Front-end fees etc.	145	81	338	239	281
Other interest income	(64)	128	(3)	397	651
Total interest income	16 141	11 043	44 543	30 069	42 720
Interest on loans and deposits from credit institutions	1 790	1 257	4 965	3 201	4 609
Interest on demand deposits from customers	4 994	2 680	12 939	6 983	10 054
Interest on securities issued	3 975	3 166	11 939	8 225	12 194
Interest on subordinated loan capital	501	395	1 492	1 016	1 466
Other interest expenses	191	(413)	228	(802)	(1 072)
Total interest expenses	11 451	7 085	31 563	18 623	27 251
Net interest income	4 690	3 958	12 980	11 446	15 469

Note 5 – Net other operating income

<i>Amounts in NOK million</i>	DnB NOR Bank ASA				
	3rd quarter	3rd quarter	January - September		Full year
	2007	2006	2007	2006	2006
Money transfer fees receivable	645	679	1 935	2 039	2 710
Fees on asset management services	18	52	60	177	246
Fees on custodial services	100	83	302	271	369
Fees on securities broking	88	81	299	338	425
Corporate finance	105	51	475	363	546
Interbank fees	31	40	91	115	148
Credit broking commissions	63	58	263	198	290
Sales commissions on insurance products	63	69	216	247	349
Sundry commissions and fees receivable on banking services	260	204	755	593	779
Total commissions and fees receivable etc.	1 373	1 318	4 397	4 341	5 861
Money transfer fees payable	239	238	699	704	914
Commissions payable on fund management services	11	9	29	28	48
Fees on custodial services payable	34	27	108	96	124
Interbank fees	46	57	140	169	218
Credit broking commissions	34	8	54	26	34
Commissions payable on the sale of insurance products	3	2	8	6	4
Sundry commissions and fees payable on banking services	130	105	382	355	524
Total commissions and fees payable etc.	496	445	1 419	1 383	1 866
Net gains on financial instruments at fair value	370	719	2 505	2 630	3 712
Net realised gains on investment securities (AFS)	0	0	0	0	0
Profit from companies accounted for by the equity method	0	0	0	0	0
Income from owned/leased premises	49	27	93	97	115
Miscellaneous operating income ¹⁾	178	131	533	383	2 794
Total other income	227	158	625	480	2 909
Net other operating income	1 474	1 750	6 108	6 067	10 615

1) Of which dividends/group contributions from subsidiaries represent NOK 1 175 million and gains from the winding-up of the subsidiary Luxcap NOK 1 080 million in the fourth quarter of 2006.

Note 5 – Net other operating income (continued)

<i>Amounts in NOK million</i>	DnB NOR Bank Group				
	3rd quarter	3rd quarter	January - September	Full year	
	2007	2006	2007	2006	2006
Money transfer fees receivable	689	719	2 063	2 148	2 855
Fees on asset management services	20	52	65	179	248
Fees on custodial services	104	84	308	272	370
Fees on securities broking	89	81	301	340	427
Corporate finance	112	52	496	364	548
Interbank fees	32	40	95	115	148
Credit broking commissions	64	58	265	198	290
Sales commissions on insurance products	66	72	226	254	359
Sundry commissions and fees receivable on banking services	360	263	1 027	748	1 004
Total commissions and fees receivable etc.	1 536	1 421	4 846	4 617	6 249
Money transfer fees payable	251	243	724	716	936
Commissions payable on fund management services	11	9	29	28	48
Fees on custodial services payable	34	27	108	96	124
Interbank fees	47	57	145	169	219
Credit broking commissions	33	7	50	24	34
Commissions payable on the sale of insurance products	3	2	8	6	4
Sundry commissions and fees payable on banking services	157	120	451	397	576
Total commissions and fees payable etc.	534	465	1 513	1 437	1 939
Net gains on financial instruments at fair value	436	702	2 489	2 454	3 601
Net realised gains on investment securities (AFS)	0	0	0	0	0
Profit from companies accounted for by the equity method	(40)	94	18	146	171
Income from owned/leased premises	42	22	73	87	113
Fees on real estate broking	189	198	570	553	746
Net unrealised gains on investment property	0	0	(2)	0	0
Miscellaneous operating income	165	113	572	438	616
Total other income	396	332	1 213	1 078	1 475
Net other operating income	1 793	2 085	7 053	6 858	9 556

Note 6 – Net gains on financial instruments at fair value

<i>Amounts in NOK million</i>	DnB NOR Bank ASA				
	3rd quarter	3rd quarter	January - September	Full year	
	2007	2006	2007	2006	2006
Dividends	11	8	249	167	89
Net gains on foreign exchange and financial derivatives	533	597	1 584	2 232	3 551
Net gains on financial derivatives, hedging	406	362	(345)	(416)	(560)
Net gains on fixed rate loans	84	(47)	(366)	(703)	(1 144)
Net gains on financial guarantees	101	105	309	229	328
Net gains on commercial paper and bonds	(715)	(3)	(691)	(247)	(669)
Net gains on shareholdings	22	149	423	445	647
Net gains on other financial assets	39	20	0	14	(8)
Net gains on financial liabilities, hedged items	(395)	(421)	421	398	555
Net gains on financial liabilities, other	94	(97)	515	416	784
Net interest on interest rate positions	191	45	406	97	141
Net gains on financial instruments at fair value	370	719	2 505	2 630	3 712

Note 6 – Net gains on financial instruments at fair value (continued)

<i>Amounts in NOK million</i>	DnB NOR Bank Group				
	3rd quarter	3rd quarter	January - September		Full year
	2007	2006	2007	2006	2006
Dividends	11	9	147	100	103
Net gains on foreign exchange and financial derivatives	630	604	1 902	2 283	3 443
Net gains on financial derivatives, hedging	442	354	(289)	(423)	(565)
Net gains on fixed rate loans	73	(50)	(419)	(769)	(1 247)
Net gains on financial guarantees	108	109	333	245	341
Net gains on commercial paper and bonds	(729)	(2)	(890)	(264)	(504)
Net gains on shareholdings	24	130	409	357	558
Net gains on other financial assets	39	21	0	15	(8)
Net gains on financial liabilities, hedged items	(432)	(421)	384	398	555
Net gains on financial liabilities, other	79	(97)	506	416	784
Net interest on interest rate positions	191	45	406	97	141
Net gains on financial instruments at fair value	436	702	2 489	2 454	3 601

Note 7 – Operating expenses

<i>Amounts in NOK million</i>	DnB NOR Bank ASA				
	3rd quarter	3rd quarter	January - September		Full year
	2007	2006	2007	2006	2006
Ordinary salaries	1 016	971	3 071	2 963	4 018
Employer's national insurance contributions	129	125	406	387	533
Pension expenses ¹⁾	223	198	668	535	718
Other personnel expenses	87	69	232	192	269
Total salaries and other personnel expenses	1 455	1 363	4 377	4 078	5 538
Fees	168	110	475	376	565
EDP expenses	260	240	817	794	1 107
Postage and telecommunications	79	75	232	237	322
Office supplies	14	18	52	54	77
Marketing and public relations	104	93	316	276	399
Travel expenses	32	32	116	102	150
Reimbursement to Norway Post for transactions executed	63	76	162	232	269
Training expenses	8	8	35	30	52
Operating expenses on properties and premises	206	213	621	652	849
Operating expenses on machinery, vehicles and office equipment	22	18	67	54	81
Allocation to employees	0	0	0	0	124
Restructuring expenses	0	47	0	205	260
Other operating expenses	102	94	304	289	355
Other expenses	1 057	1 024	3 197	3 302	4 609
Depreciation and write-downs of fixed and intangible assets	120	99	315	277	383
Total operating expenses	2 632	2 486	7 888	7 656	10 530

Note 7 – Operating expenses (continued)

<i>Amounts in NOK million</i>	DnB NOR Bank Group				
	3rd quarter	3rd quarter	January - September		Full year
	2007	2006	2007	2006	2006
Ordinary salaries	1 362	1 245	4 046	3 694	5 039
Employer's national insurance contributions	182	168	561	502	692
Pension expenses ¹⁾	246	220	733	596	794
Other personnel expenses	104	80	286	242	324
Total salaries and other personnel expenses	1 893	1 713	5 626	5 034	6 849
Fees	199	127	529	411	613
EDP expenses	306	275	947	897	1 242
Postage and telecommunications	97	87	285	275	367
Office supplies	22	24	75	73	103
Marketing and public relations	146	118	431	359	518
Travel expenses	42	39	146	125	186
Reimbursement to Norway Post for transactions executed	63	76	162	232	269
Training expenses	13	12	51	41	68
Operating expenses on properties and premises	213	204	644	638	846
Operating expenses on machinery, vehicles and office equipment	34	28	103	82	120
Allocation to employees	0	0	0	0	146
Restructuring expenses	1	47	4	155	190
Other operating expenses	161	134	472	418	539
Other expenses	1 297	1 172	3 849	3 705	5 205
Depreciation and write-downs of fixed and intangible assets	229	163	616	456	632
Total operating expenses	3 420	3 049	10 091	9 195	12 686

1) With effect from 31 December 2006, the banking group changed the assumption concerning life expectancy in connection with the calculation of pension commitments. This has affected pension expenses for 2007.

Note 8 – Number of employees/full-time positions

	DnB NOR Bank ASA				
	3rd quarter	3rd quarter	January - September		Full year
	2007	2006	2007	2006	2006
Number of employees at end of period	7 487	7 258	7 487	7 258	7 323
of which number of employees abroad	303	245	303	245	305
Number of employees calculated on a full-time basis at end of period	7 245	7 001	7 245	7 001	7 072
of which number of employees calculated on a full-time basis abroad	298	238	298	238	293
Average number of employees	7 384	7 264	7 345	7 313	7 306
Average number of employees calculated on a full-time basis	7 145	7 003	7 108	7 046	7 043

	DnB NOR Bank Group				
	3rd quarter	3rd quarter	January - September		Full year
	2007	2006	2007	2006	2006
Number of employees at end of period	12 470	10 895	12 470	10 895	11 030
of which number of employees abroad	3 890	2 438	3 890	2 438	2 512
Number of employees calculated on a full-time basis at end of period	12 065	10 547	12 065	10 547	10 710
of which number of employees calculated on a full-time basis abroad	3 773	2 394	3 773	2 394	2 486
Average number of employees	12 318	10 891	11 805	10 824	10 861
Average number of employees calculated on a full-time basis	11 957	10 566	11 448	10 484	10 523

Note 9 – Net gains on fixed and intangible assets

<i>Amounts in NOK million</i>	DnB NOR Bank ASA				
	3rd quarter 2007	3rd quarter 2006	January - September 2007	September 2006	Full year 2006
Aker Brygge, Oslo	706		706		
Exporama				28	28
Other		(105)	(2)	14	35
Net gains on fixed and intangible assets	706	(105)	704	42	63

<i>Amounts in NOK million</i>	DnB NOR Bank Group				
	3rd quarter 2007	3rd quarter 2006	January - September 2007	September 2006	Full year 2006
Aker Brygge, Oslo	865		865		
Development area, Oppegård		47		47	47
Lodalen Utvikling		44		44	44
Kirkegaten 17, Oslo		22		22	31
Scanrope				16	16
Exporama				30	30
Bogstadveien 45, Oslo				61	61
Other	9	11	23	67	125
Net gains on fixed and intangible assets	874	124	888	287	354

Note 10 – Write-downs on loans and guarantees

<i>Amounts in NOK million</i>	DnB NOR Bank ASA				
	3rd quarter 2007	3rd quarter 2006	January - September 2007	September 2006	Full year 2006
Write-offs	53	32	144	129	191
New individual write-downs	106	102	467	402	473
Total new individual write-downs	159	134	611	531	664
Reassessed individual write-downs	21	54	146	194	273
Total individual write-downs	138	80	465	337	391
Recoveries on commitments previously written off	77	87	231	249	334
Change in group write-downs on loans	(17)	(69)	(35)	(377)	(394)
Write-downs on loans and guarantees ¹⁾	44	(76)	199	(289)	(337)
Write-offs covered by individual write-downs made in previous years	108	120	457	382	606
1) Of which individual write-downs on guarantees	(1)	1	6	12	(14)

<i>Amounts in NOK million</i>	DnB NOR Bank Group				
	3rd quarter 2007	3rd quarter 2006	January - September 2007	September 2006	Full year 2006
Write-offs	57	36	154	148	227
New individual write-downs	160	149	612	545	692
Total new individual write-downs	217	185	766	693	919
Reassessed individual write-downs	34	66	218	244	371
Total individual write-downs	183	119	548	449	548
Recoveries on commitments previously written off	107	94	274	295	388
Change in group write-downs on loans	(6)	(76)	(14)	(397)	(418)
Write-downs on loans and guarantees ¹⁾	70	(51)	260	(243)	(258)
Write-offs covered by individual write-downs made in previous years	118	93	500	458	699
1) Of which individual write-downs on guarantees	18	(1)	23	(11)	(13)

Note 11 – Lending to customers

DnB NOR Bank ASA			Amounts in NOK million	DnB NOR Bank Group		
30 Sept. 2006	31 Dec. 2006	30 Sept. 2007		30 Sept. 2007	31 Dec. 2006	30 Sept. 2006
577 550	589 086	594 620	Lending to customers, nominal amount	763 001	702 203	677 142
1 352	1 213	1 137	Individual write-downs	1 968	1 820	1 970
576 198	587 873	593 483	Lending to customers, after individual write-downs	761 033	700 383	675 172
1 843	1 960	2 525	+ Accrued interest and amortisation	2 776	2 126	1 988
488	398	385	- Individual write-downs of accrued interest and amortisation	397	399	488
787	756	677	- Group write-downs	892	892	928
576 766	588 679	594 946	Lending to customers, at amortised cost	762 520	701 217	675 744
121 683	133 671	152 516	Lending to customers, nominal amount	155 169	136 271	135 369
395	675	983	+ Accrued interest	988	681	499
297	(144)	(521)	+ Adjustment to fair value	(561)	(147)	332
122 375	134 202	152 978	Lending to customers, classified at fair value	155 596	136 805	136 200
699 141	722 881	747 925	Lending to customers	918 116	838 023	811 944

Note 12 – Net non-performing and impaired commitments for principal sectors ¹⁾

DnB NOR Bank ASA			Amounts in NOK million	DnB NOR Bank Group		
30 Sept. 2006	31 Dec. 2006	30 Sept. 2007		30 Sept. 2007	31 Dec. 2006	30 Sept. 2006
1 823	1 579	1 549	Retail customers	1 982	1 888	2 176
0	0	0	International shipping	0	0	0
427	261	398	Real estate	506	384	715
253	323	80	Manufacturing	364	532	406
182	131	187	Services	459	306	268
147	100	87	Trade	143	152	208
9	0	0	Oil and gas	0	1	9
52	70	66	Transportation and communication	198	132	97
106	81	122	Building and construction	179	119	121
0	0	0	Power and water supply	0	0	0
69	62	32	Fishing	82	86	62
83	56	31	Hotels and restaurants	54	71	88
60	90	59	Agriculture and forestry	94	119	110
0	0	0	Central and local government	0	0	0
0	0	0	Other sectors	17	10	11
3 210	2 753	2 611	Total customers	4 078	3 800	4 271
0	0	0	Credit institutions	0	0	0
3 210	2 753	2 611	Total	4 078	3 800	4 271

1) The breakdown into principal sectors is based on standardised sector and industry categories set up by Statistics Norway. Customers are classified according to their main line of business.

Note 13 – Intangible assets

DnB NOR Bank ASA			Amounts in NOK million	DnB NOR Bank Group		
30 Sept. 2006	31 Dec. 2006	30 Sept. 2007		30 Sept. 2007	31 Dec. 2006	30 Sept. 2006
1 755	1 658	1 652	Goodwill ¹⁾	3 520	2 759	2 858
51	51	51	Postbanken brand name	51	51	51
227	281	344	Systems development	360	293	227
0	0	19	Other intangible assets ¹⁾	126	63	53
2 032	1 990	2 066	Total intangible assets	4 057	3 166	3 189

1) As at 30 September 2007 the figures for Svensk Fastighetsförmedling AB and BISE Bank included in the DnB NOR Bank Group, are based on preliminary acquisition analyses.

Note 14 – Securities issued and subordinated loan capital

As an element in liquidity management, the DnB NOR Bank Group issues and redeems own securities.

Securities issued	DnB NOR Bank ASA		
	30 Sept. 2007	31 Dec. 2006	30 Sept. 2006
<i>Amounts in NOK million</i>			
Commercial paper issued, nominal amount	68 128	67 963	84 293
Bond debt, nominal amount	231 053	255 008	228 123
Adjustments	972	1 212	1 058
Total securities issued	300 153	324 183	313 473

Changes in securities issued	DnB NOR Bank ASA					
	Balance sheet 30 September 2007	Issued 2007	Matured/ redeemed 2007	Exchange movements 2007	Changes in adjustments 2007	Balance sheet 31 Dec. 2006
<i>Amounts in NOK million</i>						
Commercial paper issued, nominal amount	68 128	95 253	93 460	(1 629)	0	67 963
Bond debt, nominal amount	231 053	30 871	35 902	(18 925)	0	255 008
Adjustments	972	0	0	0	(239)	1 212
Total securities issued	300 153	126 125	129 362	(20 554)	(239)	324 183

Subordinated loan capital and perpetual subordinated loan capital securities	DnB NOR Bank ASA					
	Balance sheet 30 September 2007	Issued 2007	Matured/ redeemed 2007	Exchange rate movements 2007	Net change in recorded costs and adjustments 2007	Balance sheet 31 Dec. 2006
<i>Amounts in NOK million</i>						
Term subordinated loan capital, nominal amount	16 487	0	2 271	(1 424)	3	20 180
Perpetual subordinated loan capital, nominal amount	6 776	0	0	(866)	0	7 642
Perpetual subordinated loan capital securities, nominal amount ¹⁾	8 725	3 870	0	(508)	3	5 360
Adjustments	104	0	0	0	45	59
Total subordinated loan capital and perpetual subordinated loan capital securities	32 092	3 870	2 271	(2 798)	51	33 240

Securities issued	DnB NOR Bank Group		
	30 Sept. 2007	31 Dec. 2006	30 Sept. 2006
<i>Amounts in NOK million</i>			
Commercial paper issued, nominal amount	68 215	68 216	84 559
Bond debt, nominal amount	247 742	257 379	230 867
Adjustments	1 126	1 211	1 040
Total securities issued	317 082	326 806	316 466

Changes in securities issued	DnB NOR Bank Group					
	Balance sheet 30 September 2007	Issued 2007	Matured/ redeemed 2007	Exchange movements 2007	Changes in adjustments 2007	Balance sheet 31 Dec. 2006
<i>Amounts in NOK million</i>						
Commercial paper issued, nominal amount	68 215	95 320	93 801	(1 521)	0	68 216
Bond debt, nominal amount	247 742	49 490	39 895	(19 232)	0	257 379
Adjustments	1 126	0	0	0	(85)	1 211
Total securities issued	317 082	144 810	133 696	(20 753)	(85)	326 806

Subordinated loan capital and perpetual subordinated loan capital securities	DnB NOR Bank Group					
	Balance sheet 30 September 2007	Issued 2007	Matured/ redeemed 2007	Exchange rate movements 2007	Net change in recorded costs and adjustments 2007	Balance sheet 31 Dec. 2006
<i>Amounts in NOK million</i>						
Term subordinated loan capital, nominal amount	17 025	81	2 271	(1 552)	3	20 764
Perpetual subordinated loan capital, nominal amount	6 876	0	0	(866)	0	7 741
Perpetual subordinated loan capital securities, nominal amount ¹⁾	8 725	3 870	0	(508)	3	5 360
Adjustments	132	0	0	0	20	113
Total subordinated loan capital and perpetual subordinated loan capital securities	32 759	3 951	2 271	(2 926)	26	33 979

1) Perpetual subordinated loan capital securities are eligible for inclusion in core capital by an amount not exceeding 15 per cent of total core capital. Kredittilsynet may require that the securities should be written down proportionally to equity if the bank's core capital ratio falls below 5 per cent or capital adequacy ratio falls below 6 per cent. Amounts written down on the securities must be revalued before the distribution of dividends to shareholders or revaluation of equity.

Note 15 – Capital adequacy

New capital adequacy regulations, Basel II, entered into force on 1 January 2007, see below for further description of the DnB NOR Group's implementation of the Basel II regulations.

Capital adequacy calculations are subject to special consolidation rules governed by the Consolidation Regulations. Primary capital and nominal amounts used in calculating risk-weighted volume will deviate from figures in the DnB NOR Bank Group's accounts, as associated companies which are consolidated in the accounts according to the equity method are consolidated according to the gross method in capital adequacy calculations.

Valuation rules used in the statutory accounts form the basis for the consolidation. As from the first quarter 2007, the Norwegian IFRS regulations have been implemented in statutory accounts of the companies in the banking group, see note 1. According to new regulations on primary capital calculations, most items that have affected equity upon transition to the Norwegian regulations on the use of IFRS should be deducted from core capital. The deductions are specified below.

DnB NOR Bank ASA		Primary capital	DnB NOR Bank Group	
31 Dec. 2006 ¹⁾	30 Sept. 2007	<i>Amounts in NOK million</i>	30 Sept. 2007	31 Dec. 2006 ¹⁾
17 214	17 214	Share capital	17 214	17 214
28 143	33 217	Other equity	38 217	32 026
45 357	50 431	Total equity	55 431	49 240
5 360	8 421	Perpetual subordinated loan capital securities ^{2) 3)}	8 946	5 603
		Deductions		
(39)	(44)	Pension funds above pension commitments	(51)	(49)
(1 094)	(1 652)	Goodwill	(3 551)	(1 990)
(752)	(459)	Deferred tax assets	(327)	(625)
(308)	(414)	Other intangible assets	(556)	(394)
-	0	Group contribution, payable	0	-
-	(210)	Unrealised gains on fixed assets	(342)	-
0	(1 033)	50 per cent of investments in other financial institutions	(1 033)	0
-	(15)	Other	(52)	-
		Additions		
1 664	1 109	Portion of unrecognised actuarial gains/losses, pension costs ⁴⁾	1 186	1 768
50 188	56 135	Core capital	59 652	53 554
7 502	6 776	Perpetual subordinated loan capital	6 876	7 602
0	303	Perpetual subordinated loan capital securities ^{2) 3)}	0	0
19 885	16 487	Term subordinated loan capital ³⁾	17 471	20 969
		Deductions		
(2 144)	(1 033)	50 per cent of investments in other financial institutions	(1 033)	(2 144)
		Additions		
-	131	45 per cent of unrealised gains on fixed assets	190	-
25 243	22 665	Supplementary capital	23 505	26 427
75 431	78 801	Total eligible primary capital ⁵⁾	83 156	79 981

DnB NOR Bank ASA		Minimum capital requirement	DnB NOR Bank Group	
30 Sept. 2007		<i>Amounts in NOK million</i>	30 Sept. 2007	
11 077		Credit risk, IRB ⁶⁾	11 437	
		Of which:		
2 534		Retail commitments secured by residential property	2 893	
8 543		Corporate commitments, small and medium sized companies	8 543	
35 074		Claims calculated according to Basel I, transitional rules ⁷⁾	42 881	
46 151		Total minimum capital requirement, credit risk	54 318	
3 522		Position risk	3 524	
2		Settlement risk	2	
225		Foreign exchange risk	225	
3 749		Total minimum capital requirement, market risk	3 752	
2 857		Operational risk	2 857	
(165)		Deductions	(165)	
52 591		Total capital requirements according to Basel II	60 762	
3 894		Addition due to transitional rules (maximum 5 per cent reduction in relation to Basel I) ⁸⁾	5 745	
56 486		Total minimum capital requirement	66 508	

Note 15 – Capital adequacy (continued)

The table below illustrates the effect of the transition to Basel II regulations in the first three quarters of 2007. The column "Basel I" reflects calculations based on the former capital adequacy regulations. The results of the Basel II calculations have been included in the capital adequacy calculations shown in the "Basel II" column. The transitional rules limit the effect of Basel II calculations to a reduction to 95 per cent of Basel I requirements in the first year of implementation. This restriction, known as "Capital floor" is reflected in the capital adequacy shown in the "Reported" column in the table below.

	DnB NOR Bank ASA			
	Reported 30 Sept. 2007 ⁸⁾	Basel II 30 Sept. 2007	Basel I	
			30 Sept. 2007	31 Dec. 2006 ¹⁾
Risk-weighted volume (NOK million) ⁵⁾	706 073	657 392	743 235	708 428
Core capital ratio (%)	8.0	8.5	7.6	7.1
Capital ratio (%)	11.2	12.0	10.6	10.6
Core capital ratio including 50 per cent of profit for the period (%)	8.0	8.5	7.6	-
Capital ratio including 50 per cent of profit for the period (%)	11.2	12.0	10.6	-

	DnB NOR Bank Group			
	Reported 30 Sept. 2007 ⁸⁾	Basel II 30 Sept. 2007	Basel I	
			30 Sept. 2007	31 Dec. 2006 ¹⁾
Risk-weighted volume (NOK million) ⁵⁾	831 346	759 540	868 508	787 311
Core capital ratio (%)	7.2	7.9	6.9	6.8
Capital ratio (%)	10.0	11.0	9.6	10.2
Core capital ratio including 50 per cent of profit for the period (%)	7.2	7.9	6.9	-
Capital ratio including 50 per cent of profit for the period (%)	10.0	11.0	9.6	-

1) Figures for previous periods have been prepared in accordance with rules prevailing on the reporting dates.

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

3) As at 30 September 2007 calculations of capital adequacy include a total of NOK 668 million in subordinated loan capital in associated companies, in addition to subordinated loan capital in the banking group's balance sheet.

4) Upon implementation of NRS 6A (IAS 19) in 2005, unrecognised actuarial gains/losses for pension commitments were charged to equity in the accounts. The Ministry of Finance has established a transitional rule whereby two-fifths of the amount recorded against equity can be included in capital adequacy calculations as at 30 September 2007. This effect will be reduced by one-fifth yearly up until and including 2008.

5) Primary capital and nominal amounts used in calculating risk-weighted volume deviate from figures in the DnB NOR Bank Group's accounts since a different consolidation method is used. Associated companies are consolidated gross in the capital adequacy calculations while the equity method is used in the accounts.

6) In the third quarter of 2007, credit risk for loans to retail customers secured by residential property in DnB NOR Bank ASA, excluding such loans under the brand-name Postbanken, commitments with small and medium sized corporate customers in the Regional Division East and the Regional Division Coast and the housing-loan portfolio of DnB NOR Boligkreditt AS are reported according to the foundation IRB approach, Internal Ratings Based.

7) The minimum capital requirements for all portfolios not mentioned in footnote 6 are 8 per cent of risk-weighted volume calculated according to Basel I rules.

8) Due to transitional rules, minimum capital requirements for 2007, 2008 and 2009 can maximum be reduced to 95, 90 and 80 per cent respectively in relation to the requirements according to Basel I rules.

Basel II implementation

Monitoring and managing risk is an integral part of financial operations. In DnB NOR, sound risk management is a strategic tool to enhance value generation. Risk-adjusted return is a key financial management parameter in the internal management of the DnB NOR Bank Group. The banking group's risk is measured in the form of risk-adjusted capital requirements, calculated for main risk categories and for all of the Group's business areas. Capital is thus allocated to the business areas on the basis of the estimated risk of operations, and return on capital is continually monitored.

Basel II

New capital requirements, Basel II, entered into force on 1 January 2007 and are divided into three parts, so-called pillars. Pillar 1 is about minimum capital adequacy requirements and is based on the previous capital adequacy regulations, Basel I. Pillar 2 is about institutions' assessment of their overall capital requirement and supervisory review, while Pillar 3 is about the disclosure of financial information. The regulations entail that there will be greater consistency between the authorities' capital adequacy regulations for financial institutions and the methodologies used by the financial institutions themselves in calculating capital requirements. The minimum capital requirement is still 8 per cent, with minimum 50 per cent representing core capital. The new regulations will result in changes in the risk-weighted volume included in the calculation of the capital adequacy requirement. A new methodology has been introduced for calculating credit risk, while operational risk calculations have been added as a new element. The shift from Basel I to Basel II has a more limited impact on the treatment of market risk.

Pillar 1 Approach used in capital adequacy calculations

Pillar 1 includes capital requirements for credit, market and operational risk. The DnB NOR Bank Group has been granted permission to use the foundation IRB, Internal Ratings Based, approach for credit risk to calculate the Group's capital adequacy as from 1 January 2007.

Use of the foundation IRB approach implies that the bank's own classification systems are used for capital adequacy purposes. The IRB system is defined as the models, work processes, decision-making processes, control mechanisms, IT systems and internal guidelines and routines used to classify and quantify credit risk. During 2006, DnB NOR implemented important parts of the IRB system, mainly through the development of routines, procedures and IT systems.

Note 15 – Capital adequacy (continued)

The portfolios for which the Group has been granted permission to use the foundation IRB approach as from the first quarter of 2007 comprises loans to small and medium-sized companies as well as loans secured by residential property in DnB NOR Bank ASA excluding Postbanken. DnB NOR Boligkreditt AS was also granted permission to report its housing-loan portfolio according to the IRB approach as from the second quarter of 2007. All other credit portfolios are reported in accordance with the former capital adequacy requirements, Basel I.

Credit risk

Credit risk represents the chief risk category for the Group and refers to all claims against customers, mainly loans. In order to avoid large risk concentrations, the risk levels of individual customers, industries and geographical areas are monitored closely. In addition to verifying risk classifications, exposures to large clients are supervised through calculations which take the customer's credit quality and collateral into account.

The classification of commitments provides the basis for statistical calculations of expected losses in a long-term perspective and the need for equity on the basis of portfolio risk. DnB NOR's models for risk classification of customers are subject to continual improvement and testing. The models are adapted to different industries and segments and are successively upgraded to satisfy quality requirements according to Basel II. The models are based on three components:

1. *Estimated probability of default.* The counterparty (customer) is classified according to a scale of ten risk categories based on the probability of default. In addition, impaired and non-performing commitments are placed in categories 11 and 12 respectively for reporting purposes. The risk categories are defined on the basis of the scales used by international rating agencies.
2. *Exposure at default.* Exposure is an estimated figure which includes amounts drawn under credit limits (loans) as well as a percentage share of committed, undrawn credit lines.
3. *Loss given default.* This is a statistically modelled quantity indicating how much the Group expects to lose if the customer fails to meet his obligations, taking the collateral provided into consideration. Realisation values for collateral are set on the basis of experience and/or external data.

The credit risk models should show the average probability of default during a business cycle. However, no model is completely unaffected by cyclical fluctuations. Consequently, stress testing is used to assess whether the bank would be required to hold additional capital during a recession. Such assessments will be taken into account in the bank's management process to determine the correct level of capital.

Operational risk

On 1 January 2007, new regulations for capital requirements for operational risk entered into force. In a separate policy for operational risk management, the Board of Directors states that DnB NOR will have low operational risk. Thus, management places great emphasis on risk and quality in the management of the Group.

DnB NOR Bank ASA will report according to the standardised approach in 2007 and will consider a shift to the advanced measurement approach at a later date.

Market risk

Overall, market risk represents a moderate share of the Group's total risk. In 2007, DnB NOR will report market risk according to the standardised approach.

Further progress

In June 2006, the Group applied for permission to use the advanced IRB approach for credit risk as from 1 January 2008. A major reduction in risk-weighted assets is expected upon full implementation of the IRB system. Due to transitional rules, however, the minimum capital adequacy requirements for 2007, 2008 and 2009 will be reduced to a maximum of 95, 90 and 80 per cent respectively relative to the Basel I requirements.

Pillar 2 Institutions' assessment of total capital requirement and supervisory review

According to Pillar 2, DnB NOR is required to have a process for assessing the Group's overall capital adequacy. This includes an analysis of the risks not encompassed by the Pillar 1 process and the capital requirement for growth, as well as an indication of how much above the minimum regulatory capital ratios the Group chooses to set its capital levels.

The staff unit, Group Risk Management has overall responsibility for risk management and internal control and for assessing and reporting the Group's overall risk situation. Each quarter, Group Risk Management prepares a report to the Board of Directors of DnB NOR ASA regarding developments in the various risk categories as well as a report to the Board of Directors of DnB NOR Bank ASA regarding the trend in the banking group's credit risk.

As part of the adaptation to Pillar 2, the Board of Directors of DnB NOR ASA approved a new group capitalisation policy in April 2006, aimed at ensuring that group equity is adequate to ensure effective and optimal use of equity relative to the scope and risk profile of operations. The equity of DnB NOR should enable the Group to achieve a competitive return on equity and obtain competitive terms in funding markets. Also, it should put the Group in a position to exploit growth opportunities in the market through either organic growth or acquisitions while meeting minimum capital adequacy requirements with a margin adapted to the Group's adopted risk profile and risk tolerance.

In the longer term, the Group's equity will be structured to ensure that core capital excluding hybrid securities exceeds 4.25 per cent of risk-weighted assets, with the addition of a capital buffer. The calculation model for risk-adjusted capital is used to measure the size of the capital buffer relative to risk tolerance limits. Risk will be quantified through calculations of risk-adjusted capital. In addition, stress tests for credit and market risk are important reference points. The capitalisation policy is reviewed annually as part of the Group's budget and strategy process.

Note 15 – Capital adequacy (continued)

As part of its supervisory process, Kredittilsynet will prepare an annual overall risk assessment for the Group, including feedback on the capitalisation of the Group. These assessments will play a significant part when determining the actual effect of the transfer to new capital adequacy regulations.

Pillar 3 Requirements concerning the disclosure of financial information

Pillar 3 presents requirements concerning the disclosure of financial information on the Internet. The information must cover DnB NOR's adaptation to and compliance with the new capital adequacy regulations. Such information are presented on separate pages on www.dnbnor.com.

Note 16 – Off-balance sheet transactions and contingencies

Off-balance sheet transactions and additional information

DnB NOR Bank ASA				DnB NOR Bank Group		
30 Sept. 2006	31 Dec. 2006	30 Sept. 2007		30 Sept. 2007	31 Dec. 2006	30 Sept. 2006
			<i>Amounts in NOK million</i>			
228 092	234 098	244 723	Unutilised ordinary credit lines	259 474	245 827	237 789
16 725	15 571	17 124	Documentary credit commitments	17 335	15 705	16 856
448	335	400	Other commitments	552	447	513
245 266	250 004	262 247	Total commitments	277 361	261 979	255 158
19 101	20 550	21 419	Performance guarantees	22 431	21 702	19 962
19 980	17 388	17 469	Payment guarantees	18 369	18 247	20 055
19 681	40 514	7 990	Loan guarantees ¹⁾	8 056	16 368	20 752
3 401	3 922	3 881	Guarantees for taxes etc.	3 911	3 948	3 451
3 915	4 290	5 673	Other guarantee commitments	6 209	4 791	4 620
66 079	86 664	56 433	Total guarantee commitments ²⁾	58 975	65 056	68 840
0	0	0	Support agreements	6 361	5 267	4 076
66 079	86 664	56 433	Total guarantee commitments etc. ²⁾	65 336	70 323	72 916
			*) Of which:			
1 591	1 568	1 618	Counter-guaranteed by financial institutions	1 630	1 584	1 627
56 502	75 931	77 302	Securities	77 320	75 931	56 502
56 387	75 816	77 212	are pledged as security for: Loans ³⁾	77 212	75 816	56 387
115	115	108	Other activities	108	115	115

1) DnB NOR Bank carries loans in its balance sheet that subject to legal agreement have been transferred to Eksportfinans and for which DnB NOR Bank has issued guarantees. According to the agreement, DnB NOR Bank still carries interest rate risk and credit risk for the transferred portfolio. Customer loans in the portfolio totalling NOK 8 252 million were recorded in the balance sheet as at 30 September 2007.

2) Liabilities included in issued financial guarantees are measured at fair value and recorded in the balance sheet.

3) As at 30 September 2007 NOK 77 212 million in securities has been pledged as collateral for credit facilities with Norges Bank (the Norwegian central bank). According to regulations, these loans must be fully collateralised by a mortgage on interest-bearing securities and/or the bank's deposits with Norges Bank.

Contingencies

Due to its extensive operations in Norway and abroad, the banking group will regularly be party to a number of legal actions. None of the current disputes are expected to have any material impact on the banking group's financial position.

In 2004, DnB NOR Bank issued a writ against the Norwegian government, represented by the Central Tax Office for Large Companies, requiring that the tax assessment for 2002 be invalidated. The bank claimed that the tax authorities made incorrect use of the realisation principle with respect to interest rate and currency swaps, as no tax credit was awarded for net losses in the tax assessment. In 2006, the bank lost the case in the District Court. The outcome will have no material effect for the banking group. The decision has been appealed.

Note 17 – Profit and balance sheet trends

Income statement	DnB NOR Bank ASA				
	3rd quarter 2007	2nd quarter 2007	1st quarter 2007	4th quarter 2006	3rd quarter 2006
<i>Amounts in NOK million</i>					
Total interest income	14 583	13 679	12 266	11 517	10 175
Total interest expenses	10 765	10 223	8 875	8 110	6 849
Net interest income	3 818	3 456	3 391	3 407	3 326
Commissions and fees receivable etc.	1 373	1 528	1 495	1 520	1 318
Commissions and fees payable etc.	496	448	475	483	445
Net gains on financial instruments at fair value	370	997	1 138	1 082	719
Net realised gains on investment securities (AFS)	0	0	0	0	0
Profit from companies accounted for by the equity method	0	0	0	0	0
Other income ¹⁾	227	197	202	2 429	158
Net other operating income	1 474	2 275	2 359	4 548	1 750
Total income	5 292	5 731	5 750	7 955	5 075
Salaries and other personnel expenses	1 455	1 444	1 478	1 460	1 363
Other expenses	1 057	1 041	1 098	1 307	1 024
Depreciation and write-downs of fixed and intangible assets	120	101	94	107	99
Total operating expenses	2 632	2 586	2 670	2 873	2 486
Net gains on fixed and intangible assets	706	0	(2)	21	(105)
Write-downs on loans and guarantees	44	117	37	(48)	(76)
Pre-tax operating profit	3 321	3 028	3 041	5 151	2 560
Taxes	930	848	851	1 139	645
Profit from discontinuing operations after taxes	0	0	0	0	0
Profit for the period	2 391	2 180	2 190	4 012	1 915

1) Of which dividends/group contributions from subsidiaries represent NOK 1 175 million and gains from the winding-up of the subsidiary Luxcap NOK 1 080 million in the fourth quarter of 2006.

Note 17 – Profit and balance sheet trends (continued)

Balance sheet	DnB NOR Bank ASA				
	30 Sept. 2007	30 June 2007	31 March 2007	31 Dec. 2006	30 Sept. 2006
<i>Amounts in NOK million</i>					
Assets					
Cash and deposits with central banks	6 189	6 524	17 077	9 346	13 324
Lending to and deposits with credit institutions	174 214	222 479	198 630	117 261	139 147
Lending to customers	747 925	735 401	712 206	722 881	699 141
Commercial paper and bonds	110 573	108 885	112 825	137 302	100 963
Shareholdings	7 406	4 848	4 515	3 590	2 915
Financial derivatives	65 811	59 218	57 134	56 657	50 182
Shareholdings, available for sale	0	0	0	0	0
Commercial paper and bonds, held to maturity	0	0	0	0	0
Investment property	0	0	0	0	0
Investments in associated companies	584	569	569	569	537
Investments in subsidiaries	10 981	11 115	9 034	8 594	8 417
Intangible assets	2 066	2 074	2 008	1 990	2 032
Deferred tax assets	459	376	384	404	7
Fixed assets	663	1 986	2 652	2 687	2 742
Biological assets	0	0	0	0	0
Discontinuing operations	882	646	0	0	0
Other assets	5 329	6 513	7 050	6 033	2 786
Total assets	1 133 082	1 160 634	1 124 084	1 067 313	1 022 194
Liabilities and equity					
Loans and deposits from credit institutions	132 062	150 124	132 346	120 072	112 566
Deposits from customers	510 792	506 635	485 324	457 465	442 214
Financial derivatives	72 455	62 588	58 705	57 258	44 965
Securities issued	300 153	325 511	326 899	324 183	313 473
Payable taxes	5 094	4 132	3 347	2 642	2 669
Deferred taxes	3	3	3	3	972
Other liabilities	22 629	22 720	27 198	21 087	17 433
Discontinuing operations	0	0	0	0	0
Provisions	3 992	3 980	4 110	4 113	3 780
Subordinated loan capital	32 092	33 397	36 744	33 240	35 425
Total liabilities	1 079 271	1 109 089	1 074 677	1 020 064	973 496
Minority interests	0	0	0	0	0
Revaluation reserve	0	0	0	0	0
Share capital	17 214	17 214	17 214	17 214	17 214
Other reserves and retained earnings	36 597	34 331	32 192	30 035	31 484
Total equity	53 811	51 545	49 406	47 249	48 698
Total liabilities and equity	1 133 082	1 160 634	1 124 084	1 067 313	1 022 194

Note 17 – Profit and balance sheet trends (continued)

Income statement	DnB NOR Bank Group				
	3rd quarter 2007	2nd quarter 2007	1st quarter 2007	4th quarter 2006	3rd quarter 2006
<i>Amounts in NOK million</i>					
Total interest income	16 141	14 911	13 490	12 651	11 043
Total interest expenses	11 451	10 661	9 450	8 628	7 085
Net interest income	4 690	4 250	4 040	4 023	3 958
Commissions and fees receivable etc.	1 536	1 696	1 614	1 632	1 421
Commissions and fees payable etc.	534	480	498	503	465
Net gains on financial instruments at fair value	436	989	1 064	1 147	702
Net realised gains on investment securities (AFS)	0	0	0	0	0
Profit from companies accounted for by the equity method	(40)	21	37	24	94
Other income	396	414	403	397	332
Net other operating income	1 793	2 640	2 620	2 698	2 085
Total income	6 483	6 891	6 659	6 721	6 042
Salaries and other personnel expenses	1 893	1 886	1 847	1 815	1 713
Other expenses	1 297	1 271	1 281	1 499	1 172
Depreciation and write-downs of fixed and intangible assets	229	209	177	176	163
Total operating expenses	3 420	3 367	3 305	3 491	3 049
Net gains on fixed and intangible assets	874	9	5	66	124
Write-downs on loans and guarantees	70	140	51	(16)	(51)
Pre-tax operating profit	3 868	3 393	3 309	3 313	3 169
Taxes	1 044	916	893	1 032	755
Profit from discontinuing operations after taxes	0	0	0	0	0
Profit for the period	2 823	2 477	2 415	2 281	2 414
Profit attributable to shareholders	2 773	2 398	2 361	2 253	2 368
Profit attributable to minority interests	50	78	54	28	46

Note 17 – Profit and balance sheet trends (continued)

Balance sheet	DnB NOR Bank Group				
	30 Sept. 2007	30 June 2007	31 March 2007	31 Dec. 2006	30 Sept. 2006
<i>Amounts in NOK million</i>					
Assets					
Cash and deposits with central banks	8 805	8 951	18 685	11 453	15 474
Lending to and deposits with credit institutions	75 624	117 346	102 066	65 203	63 821
Lending to customers	918 116	892 579	852 661	838 023	811 944
Commercial paper and bonds	112 132	112 585	115 404	114 203	103 696
Shareholdings	7 761	5 097	4 748	3 818	3 088
Financial derivatives	65 996	59 285	57 169	56 345	50 288
Shareholdings, available for sale	0	0	0	0	0
Commercial paper and bonds, held to maturity	0	0	0	0	0
Investment property	169	138	149	148	147
Investments in associated companies	1 380	1 446	1 450	1 499	1 444
Investments in subsidiaries	-	-	-	-	-
Intangible assets	4 057	3 984	3 177	3 166	3 189
Deferred tax assets	278	185	144	190	27
Fixed assets	3 259	5 186	5 526	5 392	5 190
Biological assets	0	0	0	0	0
Discontinuing operations	1 641	812	27	27	43
Other assets	6 964	7 651	6 817	5 663	4 116
Total assets	1 206 182	1 215 245	1 168 024	1 105 131	1 062 465
Liabilities and equity					
Loans and deposits from credit institutions	148 800	163 750	141 603	124 383	121 111
Deposits from customers	541 317	536 524	509 186	480 471	463 177
Financial derivatives	72 712	62 512	58 645	57 646	45 053
Securities issued	317 082	328 508	330 288	326 806	316 466
Payable taxes	5 323	4 261	5 579	4 888	2 997
Deferred taxes	70	72	34	39	1 133
Other liabilities	24 682	24 610	21 403	15 367	17 917
Discontinuing operations	0	0	0	0	0
Provisions	4 239	4 199	4 345	4 372	4 013
Subordinated loan capital	32 759	34 151	37 432	33 979	36 200
Total liabilities	1 146 984	1 158 588	1 108 516	1 047 950	1 008 065
Minority interests	2 467	2 536	2 226	2 201	1 650
Revaluation reserve	0	0	0	0	0
Share capital	17 214	17 214	17 214	17 214	17 214
Other reserves and retained earnings	39 516	36 908	40 068	37 765	35 535
Total equity	59 197	56 658	59 508	57 181	54 399
Total liabilities and equity	1 206 182	1 215 246	1 168 024	1 105 131	1 062 465

Information about the DnB NOR Bank Group

Head office DnB NOR ASA

Mailing address NO-0021 Oslo
Visiting address Stranden 21, Oslo
Telephone +47 915 03000
Internet www.dnbnor.com
Organisation number Register of Business Enterprises NO 981 276 957 MVA

DnB NOR Bank ASA

Organisation number 984 851 006 MVA

Board of Directors in DnB NOR Bank ASA

Olav Hytta, chairman
Bent Pedersen, vice-chairman
Per Hoffmann
Kari Lotsberg
Torill Rambjør
Tore Olaf Rimmereid
Ingjerd Skjeldrum

Investor Relations

Tom Grøndahl, deputy CEO/chief financial officer	tel. +47 22 48 29 22	tom.grondahl@dnbnor.no
Per Sagbakken, head of IR/Long-term Funding	tel. +47 22 48 20 72	per.sagbakken@dnbnor.no
Thor Tellefsen	tel. +47 22 94 93 88	thor.tellefsen@dnbnor.no
Jo Teslo	tel. +47 22 94 92 86	jo.teslo@dnbnor.no
Helge Stray	tel. +47 22 94 93 76	helge.stray@dnbnor.no

Other sources of information

Annual reports

Annual reports for the DnB NOR Bank Group and DnB NOR Group are available on www.dnbnor.com.

Quarterly publications

Quarterly reports are available on www.dnbnor.com. Separate quarterly reports are prepared for the DnB NOR Group and Vital.

The publications can be ordered by sending an e-mail to investor.relations@dnbnor.no.

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