



## Supplementary Information for Investors and Analysts **2005 Third Quarter Results** (Unaudited)



Ole Mæhle. *View of the Mountain*.  
The painting is part of DnB NOR's art collection.

## Chief Executive Officer

Svein Aaser

### For further information, please contact

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

### Address

DnB NOR ASA, N-0021 Oslo

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

E-mail Investor Relations: investor.relations@dnbnor.no

Telefax Investor Relations: +47 2248 1994

DnB NOR switchboard: +47 03000

### Information on the Internet

DnB NOR Investor Relations	<a href="http://www.dnbnor.com">www.dnbnor.com</a>
DnB NOR's home page	<a href="http://www.dnbnor.no">www.dnbnor.no</a>

### Financial Calendar 2006

Preliminary results 2005	23 February
Annual general meeting	25 April
Ex-dividend date	26 April
First quarter	11 May
Second quarter	10 August
Third quarter	2 November

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In accordance with Section 3-9 of the Norwegian Accounting Act, all listed companies are required to prepare consolidated accounts for 2005 in accordance with IFRS, International Financial Reporting Standards (previously IAS, International Accounting Standards).

Financial information in section 1 and 2 refers to the consolidated accounts for DnB NOR ASA and have been prepared on the basis of consolidated accounts according to IFRS principles. Financial information in section 3 refers to operations in the DnB NOR Group business areas according to IFRS. Accounting principles are described in section 1.

Information in section 4 refers to operations in DnB NOR banking group. The application of IFRS is for the time being not allowed when preparing the statutory accounts for the banking group. Section 4 therefore has been prepared on the basis of accounting principles used by the DnB NOR Group up till 31 December 2004 (NGAAP). These principles are described in more detail in the annual report for 2004.

## Section 1

# DnB NOR- an overview

## Financial highlights

### 3Q05 results

- Pre-tax operating profit up 34 per cent to NOK 3.6 billion (2.7)
- Profit for the period up 37 per cent to NOK 2.7 billion (1.9)
- Expenses cut back to 48.9 per cent of income (56.5)
- Return on equity was 19.5 per cent (16.7)
- Earnings per share were NOK 1.99 (1.47)

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

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

### DnB NOR Group (IFRS)

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

### As at 30 Sept. 2005

NOK	1 389 billion
NOK	1 041 billion
NOK	652 billion
NOK	399 billion

### Banking group operations (NGAAP)

- Total assets
- Net lending
- Customer deposits

NOK	832 billion
NOK	648 billion
NOK	409 billion

### Asset management (IFRS)

- Mutual funds (external clients)
- Discretionary management (external clients)
- Total assets under management (external clients)

NOK	85 billion
NOK	263 billion
NOK	348 billion

### Life Insurance and Pensions (IFRS)

- Total assets
- of which unit linked

NOK	193 billion
NOK	13 billion

### Customer base

- Serving 2.2 million retail customers throughout Norway with various levels of activity
- More than 165 000 corporate customers
- Some 925 000 individuals insured
- Asset Management has more than 676 000 mutual fund customers in Norway and around 470 institutional clients in Norway and Sweden

### Market shares

See business areas

- Corporate Banking pp. 34-41
- Retail Banking pp. 42-46
- DnB NOR Markets pp. 47-51
- Life Insurance and Pensions pp. 52-61
- Asset Management pp. 62-66

### Distribution network

- 194 domestic DnB NOR branches
- 17 Nordlandsbanken branches
- 7 international branches
- 5 international representative offices
- 43 Postbanken sales outlets
- Internet banking
- Electronic banking
- Telephone banking
- Online equities trading in 13 markets
- Online mutual funds trading
- About 300 post office counters <sup>1)</sup>
- About 1 200 in-store postal outlets <sup>1)</sup>
- About 1 900 rural postmen <sup>1)</sup>
- 77 DnB NOR Eiendom sales offices
- 22 Vital sales offices
- 22 Vital agent agreements

1) Provided by Norway Post (the Norwegian postal system)

### Credit ratings from international rating agencies

	Moody's		Standard & Poor's	
	Long-term	Short-term	Long-term	Short-term
DnB NOR Bank ASA	Aa3	P-1	A +	A-1

## Group strategy

DnB NOR's strategic platform provides important guidelines for business choices. DnB NOR has Norway's largest customer base and is a leader in most Norwegian market segments. This market position provides a sound basis for generating further growth by developing and strengthening customer relationships. The business idea reflects DnB NOR's ambitions:

*A local presence and a full range of services are our strengths*

DnB NOR will be customers' best financial partner and will meet their needs for financial solutions throughout Norway and in selected areas in the international arena.

In the corporate and retail customer segments, the process of further developing service concepts and a product range closely adapted to individual customer needs is well under way. Improved advisory services and decision-making as close as possible to the customer are important aspects of the strategy. DnB NOR's various business areas cooperate closely to be able to offer customers good solutions at all times. DnB NOR must develop new products and services in step with the market. It is essential to offer solutions that bring convenience to the everyday lives of customers. Both internal and external communication should be open, sincere and easy to understand.

The Group will base growth in the international arena on comparative advantages in the form of competence within various customer segments and industries, special product expertise or established relationships where it is logical to follow the customer outside Norway. DnB NOR has a strong position within asset management in the Nordic region and a leading position in international shipping. In certain other sectors, such as energy and fisheries, the Group has strong expertise and an international presence. Sweden has now been defined as part of the DnB NOR Group's home market. This implies that the Group will channel more resources into and maintain a general presence in the Swedish market, also focusing on products other than asset management, where the Group already has a strong position. The Baltic region is an important and rapidly expanding market where many of DnB NOR's Nordic customers have operations. The establishment of DnB NORD is an important strategic move with the aim to follow customers into one of Europe's most dynamic regions. DnB NOR is the preferred partner for international customers doing business in Norway.

A common value base and a common culture are prerequisites for creating a uniform DnB NOR image in the market. The Group's shared values, team spirit, simplicity and value creation, describe what should distinguish the organisation and work processes both internally and in relation to customers. The process of creating a DnB NOR culture will take several years, but is off to a good start through the work on the Group's strategic platform. Under the heading "This is the way we do things", units throughout the Group have defined what the Group's business idea and values mean for individual units and staff members. These values are also reflected in the leadership principles and in how the Group's brands will be projected in the market.

The Group has specified targets with respect to different stakeholder groups: customers, employees, shareholders and society at large. DnB NOR wishes to deliver products and services that are easily understood and adapted to meet the financial needs of customers. The Group seeks to offer a diversified and challenging workplace and wishes to be perceived as a financial services institution showing social responsibility. Finally DnB NOR wishes to be the preferred alternative for investors giving priority to long-term value creation. The financial targets reflect the aim to create shareholder value. The Group seeks to achieve a return on equity and share price increases that are competitive in a Nordic context.

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

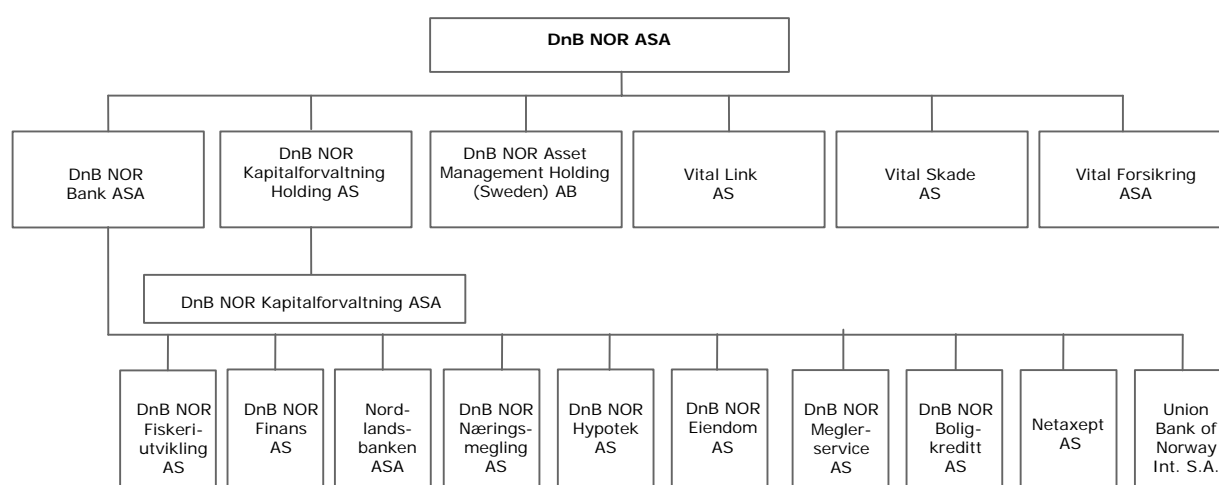
- A return on equity of over 15 per cent
- A cost/income ratio under 50 per cent to be reached by 2008
- A core capital ratio of minimum 7 per cent
- Around 50 per cent of annual profits should be distributed as dividends, provided that capital adequacy remains at a satisfactory level
- DnB NOR Bank ASA's ratings for ordinary long-term debt should be maintained at an Aa level



## Legal structure

In accordance with the requirements of the Norwegian regulatory authorities, the banking, asset management and life insurance activities of the DnB NOR Group are organised in separate limited companies under the holding company DnB NOR ASA. Banking activities are organised in DnB NOR Bank ASA, while asset management activities are organised in two companies: DnB NOR Kapitalforvaltning Holding AS and DnB NOR Asset Management Holding (Sweden) AB. Life insurance activities in the form of traditional life and pension products are carried out by Vital Forsikring ASA, while unit linked products are offered through Vital Link AS. Vital Skade AS offers non-life insurance as part of a total product package for retail and corporate clients and operates as an agent for domestic and foreign insurance underwriters. The chart below shows the legal structure of the DnB NOR Group at end-September 2005.

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



## Changes in group structure

### Sale of companies

In accordance with the terms of the authorities' concession for the merger, the DnB NOR Group was required to sell certain legal entities. This applied to Elcon Finans, Postbanken Eiendomsmegling, Aktiv Eiendomsmegling and Gjensidige NOR Fondsforsikring. All of these companies had been sold at the end of the first quarter of 2005.

The accounting effects of the sales are shown in the table on page 25.

The description of the business areas in section 3, including financial information, has been prepared as though these companies are no longer part of the Group. In the Group accounts according to IFRS in section 2, accounts for the companies are combined under the item "profit from discontinuing operations after taxes".

The terms of the merger also require the sale of a total of 53 banking outlets. This process is under way and the accounts and descriptions for the business areas include operations in branch offices that have not been sold.

**Sale of shares in Follalaks AS**

DnB NOR sold its 51 per cent owned subsidiary Follalaks AS in the third quarter of 2005. Gain on the sale of shares in Follalaks amounted to NOK 107 million, see table on page 25.

**Sale of shares in Helgelandske AS**

DnB NOR sold its 28.8 per cent holding in Helgelandske AS in the third quarter of 2005. Gain on the sale of shares in Helgelandske was NOK 16 million, see table on page 25.

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

In Norway, DnB NOR sees only a potential for organic growth, while further expansion must take place outside domestic borders. The Baltic region represents a large growth area, and on 21 June 2005, DnB NOR decided to establish a banking group under the name DnB NORD in cooperation with Norddeutsche Landesbank Girozentrale (NORD/LB), with operations in Denmark, Finland, Estonia, Latvia, Lithuania and Poland. The bank's head office will be located in Copenhagen, and an application for a concession was forwarded to the Danish authorities in August 2005.

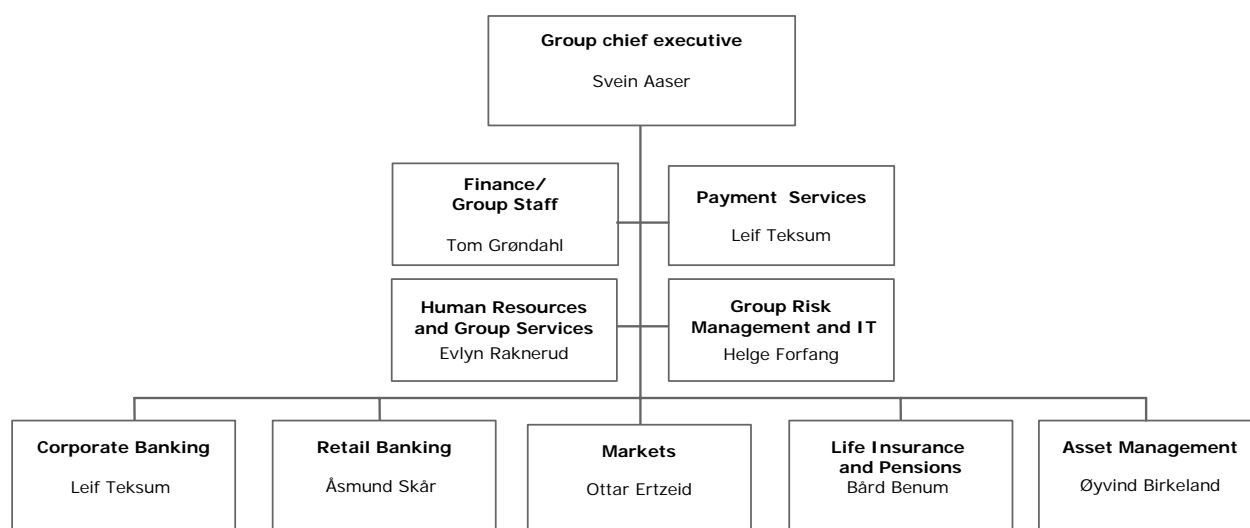
DnB NOR will obtain a significant strategic position in important expanding markets through the agreement. The new entity will be owned 51 per cent by DnB NOR Bank and 49 per cent by NORD/LB. The new bank is scheduled to become operative as from January 2006. DnB NORD will have a sound position in the Baltic Sea region from day one, with 1 450 employees, 111 branch offices, more than 550 000 customers and total assets of EUR 2.7 billion, corresponding to NOK 21 billion. DnB NOR will pay EUR 157.5 million, or NOK 1 240 million, for 51 per cent of the shares in DnB NORD.

As part of the agreement, DnB NOR took over NORD/LB's operations in Sweden in September 2005. This transaction doubled DnB NOR's banking activities in Sweden.

## Group business structure

The activities of DnB NOR are organised into five operational business areas and four staff and support units. As independent profit centres, the business areas carry responsibility for customer segments served by the Group, as well as the products offered. The operational structure of DnB NOR deviates from its legal structure as activities in subsidiaries fall in under the business area relevant to the company's operations.

### DnB NOR Group - organisation chart at end-September 2005 <sup>1)</sup>



1) Reporting structure

The business areas carry responsibility for specific customer segments and key distribution channels, including sales of customer products, marketing, customer service, distribution and risk assessment in addition to product development, production and product pricing. The business areas are also responsible for the most business-critical support functions and have the opportunity to influence other staff and support units in the Group.

Cooperation between the business areas is an important element in DnB NOR's strategy. A wide range of products, services and distribution channels enables the Group to offer customer solutions across business areas.

#### Financial targets for business areas

Differentiated financial requirements have been set for the business areas, which in combination will help the DnB NOR Group reach its financial targets.

Return on equity is a key target figure for the DnB NOR Group, and thus also important for the business areas. In the internal management and follow-up of business areas, estimated capital requirements based on the Group's total risk model are used to calculate returns. The resulting capital reflects the inherent risk in the business areas' operations and makes it possible to calculate comparable returns for all business areas. The business areas have differentiated targets for return on capital and also have to meet other financial and non-financial targets.

Returns for the business areas are presented in the descriptions of each area, see section 3. In this connection, return on capital is measured as the business area's profits after taxes relative to average capital requirements according to BIS rules (7 per cent capital requirement) for Retail Banking, Corporate Banking and DnB NOR Markets, while for Asset Management and Vital, the calculations are based on average recorded equity. This is consistent with the manner in which most other financial institutions present their business areas.

**Internal pricing**

DnB NOR's financial management model and operational organisation entail the sale of products and services between the business areas in the Group. The pricing of such intra-group transactions is regulated by internal agreements generally based on market terms.

Services provided by staff and support units will as far as possible be scaled and priced according to use. Joint expenses incurred by group staff units and other group expenditures that cannot be debited according to use, are charged to the business areas' accounts on the basis of special distribution formulas. Costs relating to the Group's equity transactions, including strategic investments, are not charged to the business areas. Nor are the business areas charged with direct shareholder-related expenses and costs concerning the Group's governing bodies.

Certain customers and transactions of major importance require extensive cooperation within the Group. To stimulate such cooperation, net income relating to some of these transactions is recorded in the accounts of all relevant business areas. This refers primarily to income from customer trading in Markets. In the third quarter of 2005, such income totalled NOK 217 million. Double entries are eliminated in the group accounts. For presentation of the business areas, see section 3.

## Synergies - IFRS

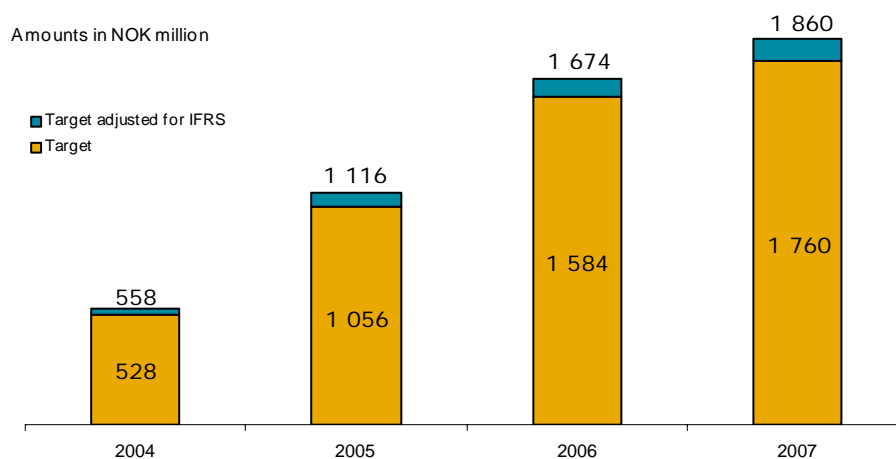
### Cost synergies resulting from the DnB NOR merger

#### Planned annual cost synergies following full implementation in 2007

<i>Amounts in NOK million</i>	Cost synergies	Staff reductions (full-time positions)	Restructuring costs
Retail Banking	745	740	365
Corporate Banking	150	200	145
DnB NOR Markets	105	100	120
Asset Management <sup>1)</sup>	110	70	175
IT and Payment Services	235	85	560
Human Resources and Group Services	160	110	160
Staff units/other operations <sup>2) 3)</sup>	355	325	335
<b>Total including Life Insurance and Pensions</b>	<b>1 860</b>	<b>1 630</b>	<b>1 860</b>

- 1) Asset Management and Life Insurance and Pensions include synergies related to IT and office space. With respect to other units, these synergies appear under staff units/other operations (IT and Group Services).
- 2) Includes IT and Payment services, Human Resources, Group Services and Treasury. Some synergies have an overall impact and apply to all business areas. Such synergies are not allocated to specific units.
- 3) Based on IFRS principles, total cost synergy targets for Life Insurance and Pensions are included. Restructuring provisions of NOK 250 million in Life Insurance and Pensions are not included.

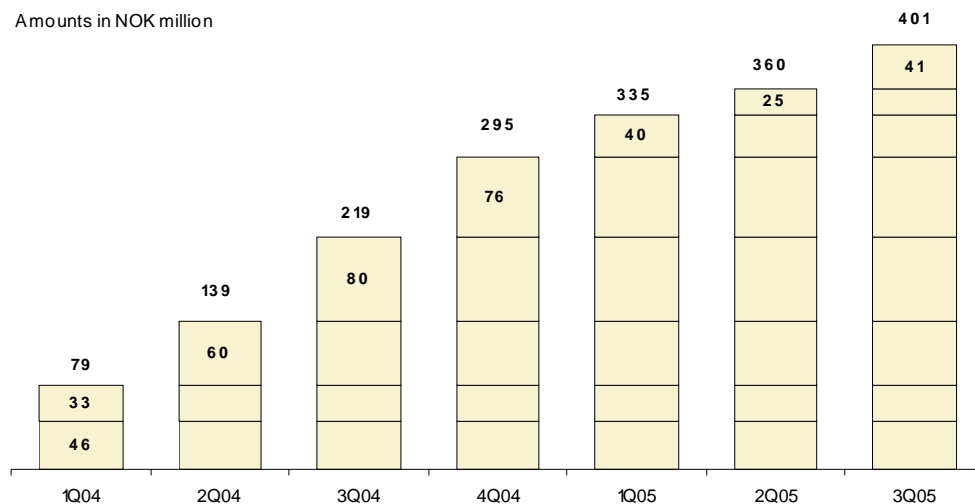
### DnB NOR's cost synergy targets



## Accumulated cost synergies

- Profit and loss effect 2003: NOK 93 million
- Profit and loss effect 2004: NOK 732 million
- Profit and loss effect for the first three quarters of 2005: NOK 1 096 million

Amounts in NOK million



## Accounting principles and transition to IFRS

### Transitional effects

Up till 31 December 2004, the DnB NOR Group's consolidated accounts were based on Norwegian accounting legislation, accounting regulations issued by Kredittilsynet (the Financial Supervisory Authority of Norway) and Norwegian generally accepted accounting principles. Effects of the transition from NGAAP to IFRS on the Group's profits for the third quarter and first three quarters of 2004 as well as equity as at 30 September 2004 are presented in note 1 in the third quarter report. Effects resulting from the transition to IFRS are described in further detail in note 1 in the first quarter report 2005.

A description of transitional changes resulting from the transition to IFRS is presented in the "Supplementary Information for Investors and Analysts – 1Q05". Furthermore, a description of the transitional effects for selected 2004 profit and loss and balance sheet items is provided in "IFRS – new international accounting principles, restated 2004 figures", issued in April 2005.

### Accounting principles

A description of the accounting principles applied by the Group in preparing the accounts for the third quarter of 2005 is found in "Supplementary Information for Investors and Analysts – 1Q05". The DnB NOR Group's annual accounts for 2005 will be presented according to IFRS principles in force as at 31 December 2005. The version of IAS 39 which allows the recording of the institution's issued debt securities not included in the trading portfolio at fair value has yet to be approved by the EU. See description of the fair value option below. Also, the EU has not yet approved stipulations in IAS 39 that open up for using core deposits in portfolio hedging of interest rate risk. The accounts for the third quarter of 2005 have been prepared within the scope of prevailing IFRSs without using the options not yet approved by the EU. However, see description of Eksportfinans ASA below. By employing approved methods for portfolio hedging and assessing fixed-rate loans at fair value, DnB NOR's overall presentation of the accounts will generally be consistent with the Group's interest rate management and actual financial performance.

In June 2005, IASB (International Accounting Standards Board) issued the Fair Value Option (FVO). FVO allows for the recording of liabilities outside the trading portfolio at fair value. The DnB NOR Group will consider applying FVO in order to reduce inconsistency in the accounts resulting from collectively managed balance sheet items being assessed according to different valuation principles. The deadline for implementation was set at 1 September 2005. However, EU approval of the standard is not expected until the fourth quarter of 2005. The DnB NOR Group believes that implementation of the rules requires approval by the EU and will thus start applying the FVO in the fourth quarter of 2005. The use of FVO could result in changes in the DnB NOR Group's opening balance sheet.

The introduction of the FVO and possible amendments to or new interpretations of other standards will result in certain changes in reporting as of the fourth quarter of 2005. The changes are expected to have no material impact on accounting figures.

The accounting principles are applied consistently when consolidating holdings in subsidiaries and associated companies. When incorporating equity from the investment in Eksportfinans ASA, however, the version of IAS 39 - Financial Instruments not yet approved by the EU has been used. Consequently, financial assets and liabilities in Eksportfinans have been recorded at fair value, reflecting the actual underlying financial situation of the company.

### Pro forma accounting figures

DnB NOR Group implemented IAS 39 – Financial Instruments, IFRS 2 – Share-based Payments, IFRS 4 – Insurance Contracts and IFRS 5 – Discontinuing Operations as of 1 January 2005. However, the accounts include pro forma figures for 2004 prepared as if the DnB NOR Group had implemented these standards as of 1 January 2004. Still, the pro forma figures are not fully documented according to requirements in the respective standards. Official comparable figures based on principles in force at any given time will be included in the annual accounts. Due to varying application of principles, however, they will be of limited information value.

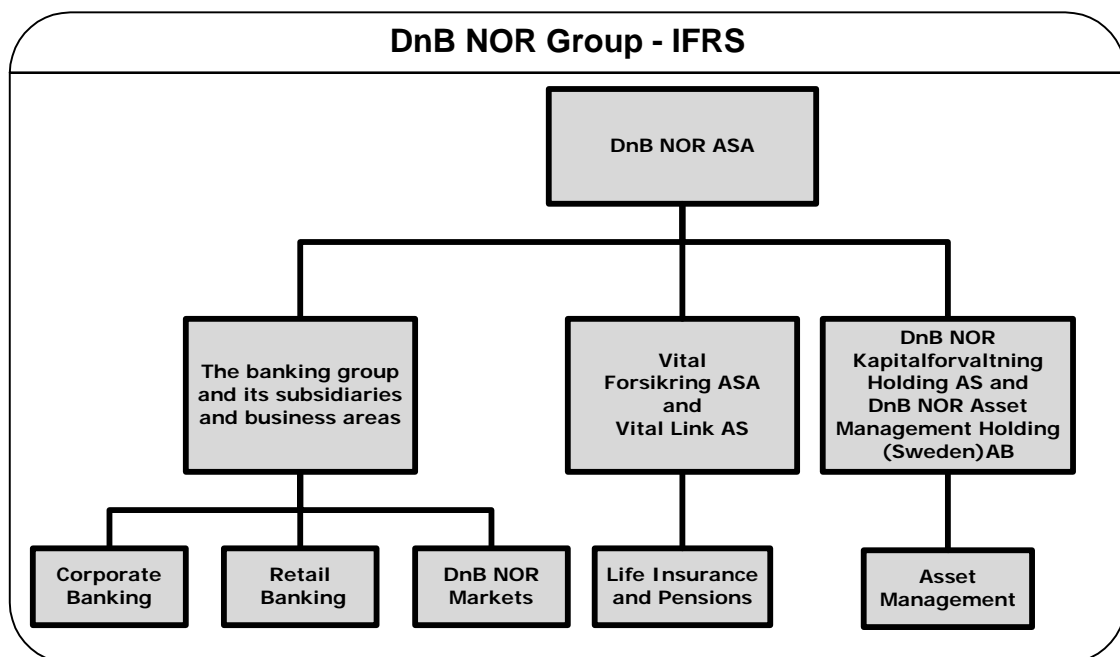




## Section 2

# Financial results DnB NOR Group according to IFRS

Unless otherwise specified,  
figures are based on IFRS



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

<i>Amounts in NOK million</i>	3Q05	2Q05	1Q05	4Q04	3Q04	Jan. - Sept.	
						2005	2004
Ordinary operating profit <sup>1)</sup>	3 344	2 920	2 752	2 991	2 490	9 016	7 469
Pre-tax operating profit before write-downs	3 344	2 920	2 752	2 852	2 490	9 016	6 539
Pre-tax operating profit	3 553	3 253	2 633	2 798	2 657	9 438	7 686
Profit for the period	2 665	2 440	1 974	2 475	1 943	7 079	5 766
Cost/income ratio (per cent) <sup>1)</sup>	48.9	52.6	53.8	53.2	56.5	51.7	57.3
Return on equity (per cent)	19.5	18.6	15.3	20.5	16.7	17.8	16.8
Earnings per share (NOK)	1.99	1.82	1.49	1.86	1.47	5.30	4.37
Total combined assets at end of period (NOK billion)	1 389	1 325	1 298	1 246	1 261	1 389	1 261
Core capital ratio at end of period (per cent) <sup>2)</sup>	7.4	7.5	7.6	7.6	7.3	7.4	7.3

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

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

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

<i>Amounts in NOK million</i>	3Q05	2Q05	1Q05	4Q04	3Q04	Jan. - Sept.	
						2005	2004
Net interest income and credit commissions	3 440	3 407	3 350	3 436	3 401	10 196	9 944
Net other operating income	3 103	2 755	2 605	2 960	2 320	8 463	7 555
Total operating expenses	3 199	3 241	3 203	3 545	3 231	9 644	10 960
Pre-tax operating profit before write-downs	3 344	2 920	2 752	2 852	2 490	9 016	6 539
Net gains on fixed and intangible assets	130	455	17	(33)	3	602	947
Write-downs on loans and guarantees	(79)	123	136	21	(164)	180	(200)
Pre-tax operating profit	3 553	3 253	2 633	2 798	2 657	9 438	7 686
Taxes	888	813	658	323	714	2 360	1 999
Profit from discontinuing operations after taxes	0	0	0	0	0	0	79
<b>Profit for the period</b>	<b>2 665</b>	<b>2 440</b>	<b>1 974</b>	<b>2 475</b>	<b>1 943</b>	<b>7 079</b>	<b>5 766</b>

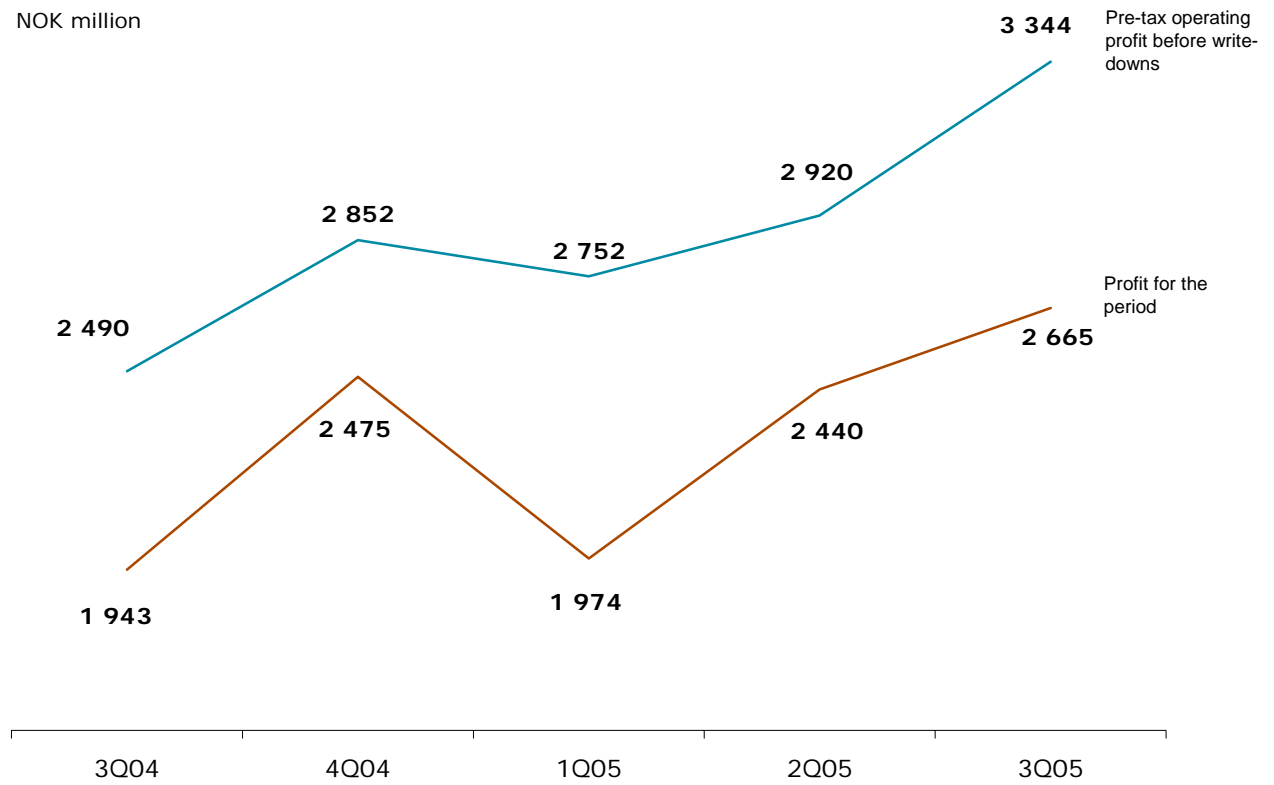
**Balance sheets – condensed – IFRS**

<i>Amounts in NOK billion</i>	30 Sept.	30 June	31 March	1 Jan.	30 Sept.	1 Jan.
	2005	2005	2005	2005	2004	2004
Cash and lending to/deposits with credit institutions	76.7	65.4	56.7	34.2	43.2	63.1
Net lending to customers	652.1	621.9	600.8	583.2	576.5	545.4
Commercial paper, bonds, etc.	191.9	183.8	182.5	172.1	173.0	159.2
Shareholdings, etc.	34.7	31.7	32.3	31.0	28.7	24.9
Fixed and intangible assets	31.3	30.3	31.2	31.1	29.7	29.6
Financial assets - customers bearing the risk	12.0	10.8	10.4	9.7	9.2	7.3
Other assets	41.9	49.0	45.9	51.5	55.2	53.7
<b>Total assets</b>	<b>1040.7</b>	<b>992.9</b>	<b>959.8</b>	<b>912.8</b>	<b>915.5</b>	<b>883.1</b>
Loans and deposits from credit institutions	103.3	94.2	87.2	59.2	73.7	89.3
Deposits from customers	399.2	383.0	368.4	354.0	350.1	330.6
Borrowings through the issue of securities	220.6	205.6	200.0	192.8	191.9	181.8
Financial liabilities - customers bearing the risk	12.0	10.8	10.4	9.7	9.2	7.3
Liabilities to life insurance policyholders	168.1	162.1	158.0	153.5	149.7	137.7
Other liabilities and provisions	58.2	61.5	57.9	68.2	68.3	67.5
Primary capital	79.2	75.8	78.0	75.4	72.6	68.8
<b>Total liabilities and equity</b>	<b>1040.7</b>	<b>992.9</b>	<b>959.8</b>	<b>912.8</b>	<b>915.5</b>	<b>883.1</b>

For full profit and loss accounts and balance sheets, see pages 28-29.

## Profits – IFRS

NOK million



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

<i>Amounts in NOK million</i>	3Q05	Change	3Q04
<b>Net interest income</b>	<b>3 440</b>	<b>39</b>	<b>3 401</b>
Of which:			
Lending and deposit volumes		293	
Lending and deposit spreads		(285)	
Levies to the banks' guarantee fund		70	
Other		(39)	

<i>Amounts in NOK million</i>	3Q05	Change	2Q05
<b>Net interest income</b>	<b>3 440</b>	<b>33</b>	<b>3 407</b>
Of which:			
Lending and deposit volumes		107	
Lending and deposit spreads		(85)	
Interest day		35	
Front-fees, back-end fees		21	
Other		(45)	

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

<i>Per cent</i>	3Q05			3Q04		
	Lending	Deposits	Total	Lending	Deposits	Total
Corporate Banking	1.38	0.60	1.98	1.62	0.59	2.21
Retail Banking	1.54	0.83	2.37	1.68	0.84	2.52
<b>Total</b>	<b>1.47</b>	<b>0.72</b>	<b>2.19</b>	<b>1.67</b>	<b>0.72</b>	<b>2.39</b>

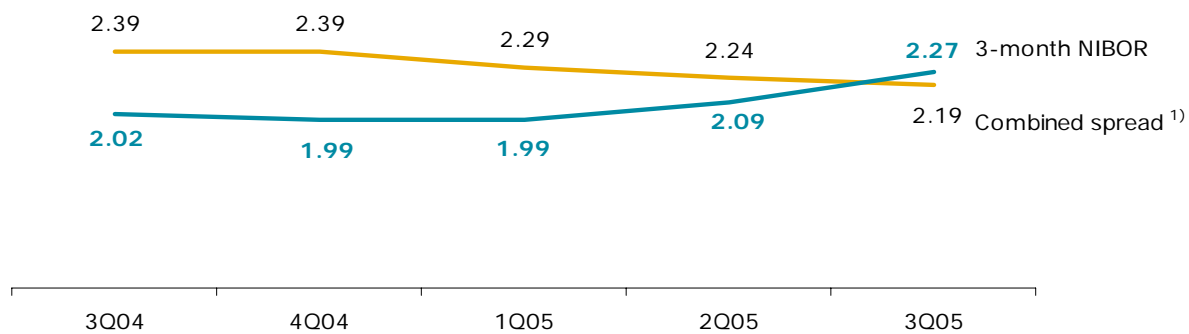
**Changes in net interest income (IFRS) 3Q04-3Q05 due to changes in:**

<i>Amounts in NOK million</i>	Volume	Interest rate spreads	Total
Lending	232	(298)	(66)
Deposits	61	13	74
<b>Total</b>	<b>293</b>	<b>(285)</b>	<b>8</b>

For details on developments in spreads and volumes in the banking business, see Section 4. The spread and volume development analyses are the same according to both IFRS and NGAAP.

## Developments in average interest rate spreads

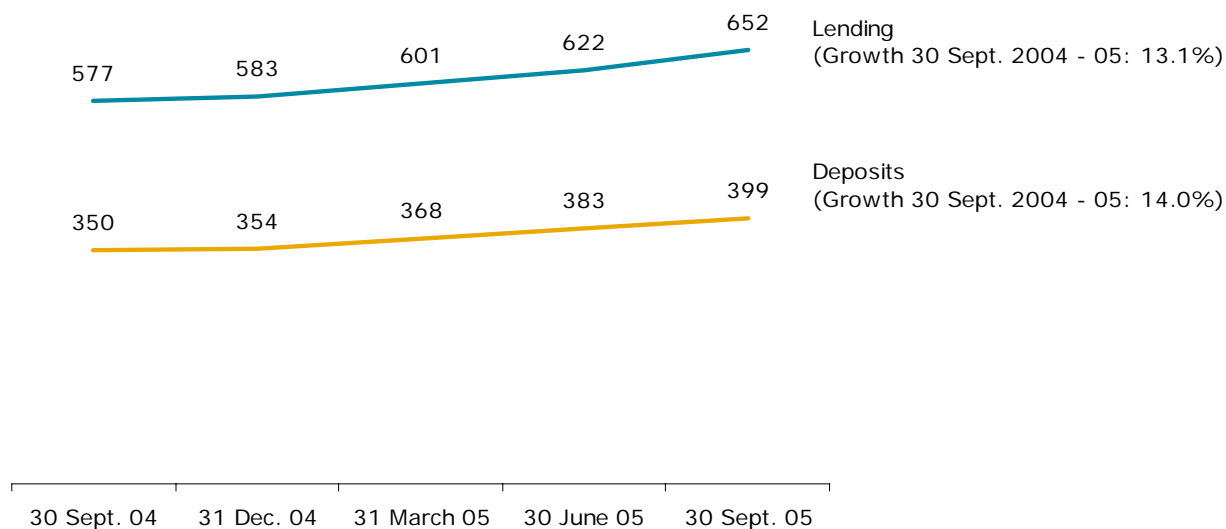
Per cent



1) Combined spread for lending and deposits

## Developments in volumes <sup>1)</sup>

NOK billion



1) Excluding discontinued operations

**Net other operating income – IFRS**

<i>Amounts in NOK million</i>	3Q05	2Q05	1Q05	4Q04	3Q04	Jan. - Sept.	
						2005	2004
Money transfer and interbank transactions	478	505	459	512	525	1 441	1 479
Asset management services	299	269	282	287	251	850	763
Credit broking, guarantees etc.	67	65	54	56	67	187	188
Real estate broking	172	175	123	155	145	470	424
Custodial services	47	60	39	49	40	147	120
Securities trading	89	72	83	44	49	244	179
Sale of insurance products through the banking network	101	92	98	82	59	290	204
Other income from banking services	148	109	93	112	89	351	307
Net gains on share investments	456	243	87	141	13	786	279
Corporate finance etc.	88	50	126	83	42	264	164
Other income	91	164	223	192	167	479	631
Net income from Life Insurance and Pension operations	601	555	604	800	512	1 760	1 616
FX and interest rate instruments <sup>1)</sup>	464	396	335	448	361	1 195	1 202
<b>Net other operating income</b>	<b>3 103</b>	<b>2 755</b>	<b>2 605</b>	<b>2 960</b>	<b>2 320</b>	<b>8 463</b>	<b>7 555</b>
As a percentage of total income	47.4	44.7	43.8	46.3	40.6	45.4	43.2

1) Of which:							
Customer trading in FX and interest rate instruments, DnB NOR Markets - NGAAP	249	251	333	259	209	834	679
Trading in FX and interest rate instruments, DnB NOR Markets - NGAAP	209	147	111	178	110	466	438
Banking portfolio, other	36	(1)	7	36	28	43	79
IFRS adjustments etc.	(29)	(2)	(116)	(25)	14	(148)	6
Total FX and interest rate instruments	464	396	335	448	361	1 195	1 202

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

<i>Amounts in NOK million</i>	3Q05	Change	3Q04
<b>Net other operating income</b>	<b>3 103</b>	<b>783</b>	<b>2 320</b>
Of which:			
Commissions receivable		214	
Income on financial instruments		542	
Net income from life insurance and pension operations		89	
Other income		(62)	

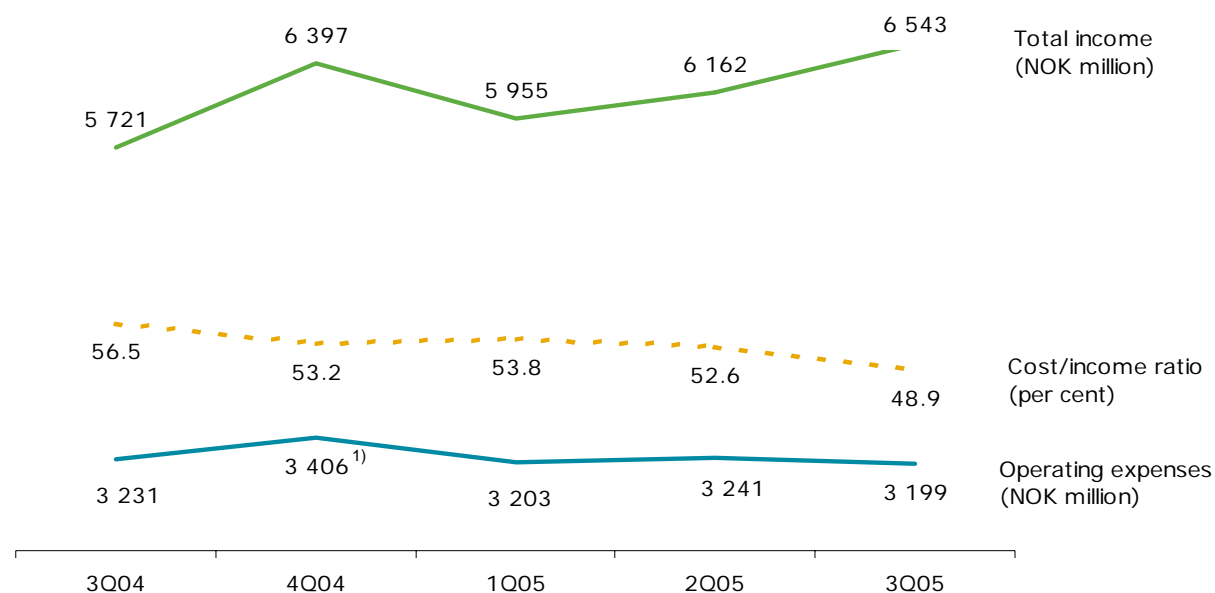
## Operating expenses – IFRS

Amounts in NOK million	3Q05	2Q05	1Q05	4Q04	3Q04	Jan. - Sept.	
						2005	2004
Staff costs	1 730	1 666	1 706	1 711	1 695	5 102	5 163
Other costs	1 306	1 411	1 337	1 458	1 306	4 053	4 143
Depreciation, impairment on fixed and intangible assets	162	165	161	238	230	488	724
<b>Total ordinary operating expenses</b>	<b>3 199</b>	<b>3 241</b>	<b>3 203</b>	<b>3 406</b>	<b>3 231</b>	<b>9 644</b>	<b>10 030</b>
Other	0	0	0	139	0	0	930
<b>Total operating expenses</b>	<b>3 199</b>	<b>3 241</b>	<b>3 203</b>	<b>3 545</b>	<b>3 231</b>	<b>9 644</b>	<b>10 960</b>

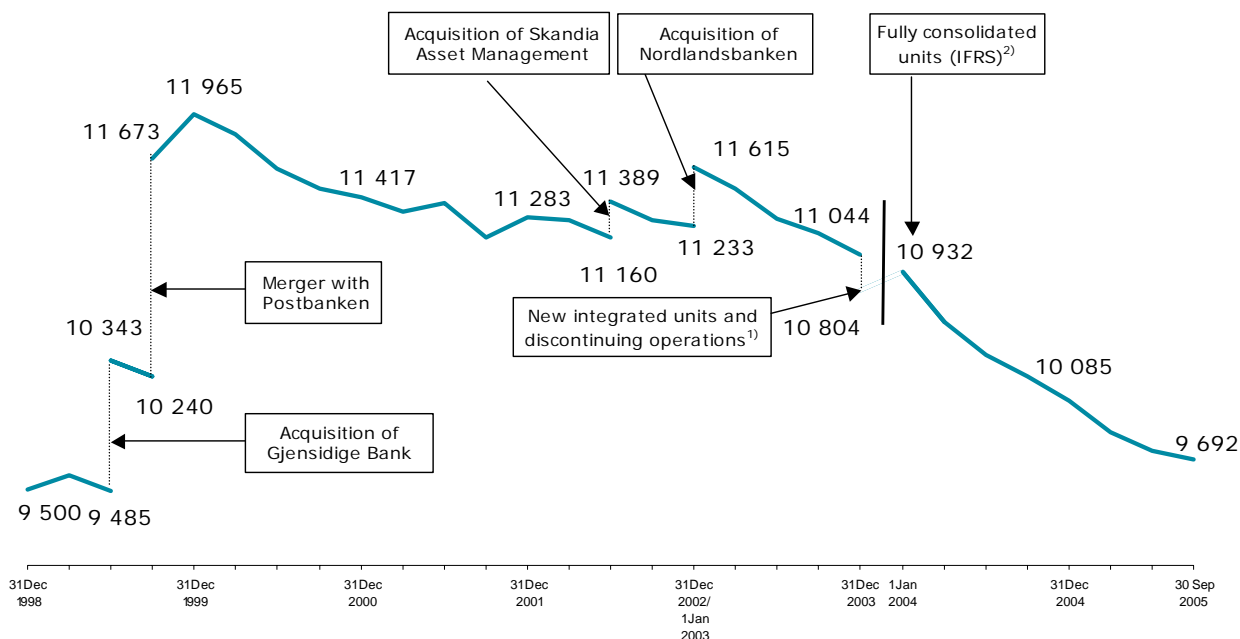
## Changes in total operating expenses – IFRS

Amounts in NOK million	3Q05	Change	3Q04
<b>Total operating expenses</b>	<b>3 199</b>	<b>(32)</b>	<b>3 231</b>
Of which:			
Wage settlements		31	
Performance-based pay		88	
Marketing		36	
Merger synergies		(182)	
Other		(5)	

## Cost/income ratio – IFRS



1) Excluding allocations to employee funds

**Employees - full-time positions – IFRS**

- 1) As at 31 December 2003 the number of full-time positions was reduced by 441 through the sale of Elcon, implemented on 30 March 2004, while the sale of Gjensidige NOR Fondsforsikring resulted in staff cuts of eight full-time positions, implemented in the second quarter of 2004. On the other hand, 209 full-time positions from the former jointly controlled companies Gjensidige NOR Driftspartner and Gjensidige NOR Markedsstøtte were transferred to the Group as from 1 January 2004. The net effect of these changes was a reduction of 240 full-time positions.
- 2) As at 1 January 2004 the number of full-time positions increased by 128 as a result of the transition to IFRS.

**Number of employees - full-time positions – IFRS <sup>1)</sup>**

	30 Sept. 2005	Other changes	Changes in group structure resulting from the merger	31 Dec. 2004
<i>Full-time positions</i>				
Corporate Banking	1 787	(44)		1 831
Retail Banking	4 137	(152)		4 288
DnB NOR Markets	530	(1)		531
Life Insurance and Pensions	867	(59)		926
Asset Management	291	(19)		310
Discontinuing operations <sup>2)</sup>	0	0	(5)	5
Staff and support units	2 056	(17)		2 073
New subsidiaries according to IFRS <sup>3) 4)</sup>	25	(97)		122
<b>Total</b>	<b>9 692</b>	<b>(388)</b>	<b>(5)</b>	<b>10 085</b>

1) IFRS figures include employees in subsidiaries which have been subject to consolidation according to IFRS, but were not consolidated according to NGAAP. Figures do not include seasonal employees. For information on synergies, see page 13.

2) A reduction of five full-time positions resulting from the sale of Postbanken Eiendomsmegling in January 2005.

3) A reduction of 44 full-time positions resulting from the sale of Aurora Salmon AS in June 2005.

4) A reduction of 57 full-time positions resulting from the sale of Follalaks AS in September 2005.



## IT expenses – IFRS

Amounts in NOK million	3Q05	2Q05	1Q05	4Q04	3Q04	Jan. - Sept.	
						2005	2004
IT operating expenses	416	423	399	379	417	1 238	1 304
Systems development expenses	142	142	142	143	143	426	439
Life Insurance and Pensions	71	103	98	122	110	271	341
<b>Total IT expenses <sup>1)</sup></b>	<b>626</b>	<b>671</b>	<b>639</b>	<b>644</b>	<b>669</b>	<b>1 935</b>	<b>2 084</b>

1) Including salaries and indirect costs.

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

Amounts in NOK million	30 Sept. 2005 <sup>2)</sup>	Expenses	1 Jan. 2005 <sup>2)</sup>
DnB NOR merger	383	575 <sup>*</sup> )	958
Other restructuring provisions	30	10	40
<b>Total</b>	<b>413</b>	<b>585</b>	<b>998</b>
*) Of which:			
IT		245	
Staff cuts		220	
Real estate		83	
Other		27	

1) In the fourth quarter of 2004, NOK 250 million was allocated to restructuring measures in Vital in connection with the merger between Vital Forsikring and Gjensidige NOR Spareforsikring ASA. These provisions are not included in the above table.

2) In connection with the merger between DnB and Gjensidige NOR, a total of NOK 1 860 million was allocated to restructuring measures. The table shows the provisions remaining to cover restructuring measures not yet implemented.

For information on synergies, see page 13.

## Net gains on sale of assets - IFRS

Amounts in NOK million	3Q05	2Q05	1Q05	4Q04	3Q04	Jan. - Sept.	
						2005	2004
<b>Net gains on financial instruments at fair value</b>	<b>820</b>	<b>576</b>	<b>453</b>	<b>563</b>	<b>354</b>	<b>1 849</b>	<b>1 447</b>
of which major gains included:							
- Brazil-investments	198					198	
<b>Net gains on fixed and intangible assets</b>	<b>130</b>	<b>455</b>	<b>17</b>	<b>(33)</b>	<b>3</b>	<b>602</b>	<b>947</b>
of which major gains included:							
- Follalaks	107					107	
- Helgelandske	16					16	
- Pan Fish		314				314	
- Aurora Salmon		59				59	
- Akersgt. 64-67 (real estate)		64				64	
- Postbanken Eiendomsmegling			16			16	
- Elcon Finans							880
- Gjensidige NOR Fondsforsikring					35		35
- Other	7	18	1	(33)	(32)	26	32

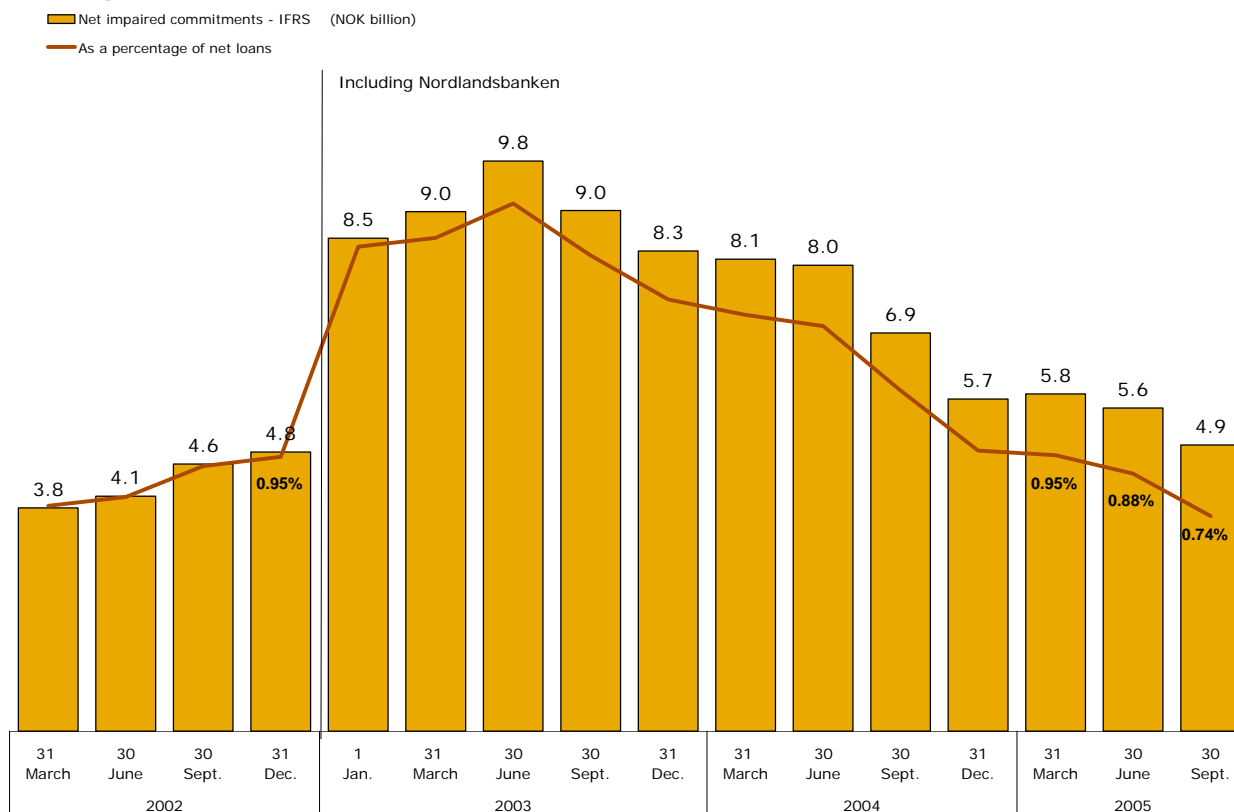
**Write-downs on loans and guarantees – IFRS****Write-downs (profit and loss accounts) – IFRS**

Amounts in NOK million	3Q05	2Q05	1Q05	4Q04	3Q04	Jan. - Sept.	
						2005	2004
Individual write-downs	(57)	183	186	90	(95)	312	7
Group write-downs	(22)	(60)	(50)	(69)	(69)	(132)	(207)
<b>Write-downs</b>	<b>(79)</b>	<b>123</b>	<b>136</b>	<b>21</b>	<b>(164)</b>	<b>180</b>	<b>(200)</b>

**Write-downs (balance sheets) – IFRS**

Amounts in NOK million	30 Sept. 2005	31 Dec. 2004	1 Jan. 2004
Individual write-downs <sup>1)</sup>	3 373	3 631	4 524
Group write-downs	1 346	1 478	1 841
<b>Write-downs</b>	<b>4 719</b>	<b>5 109</b>	<b>6 365</b>

1) Include write-downs on guarantees and loans to credit institutions.

**Net impaired commitments - IFRS**

For details on losses and non-performing loans according to NGAAP, see Section 4.

## Capital adequacy – NGAAP

### Development in primary capital and capital ratios – NGAAP

The Financial Supervisory Authority of Norway has not adapted Norwegian capital adequacy regulations to IFRS. For the time being, capital adequacy calculations are based on special consolidation rules for statutory accounts, which thus far are not allowed to be stated according to IFRS.

<i>Amounts in NOK million</i>	30 Sept. 2005	31 Dec. 2004	30 Sept. 2004
Share capital	13 367	13 271	13 220
Other equity	33 620	33 327	29 337
Total equity	46 988	46 598	42 557
Perpetual subordinated loan capital securities <sup>1) 2)</sup>	5 590	5 531	5 859
Reductions:			
Pension funds above pension commitments	(1 263)	(1 141)	(1 322)
Goodwill	(4 394)	(4 902)	(5 085)
Deferred tax assets	(732)	(728)	(912)
Other intangible assets etc.	(217)	(299)	(247)
Core capital	45 970	45 059	40 850
Perpetual subordinated loan capital <sup>1) 2)</sup>	5 648	5 367	5 829
Term subordinated loan capital <sup>2)</sup>	14 190	13 538	12 748
Net supplementary capital	19 838	18 905	18 577
Deductions	32	455	291
Total eligible primary capital <sup>3)</sup>	65 776	63 509	59 137
<b>Total risk-weighted volume</b>	<b>661 802</b>	<b>591 906</b>	<b>591 794</b>
Core capital ratio (%)	6.9	7.6	6.9
Capital ratio (%)	9.9	10.7	10.0
Core capital ratio incl. 50 per cent of profit for the period (%)	7.4		7.3
Capital ratio incl. 50 per cent of profit for the period (%)	10.4		10.4
Core capital ratio excluding life insurance (%)	7.9	8.5	8.1
Capital ratio excluding life insurance (%)	9.9	10.7	10.2

- 1) Perpetual subordinated loan capital securities can represent up to 15 per cent of core capital. The excess will qualify as perpetual supplementary capital.
- 2) Calculations of capital adequacy include a total of NOK 578 million in subordinated loan capital in associated companies, in addition to subordinated loan capital in the Group's balance sheet.
- 3) Primary capital and nominal amounts used in calculating risk-weighted volume deviate from figures in the DnB NOR Group's accounts as a different consolidation method ("pro rata consolidation") is used in calculating capital adequacy. See also comments above the table.

For information on capital adequacy in the bank and banking group, see page 81.

## Taxes – IFRS

The DnB NOR Group's tax charge for the third quarter of 2005 was NOK 888 million, based on an anticipated average tax rate of 25 per cent of pre-tax operating profits. After the transition to IFRS, taxes on insurance operations are classified as taxes for the DnB NOR Group. In accounts prepared on the basis of NGAAP, the DnB NOR Group incorporated profits from life insurance operations according to the equity method, whereby taxes were netted against income.

## Financial results DnB NOR Group – IFRS

### Full profit and loss accounts – IFRS

Amounts in NOK million	3Q05	2Q05	1Q05	4Q04	3Q04	Jan. - Sept.	
						2005	2004
Interest income	7 626	7 275	7 057	7 262	7 229	21 958	21 791
Interest expenses	4 187	3 868	3 707	3 825	3 829	11 762	11 847
<b>Net interest income and credit commissions</b>	<b>3 440</b>	<b>3 407</b>	<b>3 350</b>	<b>3 436</b>	<b>3 401</b>	<b>10 196</b>	<b>9 944</b>
Commissions and fees receivable etc.	2 181	2 081	2 026	2 015	1 923	6 288	5 842
Commissions and fees payable etc.	593	577	587	563	564	1 757	1 704
Net gains on financial instruments at fair value	820	576	453	563	354	1 849	1 447
Net gains on financial assets in life insurance and profits from insurance operations	289	267	337	539	240	893	791
Net realised gains on investment securities (AFS)	100	31	0	26	25	131	33
Profit from companies accounted for by the equity method	22	34	61	2	13	117	92
Other income	283	343	316	379	329	942	1 053
<b>Net other operating income</b>	<b>3 103</b>	<b>2 755</b>	<b>2 605</b>	<b>2 960</b>	<b>2 320</b>	<b>8 463</b>	<b>7 555</b>
Staff costs	1 730	1 666	1 706	1 711	1 695	5 102	5 163
Other costs	1 306	1 411	1 337	1 597	1 306	4 053	5 073
Depreciation, impairment on fixed and intangible assets	162	165	161	238	230	488	724
<b>Total operating expenses</b>	<b>3 199</b>	<b>3 241</b>	<b>3 203</b>	<b>3 545</b>	<b>3 231</b>	<b>9 644</b>	<b>10 960</b>
<b>Pre-tax operating profit before write-downs</b>	<b>3 344</b>	<b>2 920</b>	<b>2 752</b>	<b>2 852</b>	<b>2 490</b>	<b>9 016</b>	<b>6 539</b>
Net gains on fixed and intangible assets	130	455	17	(33)	3	602	947
Write-downs on loans and guarantees	(79)	123	136	21	(164)	180	(200)
<b>Pre-tax operating profit</b>	<b>3 553</b>	<b>3 253</b>	<b>2 633</b>	<b>2 798</b>	<b>2 657</b>	<b>9 438</b>	<b>7 686</b>
Taxes	888	813	658	323	714	2 360	1 999
Profit from discontinuing operations after taxes	0	0	0	0	0	0	79
<b>Profit for the period</b>	<b>2 665</b>	<b>2 440</b>	<b>1 974</b>	<b>2 475</b>	<b>1 943</b>	<b>7 079</b>	<b>5 766</b>
Earnings per share	1.99	1.82	1.49	1.87	1.47	5.30	4.37

(Pro forma accounting figures prior to 2005)

**Full balance sheets – IFRS**

<i>Amounts in NOK million</i>	30 Sept. 2005	30 June 2005	31 March 2005	1 Jan. 2005	30 Sept. 2004	1 Jan. 2004
Cash and deposits with central banks	24 264	1 593	7 366	8 780	12 802	8 570
Lending to and deposits with credit institutions	52 477	63 825	49 342	25 397	30 448	54 496
Gross lending to customers	656 655	626 712	605 593	588 153	581 935	551 646
- Accumulated write-downs	(4 530)	(4 778)	(4 788)	(4 981)	(5 427)	(6 294)
Net lending to customers	652 125	621 934	600 805	583 172	576 508	545 352
Trading securities - commercial paper and bonds	60 738	57 148	52 999	48 470	48 470	32 221
Trading securities - shareholdings etc.	1 323	412	1 270	1 117	1 117	272
Financial assets - customers bearing the risk	12 016	10 766	10 354	9 747	9 230	7 287
Other financial instruments at fair value through profit and loss - commercial paper and bonds	78 916	75 010	75 152	67 966	67 898	79 550
Other financial instruments at fair value through profit and loss - shareholdings etc.	32 033	29 680	29 288	28 078	25 695	22 660
Financial derivative instruments	32 558	37 021	34 384	41 148	36 493	37 693
Financial derivative instruments used for hedging	1 443	2 189	1 200	1 828	1 828	1 504
Shareholdings - available for sale	0	210	298	303	271	480
Commercial paper and bonds - held to maturity	52 282	51 656	54 390	55 645	56 588	47 414
Investment property	19 703	18 335	18 725	18 616	16 934	16 884
Investments in associated companies	1 362	1 382	1 452	1 507	1 641	1 495
Intangible assets	5 345	5 399	5 524	5 574	5 847	6 089
Deferred tax assets	395	416	427	406	350	183
Fixed assets	5 808	5 990	6 240	6 189	6 250	6 303
Biological assets	0	147	247	278	278	183
Discontinuing operations	0	0	0	25	25	1 479
Accrued income and prepaid expenses	1 872	2 207	2 596	2 311	2 145	2 029
Other assets	6 006	7 586	7 737	6 220	14 722	10 968
<b>Total assets</b>	<b>1 040 665</b>	<b>992 904</b>	<b>959 797</b>	<b>912 779</b>	<b>915 539</b>	<b>883 113</b>
Loans and deposits from credit institutions	103 297	94 150	87 222	59 174	73 734	89 346
Deposits from customers	399 183	382 959	368 358	353 957	350 132	330 635
Financial derivative instruments	30 260	36 636	33 822	44 134	39 796	43 850
Securities issued	220 630	205 636	200 006	192 812	191 869	181 775
Insurance liabilities - customers bearing the risk	12 016	10 766	10 354	9 747	9 230	7 287
Liabilities to life insurance policyholders	168 056	162 143	157 972	153 488	149 713	137 693
Other liabilities	20 590	16 552	14 594	14 721	15 394	12 673
Accrued expenses and prepaid income	2 575	3 161	4 103	3 822	8 004	4 943
Discontinuing operations	0	0	0	24	24	1 227
Provisions	4 822	5 101	5 374	5 486	5 047	4 844
Subordinated loan capital	25 193	24 283	25 523	25 256	24 981	24 504
<b>Total liabilities</b>	<b>986 622</b>	<b>941 387</b>	<b>907 328</b>	<b>862 620</b>	<b>867 925</b>	<b>838 778</b>
Minority interests	6	42	33	33	44	8
Revaluation reserve	0	90	116	122	92	92
Share capital	13 367	13 369	13 366	13 271	13 220	13 090
Other reserves and retained earnings	40 670	38 016	38 954	36 734	34 259	31 144
<b>Total equity</b>	<b>54 043</b>	<b>51 517</b>	<b>52 470</b>	<b>50 159</b>	<b>47 614</b>	<b>44 334</b>
<b>Total liabilities and equity</b>	<b>1 040 665</b>	<b>992 904</b>	<b>959 797</b>	<b>912 779</b>	<b>915 539</b>	<b>883 113</b>

## Key figures – IFRS

	3Q05	2Q05	1Q05	4Q04	3Q04	Jan. - Sept.	
						2005	2004
<b>Interest rate analysis</b>							
1 Combined average spread for lending and deposits (%)	2.19	2.24	2.29	2.39	2.39	2.24	2.36
2 Spread for ordinary lending to customers (%)	1.47	1.54	1.61	1.66	1.67	1.54	1.67
3 Spread for deposits from customers (%)	0.72	0.69	0.68	0.73	0.72	0.70	0.69
<b>Rate of return/profitability</b>							
4 Net other operating income, per cent of total income	47.4	44.7	43.7	46.3	40.6	45.4	43.2
5 Cost/income ratio (%)	48.9	52.6	53.8	53.2	56.5	51.7	57.3
6 Return on equity (%)	19.5	18.6	15.3	20.5	16.7	17.8	16.8
7 Average equity including allocated dividend (NOK million)	52 756	51 754	51 282	48 848	46 631	52 000	45 786
<b>Financial strength</b>							
8 Core (Tier 1) capital ratio at end of period (%)	6.9	7.2	7.4	7.6	6.9	6.9	6.9
9 Core (Tier 1) capital ratio incl. 50 of profit for the period (%)	7.4	7.5	7.6	-	7.3	7.4	7.3
10 Capital adequacy ratio at end of period (%)	9.9	10.2	10.5	10.7	10.0	9.9	10.0
11 Capital adequacy ratio incl. 50% of profit for the period (%)	10.4	10.5	10.6	-	10.4	10.4	10.4
12 Core capital at end of period (NOK million)	45 970	45 945	45 628	45 059	40 850	45 970	40 850
13 Total eligible primary capital at end of period (NOK million)	65 776	64 897	64 309	63 509	59 137	65 776	59 137
14 Risk-weighted volume at end of period (NOK million)	661 802	634 057	615 011	591 906	591 794	661 802	591 794
<b>Loan portfolio and impairments</b>							
15 Write-downs relative to gross lending annualised (%)	(0.05)	0.08	0.09	0.01	(0.11)	0.04	(0.05)
16 Impaired commitments, per cent of net lending	0.74	0.88	0.95	0.97	1.17	0.74	1.17
17 Accumulated write-downs relative to total gross lending (%)	0.67	0.76	0.79	0.85	0.93	0.67	0.93
18 Net impaired commitments at end of period (NOK million)	4 934	5 571	5 815	5 726	6 864	4 934	6 864
<b>Liquidity</b>							
19 Ratio of customer deposits to net lending at end of period (%)	61.2	61.6	61.3	60.7	60.7	61.2	60.7
<b>Total assets owned or managed by DnB NOR</b>							
20 Assets under management at end of period (NOK billion)	528	505	506	496	504	528	504
21 Average total combined assets (NOK billion)	1 357	1 311	1 272	1 253	1 269	1 313	1 264
22 Total combined assets at end of period (NOK billion)	1 389	1 325	1 298	1 246	1 261	1 389	1 261
23 Customer savings at end of period (NOK billion)	933	894	883	857	861	933	861
<b>Staff</b>							
24 Number of full-time positions at end of period	9 692	9 755	9 874	10 085	10 242	9 692	10 242
25 - of which in Life Insurance and Pensions	867	880	894	926	994	867	994
<b>The DnB NOR share</b>							
26 Number of shares at end of period (1 000)	1 336 875	1 336 875	1 336 875	1 327 139	1 321 957	1 336 875	1 321 957
27 Average number of shares (1 000)	1 336 875	1 336 875	1 327 139	1 325 899	1 321 957	1 333 701	1 317 931
28 Earnings per share (NOK)	1.99	1.82	1.49	1.87	1.47	5.30	4.37
29 Total shareholder's return (%)	(1.1)	9.6	8.4	12.2	12.6	17.5	26.1
30 Equity per share including allocated dividend at end of period (NOK)	40.42	38.54	39.25	37.79	36.02	40.42	36.02
31 Share price at end of period (NOK)	67.50	68.25	64.75	59.75	53.25	67.50	53.25
32 Price/book value	1.67	1.77	1.65	1.58	1.48	1.67	1.48
33 Market capitalisation (NOK billion)	90.2	91.2	86.6	79.3	70.4	90.2	70.4

**Definitions**

- 1,2,3 Excluding discontinuing operations.
- 4 Including operations in Life Insurance and Pensions.
- 5 Expenses/Total income, including operations in Life Insurance and Pensions.  
Excluding restructuring provisions in the first quarter of 2004 and allocation to DnB NOR employee funds in the fourth quarter of 2004.
- 6 Net profits excluding discontinuing operations and adjusted for the period's change in fair value recognised directly to equity. Average equity including net profits, allocated dividend, available-for-sale assets, translation differences and other revaluations recognised directly to equity. Average equity excluding minority interests and cash flow hedge reserves.
- 28 Excluding discontinuing operations. Earnings excluding minority interests. Holdings of own shares are not included in the average number of shares.
- 31 The last quoted share price on Oslo Børs at end of period relative to the book value of equity at end of period.
- 33 Number of shares multiplied by the share price at end of period.

## **Section 3**

# **DnB NOR Group - business areas according to IFRS**

## Business areas – extracts from profit and loss accounts - IFRS

The activities of the DnB NOR Group are organised into five functional business areas and four staff and support units. The business areas are set up according to the customer segments served by the Group, as well as the products offered.

Selected profit and loss figures for the business areas have been prepared on the basis of internal financial reporting for the functional organisation of the DnB NOR Group. The figures are based on a number of assumptions, estimates and discretionary distribution.

The transition to IFRS has no impact on the Group's strategy or the business and operative management of the DnB NOR Group.

The DnB NOR Group's income, expenses and balance sheet volumes are allocated to the business areas. Some of the net income generated in DnB NOR Markets related to foreign exchange/ treasury instruments, sales of securities in the primary market, as well as custodial services, is also included in the net other operating income of Retail Banking and Corporate Banking.

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

	Corporate Banking		Retail Banking		DnB NOR Markets		Life Insurance and Pensions		Asset Management		Other operations	
	3Q05	3Q04	3Q05	3Q04	3Q05	3Q04	3Q05	3Q04	3Q05	3Q04	3Q05	3Q04
<i>Amounts in NOK million</i>												
Net interest income - ordinary operations	1 496	1 486	1 828	1 794	60	51	0	0	0	3	55	67
Interest on allocated capital	134	112	76	62	13	10	0	0	8	6	(230)	(190)
Net interest income	1 630	1 598	1 904	1 856	72	61	0	0	9	9	(175)	(123)
Net other operating income	722	429	775	686	684	510	601	512	245	237	76	(53)
Total income	2 352	2 026	2 679	2 542	757	571	601	512	253	246	(99)	(176)
Operating expenses <sup>*)</sup>	790	817	1 528	1 573	337	244	236	278	162	156	146	162
Pre-tax operating profit before write-downs	1 562	1 209	1 152	969	420	327	364	233	91	90	(246)	(338)
Write-downs on loans and net losses on assets	(183)	(174)	13	76	10	1	0	0	2	(0)	(51)	(70)
Pre-tax operating profit	1 745	1 383	1 139	893	409	326	364	233	89	90	(194)	(268)
<sup>*)</sup> of which group overhead	15	17	8	8	3	4	2	3	1	1	(29)	(33)

### Extracts from profit and loss accounts, January-September - IFRS

	Corporate Banking		Retail Banking		DnB NOR Markets		Life Insurance and Pensions		Asset Management		Other operations <sup>1)</sup>	
	Jan.-Sept. 2005	Jan.-Sept. 2004	Jan.-Sept. 2005	Jan.-Sept. 2004	Jan.-Sept. 2005	Jan.-Sept. 2004	Jan.-Sept. 2005	Jan.-Sept. 2004	Jan.-Sept. 2005	Jan.-Sept. 2004	Jan.-Sept. 2005	Jan.-Sept. 2004
<i>Amounts in NOK million</i>												
Net interest income - ordinary operations	4 225	4 257	5 469	5 250	171	150	0	0	(3)	(5)	334	292
Interest on allocated capital	364	343	209	185	35	31	0	0	21	19	(629)	(578)
Net interest income	4 588	4 599	5 678	5 435	206	180	0	0	18	15	(295)	(285)
Net other operating income	1 900	1 440	2 181	2 073	1 861	1 674	1 760	1 616	726	683	35	70
Total income	6 489	6 039	7 858	7 508	2 067	1 855	1 760	1 616	744	698	(259)	(216)
Operating expenses <sup>*)</sup>	2 399	2 517	4 581	4 823	928	816	814	871	496	509	426	1 423
Pre-tax operating profit before write-downs	4 090	3 521	3 277	2 685	1 140	1 039	945	744	249	189	(685)	(1 639)
Write-downs on loans and net losses on assets	(378)	(183)	188	193	10	1	0	0	2	(0)	(245)	(1 157)
Pre-tax operating profit	4 468	3 705	3 089	2 491	1 129	1 038	945	744	247	189	(440)	(482)
<sup>*)</sup> of which group overhead	46	50	24	25	10	12	5	8	2	3	(86)	(99)



(Pro forma accounting figures prior to 2005)

## 1) Other operations:

Amounts in NOK million	Double entries, eliminations		Eliminations		Group Centre <sup>*)</sup>	
	Jan.-Sept.		Jan.-Sept.		Jan.-Sept.	
	2005	2004	2005	2004	2005	2004
Net interest income - ordinary operations	(9)	9	589	532	(246)	(248)
Interest on allocated capital			(629)	(578)		
Net interest income	(9)	9	(39)	(46)	(246)	(248)
Net other operating income	(645)	(455)	(32)	(146)	712	671
Total income	(654)	(447)	(71)	(192)	466	423
Operating expenses			(249)	(126)	675	1 549
Pre-tax operating profit before write-downs	(654)	(447)	178	(66)	(209)	(1 126)
Write-downs on loans and net losses on assets			196	7	(441)	(1 165)
Pre-tax operating profit	(654)	(447)	(18)	(73)	231	39

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

Group Centre - pre-tax operating profit in NOK million	Jan. - Sept.	
	2005	2004
Income on equities	456	169
Group write-downs	132	137
Portfolio hedging, Treasury	78	(15)
Net gains on fixed and intangible assets	28	1 020
Funding costs on goodwill	(77)	(80)
Unallocated gains/(losses)	(148)	(68)
Ownership-related expenses (costs relating to shareholders, investor relations, strategic planning etc.)	(150)	(106)
Goodwill impairments	0	(158)
Restructuring provisions, DnB NOR merger	0	(930)
Other	(88)	69
Pre-tax operating profit	231	39

The Group Centre comprises Human Resources and Group Services, Finance/Group Staff, Risk Management and IT, Payment Services and Corporate Communications, investments in IT infrastructure and shareholder-related expenses. The Group Centre also holds the part of the Group's equity which is not allocated to the business areas.

## Main average balance sheet items

Amounts in NOK billion	Corporate Banking		Retail Banking		DnB NOR Markets		Life Insurance and Pensions <sup>1)</sup>		Asset Management		Other operations	
	Jan.-Sept.		Jan.-Sept.		Jan.-Sept.		Jan.-Sept.		Jan.-Sept.		Jan.-Sept.	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Net lending to customers <sup>2)</sup>	271.7	256.6	342.6	307.3	2.6	1.4					(4.7)	8.6
Customer deposits <sup>2)</sup>	194.5	173.9	196.1	187.1	9.9	9.3					(9.0)	(6.9)
Assets under management							183.5	165.9	493.9	482.6	(156.2)	(138.5)

## Key figures

Amounts in NOK billion	Corporate Banking		Retail Banking		DnB NOR Markets		Life Insurance and Pensions <sup>3)</sup>		Asset Management <sup>3)</sup>		Other operations	
	Jan.-Sept.		Jan.-Sept.		Jan.-Sept.		Jan.-Sept.		Jan.-Sept.		Jan.-Sept.	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Cost/income ratio	37.0	41.7	58.3	64.2	44.9	44.0			66.6	73.0		
Ratio of deposits to lending <sup>2)</sup>	71.6	67.8	57.2	60.9								
Return on capital BIS	18.9	16.3	22.7	20.3	49.3	51.1	16.3	13.5	18.3	14.6		
Full-time positions <sup>4) 5)</sup>	1 791	1 934	4 137	4 288	530	531	867	926	291	310	2 077	2 097

1) Assets under management include total assets.

2) Based on nominal values.

3) Return on capital is calculated on the basis of recorded equity.

4) Figures for 2004 are as at 31 December and pro forma.

5) As the transition to IFRS has resulted in certain companies being reclassified as fully consolidated, four full-time positions in Corporate Banking and 21 in the Group Centre have been included as at 30 September 2005. Figures for 2004 have been restated accordingly.

## Corporate Banking

Corporate Banking serves Norwegian enterprises in all segments, Swedish medium-sized and large corporates and international businesses where we have, or can build, up a competitive advantage based on our relationships, expertise or products.

DnB NOR holds a strong position in all segments of the Norwegian corporate market, and is one of the world's leading shipping banks. Corporate Banking is organised in seven divisions and the two subsidiaries DnB NOR Finans and Nordlandsbanken. Leif Teksum, group executive vice president, heads the business area.

DnB NOR Corporate Banking aims to be the customers' best partner, meeting their needs for financing solutions throughout Norway, Sweden and in selected areas in international markets.

Norway and Sweden are the prime targets for market activities and growth. Corporate Banking also offers international services to shipping and energy clients around the globe. Further international expansion will come within shipping, energy and certain other sectors where competitive advantages and a substantial knowledge base provide growth potential.

### Financial performance - IFRS

Amounts in NOK million	3Q05	2Q05	1Q05	4Q04	3Q04	Jan. - Sept.	
						2005	2004
Net interest income - ordinary operations	1 496	1 393	1 335	1 362	1 486	4 225	4 257
Interest on allocated capital	134	121	109	112	112	364	343
Net interest income	1 630	1 514	1 444	1 473	1 598	4 588	4 599
Net other operating income	722	550	628	650	429	1 900	1 440
Total income	2 352	2 064	2 072	2 123	2 026	6 489	6 039
Operating expenses	790	800	809	820	817	2 399	2 517
Pre-tax operating profit before write-downs	1 562	1 264	1 263	1 303	1 209	4 090	3 521
Write-downs on loans and net losses on assets	(183)	(307)	112	46	(174)	(378)	(183)
Pre-tax operating profit	1 745	1 572	1 151	1 257	1 383	4 468	3 705
Net lending to customers (NOK billion) <sup>1)</sup>	281.4	271.4	262.3	259.0	256.0	271.7	256.6
Deposits from customers (NOK billion) <sup>1)</sup>	199.9	194.0	189.5	181.4	173.1	194.5	173.9
Cost/income ratio (%)	33.6	38.7	39.0	38.6	40.3	37.0	41.7
Ratio of deposits to lending (%)	71.1	71.5	72.2	70.0	67.6	71.6	67.8
Return on capital BIS (% p.a.)	21.1	20.0	15.2	16.4	18.0	18.9	16.3

1) Average balances. Based on nominal values.

### Comments to the financial performance in the first three quarters of 2005

- Corporate Banking showed healthy performance in a market characterised by intensifying competition. There was a rise in total income, while non-interest income and reduced costs compensated for narrowing spreads. Sound portfolio quality coupled with a favourable economic climate ensured a continued low level of write-downs on loans.
- There was a slight decrease in net interest income from operations in the first three quarters of 2005 compared with the year-earlier period. Rising lending and deposit volumes compensated for narrowing spreads, but exchange rate movements also had a negative impact on ordinary net interest income.
- The average combined spread was 2.02 per cent in the first three quarters of 2005, compared with 2.18 per cent in the corresponding period in 2004. Portfolio quality improved further in the first three quarters of 2005. Intense competition in the market caused continued pressure on spreads. Pricing reflected credit risk.
- Net other operating income was up NOK 461 million from the first three quarters of 2004. Due to higher market activity, there was a positive trend in income from interest products, corporate finance services, custody and syndication. However, income from payment transfers and margins on guarantees was reduced.
- Corporate Banking gained NOK 198 million on the sale of assets in Brazil in the third quarter of 2005.
- Net write-downs on loans totalled NOK 117 million in the first three quarters of 2005. Net gains on fixed and intangible assets totalled NOK 495 million in the same period.

(Pro forma accounting figures prior to 2005)

- Average lending and guarantees to customers increased by NOK 19.6 billion from the first three quarters of 2004 to the corresponding period of 2005. Adjusted for exchange rate movements, there was an increase of NOK 27.0 billion in loans and guarantees from the first three quarters of 2004 to the corresponding period in 2005.
- Average deposits were up NOK 20.5 billion from the first three quarters of 2004 to the first three quarters of 2005.
- A total of NOK 129.1 billion in syndicated credits was arranged for customers, in cooperation with DnB NOR Markets, in the first three quarters of 2005. Furthermore, NOK 62.3 billion in commercial paper and bonds was issued in the same period.

### Customers and market developments

- DnB NOR is the leading financial institution in the market for large Norwegian corporates. In addition to the Norwegian market, Corporate Banking is offering services in New York, London, Singapore, Copenhagen, Hamburg and Helsinki. In Sweden, our new home market, we have high growth ambitions. It has been decided to establish a full-service branch in Shanghai, which is currently at the planning stage.
- The bank maintained its position in the Norwegian SME market in the first three quarters of 2005. A total of 6 400 new clients were acquired over this period. Through a wide distribution network, DnB NOR offers customers local and regional expertise as well as national sector analysis and a broad product range.
- Corporate Banking has launched new customer loyalty programmes for SME clients in 2005. The programmes 'Partner' and 'Partner pluss' include agreements on the use of Internet banking applications and credit cards as well as favourable prices on a number of the Group's products. The new initiatives aim to strengthen Corporate Banking's offering to this customer segment.
- Statutory occupational pension schemes will be introduced from 2006. To prepare for this, DnB NOR has launched new life insurance products for its corporate customers. The Group's broad regional network as well as telephone will be used to distribute the new product, which is delivered by Vital.
- DnB NOR is committed to maintaining and further enhancing a strong local presence. Local management and employees have extensive pertinent expertise and are authorised to grant credits that meet the requirements of the SME segment as well as most of the larger clients.
- More than 74 000 customers make use of DnB NOR's extensive range of Internet services and Internet-based financial products, and more than 1 million visits to the Internet banks' corporate pages are registered each month. A new and improved Internet bank for corporate clients will be launched by the end of 2005 and all clients will be given access to an increased range of Internet services. Product development will continue, as we strongly believe in providing our clients with first-class Internet services.
- Nordlandsbanken has enhanced DnB NOR's position in the northernmost parts of Norway. The subsidiary serves the county of Nordland and operates under the brand name Nordlandsbanken.

### Corporate Banking market shares, excluding off-balance sheet instruments <sup>1) 2)</sup>

Per cent	31 Aug. 2005	30 June 2005	31 March 2005	31 Dec. 2004	30 Sept. 2004
Of total lending to corporate clients <sup>3)</sup>	15.5	15.2	15.1	15.2	15.3
Of deposits from corporate clients <sup>4)</sup>	37.6	37.5	37.6	38.1	39.4

Per cent	30 June 2004	31 March 2004	31 Dec. 2003	30 Sept. 2003	30 June 2003
Of total lending to corporate clients <sup>3)</sup>	15.4	15.8	16.0	15.6	15.8
Of deposits from corporate clients <sup>4)</sup>	38.2	38.9	38.4	39.9	39.3

1) Based on nominal values.

2) Updated according to adjusted data from Norges Bank.

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

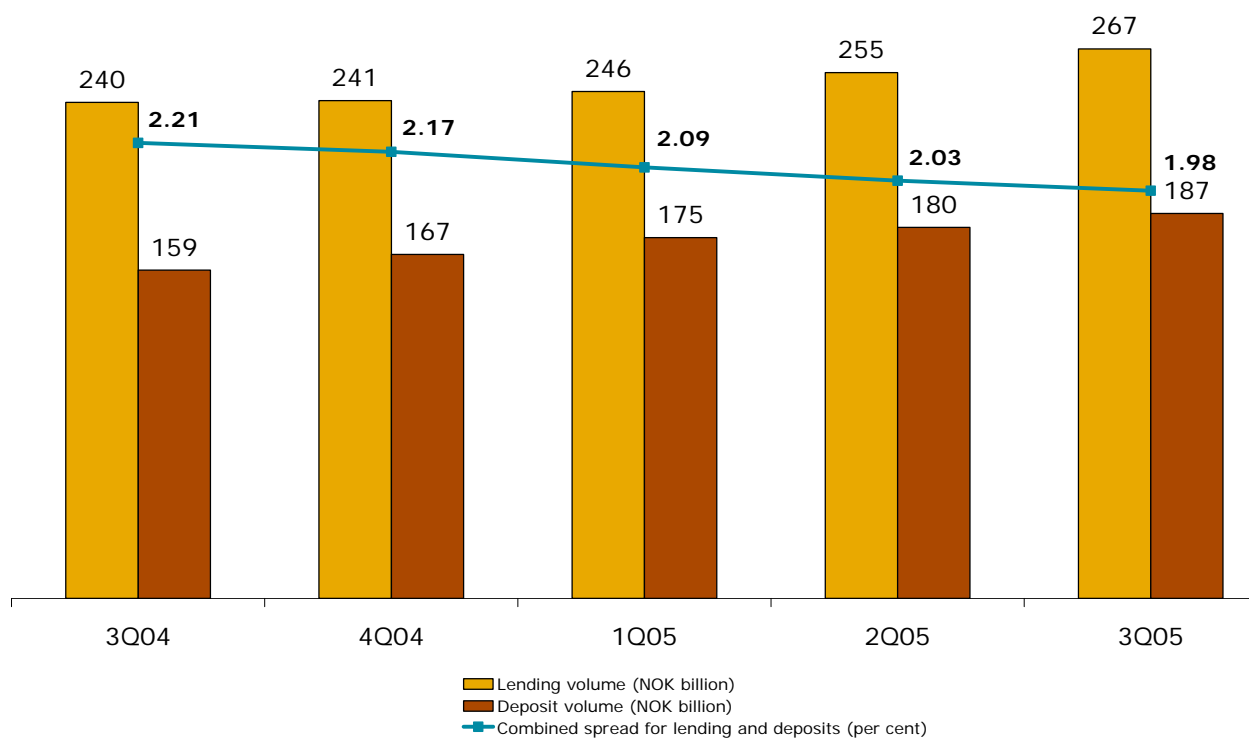
4) Domestic savings and commercial banks. Excluding deposits from financial institutions, central government and social security services.

Source: Norges Bank, DnB NOR

**Average total volume**

Amounts in NOK billion	3Q05	2Q05	1Q05	4Q04	3Q04	Jan. - Sept.	
						2005	2004
Loans	281	271	262	259	256	272	257
Guarantees	43	44	44	39	41	43	39
Total loans and guarantees	324	315	306	298	297	315	296
Adjusted for exchange rate movements	324	315	306	297	293	315	288
Commercial paper	15	14	14	19	17	43	50
Syndicated loans <sup>1)</sup>	55	38	36	31	13	129	57
Bond issues	5	8	6	8	3	19	14

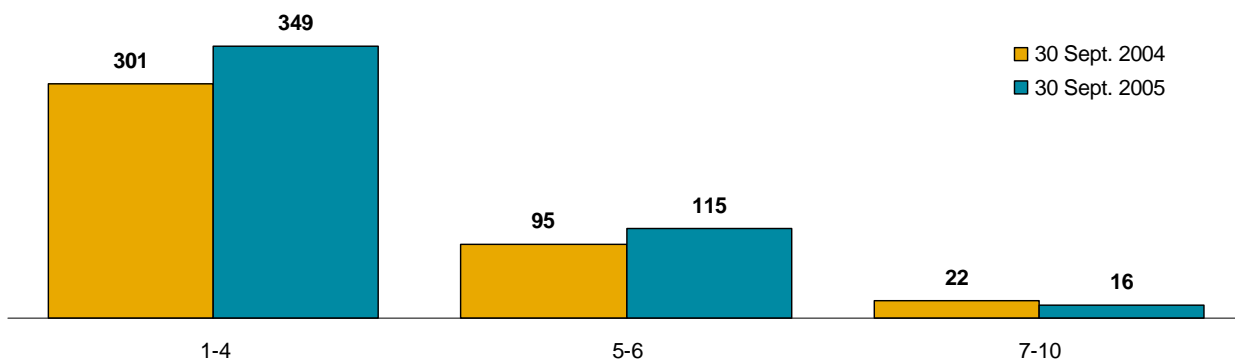
1) Total for syndicates in which DnB NOR participates.

**Combined spread and average lending and deposit volumes – NGAAP <sup>1)</sup>**

1) Excluding loans to and deposits with credit institutions, net impaired commitments and loans included in the Group's balance sheet that are syndicated to Eksporfinans.

**Development in lending volumes by risk classification <sup>1)</sup>**

NOK billion



1) Based on DnB NOR's risk classification system where 1 represents the lowest risk and 10 the highest risk. The volume represents the expected outstanding amount in the event of default.

**Organisation and distribution**

Corporate Banking is organised into seven divisions:

- The Nordic Corporate Division and the International Corporate and Institutions Division serve large Norwegian corporates, the public sector, international companies that do business in Norway, international customers in the oil and energy sectors as well as financial institutions.
- The Shipping Division serves Norwegian and international shipping, offshore and maritime logistics companies.
- Regional Division East and Regional Division Coast serve businesses in two different segments based on geographical location.
- To strengthen the Group's new initiatives, especially in Sweden, a separate division has been established to cover operations in Sweden, Finland, Denmark and Germany.
- The Business Support Division is divided into customer support, credit and collateral administration, marketing and Internet development departments as well as management support.

**Products**

Corporate Banking offers customers a broad range of financial services, including lending, bond issues, syndicated loans, deposits, cash management, FX/treasury products, corporate finance and acquisition finance, either directly or in cooperation with DnB NOR Markets.

Through DnB NOR Markets Inc. in the US, DnB NOR offers investment banking services, including mergers and acquisitions and advisory services, to international clients, particularly in the shipping and energy sectors.

**Employees**

- One of Corporate Banking's competitive advantages in the domestic market is the considerable expertise of the employees with regard to local business, specific industry knowledge, credit risk, customer needs and product offerings. Corporate Banking has a broad competence base and is committed to continuous development. Competence training has top priority and particular emphasis has been placed on systematic specialised training in credit rating and risk and profitability analyses. Competence is also being strengthened in areas that enable Corporate Banking staff to offer customers strategic advice. Corporate Banking believes that competence training will help underpin the growth strategy.
- The integration of the two financial services groups is ahead of schedule in Corporate Banking, and staff synergies corresponding to 208 full-time positions had been achieved by end-September 2005.
- At end-September 2005, the business area had a staff of 1 791 full-time positions, with 1 642 in Norway, of which 550 in subsidiaries, as well as 149 full-time positions in international units.
- Incentive structures and balanced scorecards are tailored to the goals of the different divisions. In order to maximise performance and attract the best account officers, remuneration varies from division to division.

**Cooperation with other group entities**

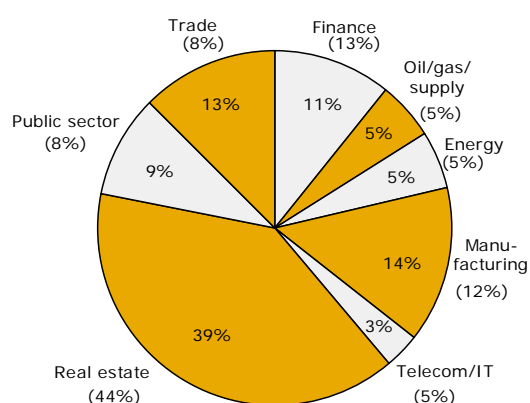
Through extensive cooperation with other business areas and support functions in the Group, particularly within corporate finance and FX and interest rate instruments, corporate customers are offered a broad range of financial services and life insurance and pension products.

## Nordic Corporate Division and International Corporate and Institutions Division - NGAAP

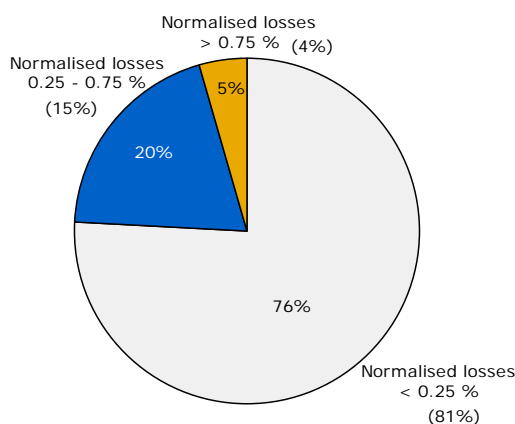
### Average volumes

Amounts in NOK billion	3Q05	2Q05	1Q05	4Q04	3Q04	Jan. - Sept.	
						2005	2004
Net lending to customers	81	79	78	81	78	80	79
Guarantees	31	32	33	28	29	32	28
Customer deposits	79	79	76	75	71	78	72

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



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



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

### Business profile

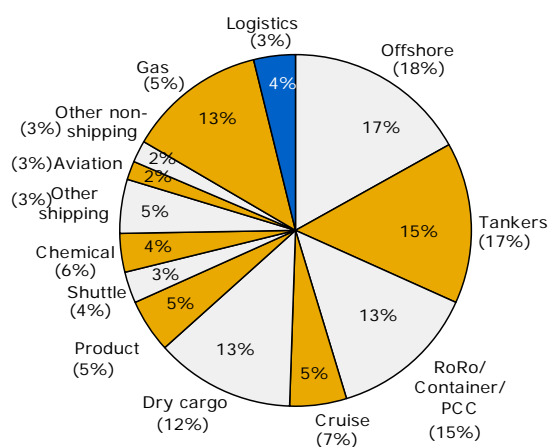
- Serving large Nordic corporates, the public sector, international companies that do business in Norway, international customers in the oil, energy, TMT and pulp & paper industries as well as financial institutions.
- DnB NOR is market leader in the large corporate segment in Norway. The majority of Norway's largest corporations use DnB NOR as their lead banker. In addition, DnB NOR has extensive interaction with most of the other institutions in this segment.
- Commercial real estate broking services are offered through the subsidiary DnB NOR Næringsmegling.
- DnB NOR Hypotek offers hypothecary financing of commercial real estate. Lending volume was NOK 16.8 billion at end-September 2005.

## Shipping Division - NGAAP

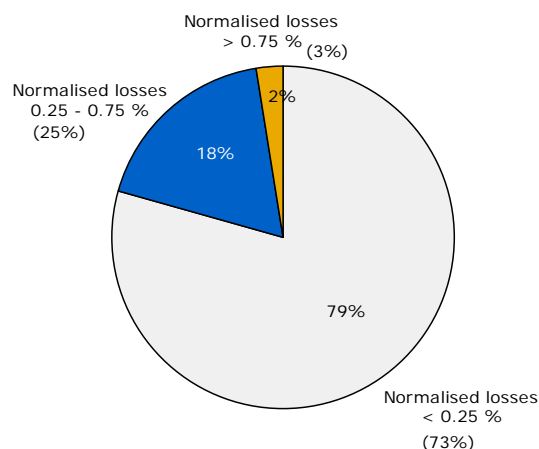
### Average volumes

Amounts in NOK billion	3Q05	2Q05	1Q05	4Q04	3Q04	Jan. - Sept.	
						2005	2004
Net lending to customers	50	46	42	39	39	46	39
Guarantees	10	11	11	11	13	11	12
Customer deposits	28	26	24	20	19	26	18

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



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



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

### Business profile

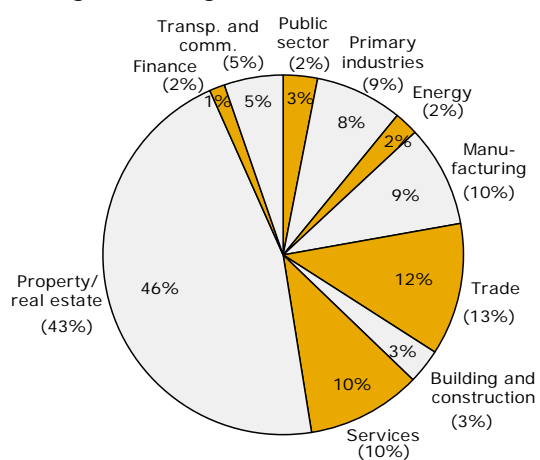
- Provides commercial and investment banking services to high-quality Norwegian and international shipping and offshore clients from the Group's offices in Oslo, Bergen, London, New York and Singapore.
- The Shipping Division aims to achieve satisfactory growth in risk-adjusted profitability by maintaining third place among international shipping banks. The division aims to be the preferred strategic discussion partner for clients, expand its client base through further development of the logistics and LNG portfolio and strengthen its market position in Germany and the Nordic countries. Competence development will continue.

## Regional Division East and Regional Division Coast - NGAAP

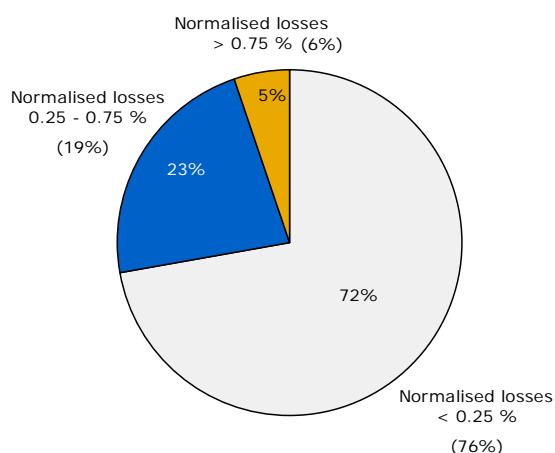
### Average volumes

Amounts in NOK billion	3Q05	2Q05	1Q05	4Q04	3Q04	Jan. - Sept.	
						2005	2004
Net lending to customers	110	106	104	100	103	107	101
Guarantees	11	9	9	9	9	10	10
Customer deposits	81	76	76	73	70	78	71

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



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



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

### Business profile

- Serving more than 85 000 businesses divided into two segments: large companies and small and medium-sized enterprises.
- Service is provided by a broad regional network, as well as over the telephone and via the Internet.

The priorities of clients served by these two divisions when choosing their bankers are local presence combined with the expertise of a major bank. DnB NOR has financial services centres throughout Norway that offer a broad range of products and services and have considerable know-how that is pertinent for the customers. DnB NOR has a sound platform for strengthening its position as the preferred provider of financial products and services for these customer segments.



## Nordlandsbanken – Corporate Banking - NGAAP

### Average volumes

<i>Amounts in NOK billion</i>	3Q05	2Q05	1Q05	4Q04	3Q04	Jan. - Sept.	
						2005	2004
Net lending to customers	10	10	10	10	11	10	11
Guarantees	1	1	1	1	1	1	1
Customer deposits	3	3	3	3	3	3	3

### Business profile

- Corporate Banking in Nordlandsbanken serves businesses and the public sector in the county of Nordland.
- Nordlandsbanken is represented through 17 branches in Nordland and holds a leading position in the corporate segment.
- Nordlandsbanken aims to be the preferred financial partner for companies in Nordland by meeting their needs for financial solutions through local expertise and as part of a large national financial institution.

## DnB NOR Finans - NGAAP

### Average volumes

<i>Amounts in NOK billion</i>	3Q05	2Q05	1Q05	4Q04	3Q04	Jan. - Sept.	
						2005	2004
Net lending to customers	21	20	19	18	17	20	17

### Business profile

- DnB NOR Finans is one of Norway's leading finance companies.
- The company meets customer requirements for administrative, financial and risk-reducing services related to investments and operations.
- Business operations focus mainly on leasing, leasing concepts for Information and Communications Technology (ICT), factoring, motor vehicle financing and Autolease car fleet management (Norway and Denmark).
- DnB NOR Finans has a strong local presence through 14 branches, most of which have the same location as DnB NOR Bank.
- There was a 27 per cent increase in new leasing and loan contracts in the first nine months of 2005 compared with the corresponding period in 2004.
- The value of processed factoring invoices was up 19 per cent for the first three quarters of 2005 relative to the corresponding period in 2004.

## Retail Banking

Retail Banking, serving private customers and small companies under the main brand names DnB NOR, Postbanken and Nordlandsbanken, is Norway's largest retail bank. Åsmund Skår, group executive vice president, is the head of the business area. Retail Banking aims to maintain its leading market position and stand out as the customers' best financial partner.

Integration proceeded according to plan with respect to reductions in staff numbers as well as the number of branches. The integration of branches in DnB NOR has been completed and the number of branches have been reduced to 194 by moving geographically overlapping units into joint premises.

There are sound prospects for the Norwegian economy in 2005, with an anticipated moderate increase in interest rate levels, a slight improvement in the labour market and rising housing investment. This will provide the basis for continued growth within Retail Banking. Increased focus on pension savings is expected to lead to greater demand for insurance and savings products. Given its current position in the Norwegian banking market, Retail Banking will face competition from both domestic and Nordic participants. Competition for the bank's high net worth customers is expected to increase, and there will be many competitors in the growing market for pension savings. Retail Banking is prepared to meet the competition through good customer relations, new loyalty programmes and a large distribution network.

### Financial performance - IFRS

Amounts in NOK million	3Q05	2Q05	1Q05	4Q04	3Q04	Jan. - Sept.	
						2005	2004
Net interest income - ordinary operations	1 828	1 856	1 785	1 801	1 794	5 469	5 250
Interest on allocated capital	76	70	63	64	62	209	185
Net interest income	1 904	1 926	1 848	1 865	1 856	5 678	5 435
Net other operating income	775	761	644	696	686	2 181	2 073
Total income	2 679	2 687	2 492	2 562	2 542	7 858	7 508
Operating expenses	1 528	1 546	1 507	1 623	1 573	4 581	4 823
Pre-tax operating profit before write-downs	1 152	1 141	985	938	969	3 277	2 685
Write-downs on loans and net losses on assets	13	105	70	(3)	76	188	193
Pre-tax operating profit	1 139	1 035	915	941	893	3 089	2 491
Net lending to customers (NOK billion) <sup>1)</sup>	352.6	342.1	333.3	326.6	318.8	342.6	307.3
Deposits from customers (NOK billion) <sup>1)</sup>	203.2	194.3	190.9	189.3	190.9	196.1	187.1
Cost/income ratio (%)	57.0	57.5	60.5	63.4	61.9	58.3	64.2
Ratio of deposits to lending (%)	57.6	56.8	57.3	58.0	59.9	57.2	60.9
Return on capital BIS (% p.a.)	24.3	22.8	20.9	21.6	20.9	22.7	20.3

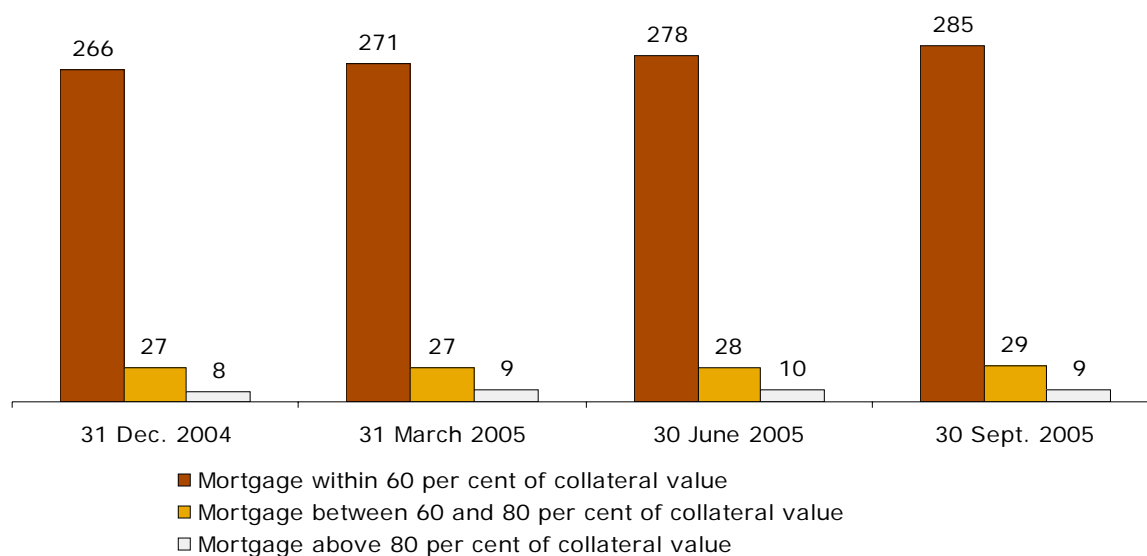
1) Average balances. Based on nominal values.

### Comments to the financial performance January - September 2005

- Satisfactory profits – return on BIS capital 22.7 per cent.
- Cost/income ratio improved to 58.3 per cent.
- Net interest income increased by NOK 243 million, mainly due to higher lending volume.
- Lending spreads represented 1.6 percentage points, including consumer finance. Deposit spreads averaged 0.8 percentage points.
- Average lending increased by NOK 35 billion or 11.5 per cent, referring primarily to well-secured housing loans. Deposits increased by NOK 9 billion or 5 per cent.
- Net other operating income increased by NOK 108 million or 5 per cent, mainly due to higher commission income from the sale of insurance products and mutual funds.
- Expenses were scaled back by 5 per cent through restructuring and streamlining measures.
- Loan losses remained at a low level.
- The volume of non-performing and doubtful commitments was at a satisfactory level.

## Residential mortgages

NOK billion



## Customers/markets

- Serving 2.2 million private individuals
- 433 000 housing loan customers
- 519 000 customers subscribe to the new DnB NOR loyalty programmes and 373 000 customers to Postbanken Leve
- 1 113 000 clients use the Group's Internet banks
- dnbno.no and postbanken.no are Norway's largest Internet banks
- 37 million payment transactions were carried out through the Internet banks in the first three quarters of 2005, compared with 30 million in the corresponding period of 2004
- 779 000 customers have agreed to receive notices such as account statements via e-mail

## Retail Banking market shares <sup>1)</sup>

Per cent	31 Aug. 2005	30 June 2005	31 March 2005	31 Dec. 2004	30 Sept. 2004
Total lending to households <sup>2)</sup>	30.7	30.8	30.9	31.0	31.2
Bank deposits from households <sup>3)</sup>	36.1	36.2	36.5	36.7	36.8

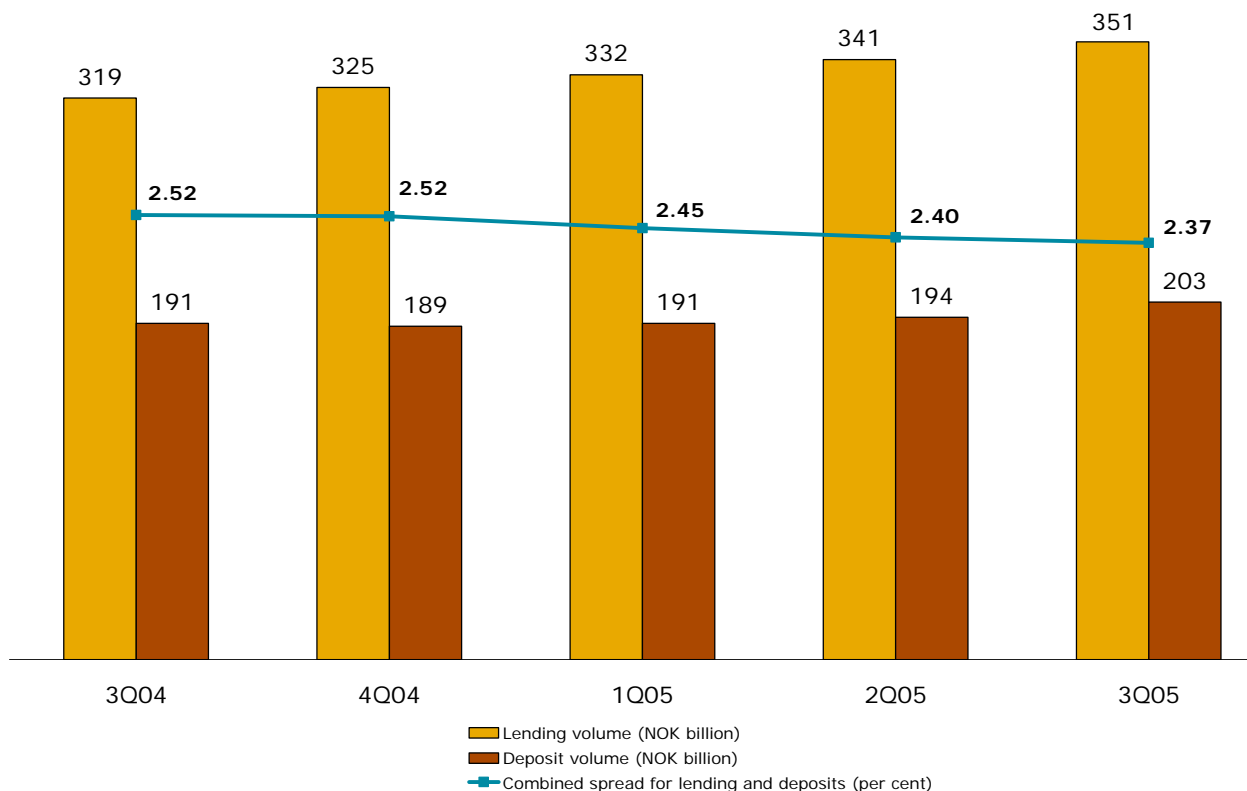
Per cent	30 June 2004	31 March 2004	31 Dec. 2003	30 Sept. 2003	30 June 2003
Total lending to households <sup>2)</sup>	31.1	31.0	30.9	30.7	30.2
Bank deposits from households <sup>3)</sup>	36.9	37.2	37.4	37.6	37.7

1) Based on nominal values.

2) Total lending includes all credits extended to Norwegian customers by domestic commercial and savings banks, state banks, insurance companies and finance companies.

3) Domestic commercial and savings banks.

Source: Norges Bank, DnB NOR

**Combined spread and average lending <sup>1)</sup> and deposit volumes – NGAAP**

1) Average performing loans

**Organisation and distribution**

Through Norway's largest distribution network, Retail Banking offers a wide range of financial products and services. Production, staff and support functions are largely centralised in cost-efficient joint units. The major distribution channels are:

- DnB NOR's, Postbanken's and Nordlandsbanken's branch offices
- The postal network
- Internet and telephone
- Investment Advisory Services

The cooperation with 16 regional savings banks involves the provision of technological solutions and distribution of the Group's products.

DnB NOR and Norway Post have a master agreement relating to the distribution of financial services through the postal network. The agreement is mainly based on transaction-specific prices and a common aim to increase the number of financial services distributed through the postal network. The existing agreement will remain effective until 31 December 2005. A new agreement has been signed by DnB NOR Bank ASA and Norway Post and will remain in force until December 2012.

- Postbanken and Norway Post have established joint service solutions provided through 1 194 in-store postal outlets, where customers can carry out everyday banking transactions in their local stores.
- 5.5 million payment transactions were carried out through these channels during the first three quarters of 2005, compared with 8.3 million transactions for the full year 2004.
- Norway Post has entered into an agreement with DnB NOR for the purchase and installation of up to 2 500 payment terminals for use in post offices and in-store postal outlets.

(Pro forma accounting figures prior to 2005)

**New products**

- First-home loan with interest rate ceiling, with the option to borrow the entire purchase amount at a favourable interest rate
- Credit line secured by residential property/real estate
- Special-term deposit account, minimum deposit NOK 1 million
- Debt financing of Vital products
- New mutual funds

**Employees**

The number of full-time positions within Retail Banking totalled 4 137 at the end of September 2005. Staff synergies corresponding to 677 full-time positions have been realised.

To achieve the targets for restructuring and staff cuts, measures must be fully implemented. The process must be carried out in a considerate manner in close cooperation with the employee organisations. More efficient production and distribution of services through new and better IT solutions, telephone and Internet banking will reduce the number of employees in the coming years.

Changing customer needs and the introduction of new products make it vital to upgrade professional skills. This will mainly be achieved by educating and relocating the existing workforce.

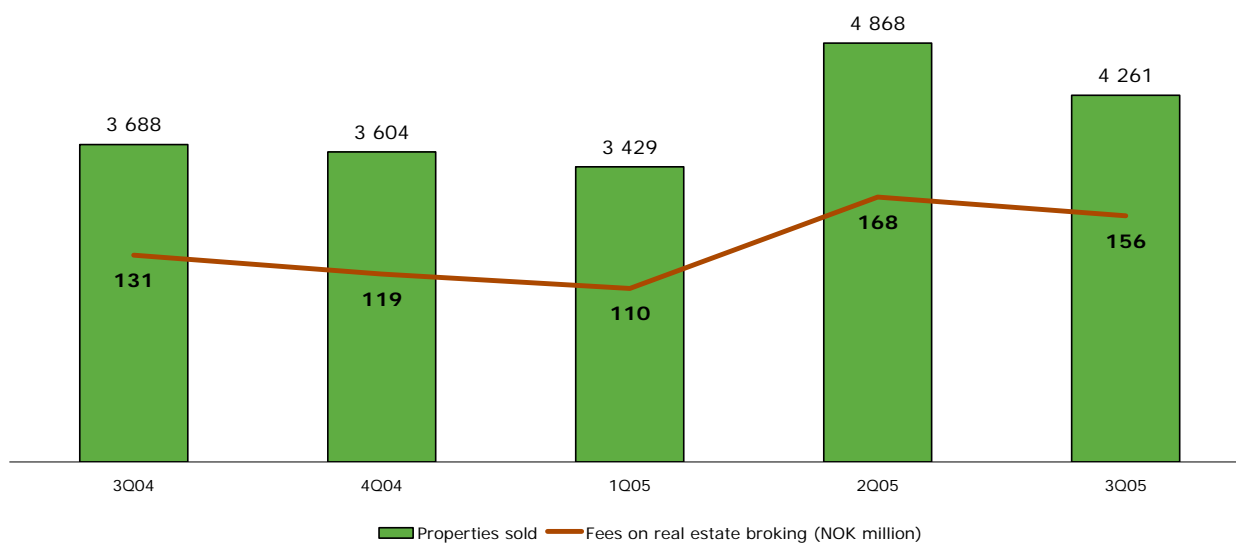
**Cooperation with other group entities**

Cross-selling of products is one of the major strengths of the DnB NOR Group. Through its distribution network Retail Banking offers:

- Asset management services (DnB NOR Asset Management)
- Life and pension insurance (Vital)
- Financial instruments (DnB NOR Markets)

**Residential real estate broking**

DnB NOR's real estate broking activities are coordinated in DnB NOR Eiendom AS, a market leader within the real estate broking business. DnB NOR Eiendom had 77 outlets located in DnB NOR branches as at 30 September 2005. In addition to fee income, real estate broking operations generate business in the form of residential mortgages and savings.



**Properties sold and market shares**

<i>Amounts in NOK million</i>	3Q05	2Q05	1Q05	4Q04	3Q04	Jan. - Sept.	
						2005	2004
DnB NOR Eiendom	4 167	4 757	3 361	3 538	3 607	12 285	12 412
NordMegler (Nordlandsbanken)	94	111	68	66	81	273	240
Total properties sold	4 261	4 868	3 429	3 604	3 688	12 558	12 652
Market share, per cent <sup>1)</sup>						16	16

1) Management's estimates.

**Consumer finance**

- DnB NOR's card-based services and consumer finance activities are coordinated in DnB NOR Kort (an entity within DnB NOR Bank ASA).
- DnB NOR Kort's lending volume increased from NOK 9 762 million at end-September 2004 to NOK 10 559 million at end-September 2005.
- Consumer finance activities generated healthy profits in the third quarter of 2005.
- DnB NOR Kort is Norway's leading card issuer. As at 30 September 2005, the entity had issued more than 1.4 million credit and charge cards. Including debit cards, the DnB NOR Group had issued approximately 3.7 million cards.

**Non-life insurance**

Vital Skade was the first company in Norway to develop a totally integrated virtual insurance site where Internet banking customers can buy non-life insurance products (home, car, travel etc.). Products are sold on a commission basis. Vital Skade operates as an agent and assumes no risk on its own.

Vital Skade has entered into non-exclusive agreements with 13 academic associations offering non-life insurance products through specialised service centres. Premium income generated in Vital Skade for the first three quarters of 2005 totalled NOK 370 million, an increase of 24 per cent on the 2004 figure. Academic associations account for 47 per cent of total premiums. Sales through the Internet banking application continued to show strong growth compared with the January through September period in 2004, with total premiums of NOK 92 million, up from NOK 63 million in 2004.

Net profit before taxes totalled NOK 34 million for the first nine months, increasing from NOK 30 million in the corresponding period of 2004. Commission income increased from NOK 62 million in the first three quarters of 2004 to NOK 77 million in the corresponding period of 2005. Costs increased from NOK 30 million to NOK 43 million compared with the year-earlier period.

## DnB NOR Markets

DnB NOR Markets is Norway's largest provider of a wide range of securities and investment banking services. DnB NOR Markets comprises the following units: FX/Treasury - Customers, FX/Treasury - Trading, Equities Sales/Research, Corporate Finance and Securities Services. The Group Treasury is organised within DnB NOR Markets though profits and losses for the unit are not recorded under this business area. Ottar Ertzeid, group executive vice president, is head of DnB NOR Markets.

DnB NOR Markets aims to be the leading investment bank for Norwegian and Norwegian-related customers, as well as international clients requiring services relating to Norway and the Norwegian krone.

DnB NOR Markets is a full-service investment bank with leading market positions in Norway. The business area has:

- A diversified business/revenues mix (products and customers)
- A sound mix of customer and trading activities
- Cost and capital-efficient operations

### Financial performance - IFRS

<i>Amounts in NOK million</i>	3Q05	2Q05	1Q05	4Q04	3Q04	Jan. - Sept.	
						2005	2004
Net interest income - ordinary operations	60	62	49	60	51	171	150
Interest on allocated capital	13	13	10	10	10	35	31
Net interest income	72	75	59	70	61	206	180
Net other operating income	684	574	603	627	510	1 861	1 674
Total income	757	648	662	697	571	2 067	1 855
Operating expenses	337	294	297	272	244	928	816
Pre-tax operating profit before write-downs	420	355	365	425	327	1 140	1 039
Write-downs on loans and net losses on assets	10	-	-	2	1	10	1
Pre-tax operating profit	409	355	365	422	326	1 129	1 038
Cost/income ratio (%)	44.5	45.3	44.9	39.0	42.7	44.9	44.0
Return on capital BIS (% p.a.)	52.5	43.2	52.8	59.6	49.6	49.3	51.1

### Comments to the financial performance in the first three quarters of 2005

- DnB NOR Markets achieved record-high revenues and profits in the first three quarters of 2005.
- The business area recorded a very satisfactory cost/income ratio and a sound return on equity.
- All merger synergies were fully realised in 2004.
- Total revenues increased by NOK 213 million, or 11 per cent.
- Market making/trading revenues decreased by NOK 59 million from a high level. The reduction was partly attributable to the significant narrowing of credit spreads compared with the year-earlier period.
- Customer demand for currency products remained strong.
- Brisk demand for capital-guaranteed savings products and direct investments in commercial property.
- Record-high activity within equities sales.
- Corporate finance showed healthy performance. Revenues increased from NOK 139 million for the first three quarters of last year to NOK 276 million one year later. The good results reflect a high level of activity within share issues, initial public offerings and advisory services.

**Income distribution DnB NOR Markets**

NOK million



Total revenue	552	677	713	651	759
IFRS adjustments	9	9	(61)	(16)	(15)
Interest on allocated capital	10	10	10	13	13
Total income	571	697	662	648	757

**Products and services**

- Foreign exchange and interest rate derivatives.
- Securities and other investment products.
- Debt and equity financing in capital markets, as well as mergers and acquisitions and other advisory and corporate finance services.
- Custodial and other securities services.
- During the third quarter, DnB NOR launched new investment products including Private Equity Feeder Fund and Credit Linked Notes (CLN).

**Distribution and cooperation with other entities**

Maintaining a broad distribution network and effective cooperation with other business areas within the Group, such as Corporate Banking and Retail Banking, are key priorities for DnB NOR Markets. Customers are served through:

- Central units located in Oslo
- International offices (London, Singapore and New York) and 13 regional offices
- Electronic channels and the Internet
- Cooperating savings banks
- External agents

**Customers and market shares**

- DnB NOR Markets is Norway's largest investment bank with a market share in the first half of 2005 of 30 per cent in terms of revenues for Norwegian firms.
- The merger has enhanced the business area's market position within bonds, commercial paper, equities, equity derivatives and research.
- DnB NOR Markets was the largest equity brokerage house on Oslo Børs (the Oslo Stock Exchange) in the first three quarters of 2005 and strengthened its position within corporate finance during this period.
- Leading position within derivatives and structured products in Norway.
- 25 and 74 per cent respectively of customer trading in equity options and forward contracts on Oslo Børs was handled by DnB NOR Markets in the first three quarters of 2005.
- Approximately 40 per cent market share of capital-guaranteed equity-linked investment products.



(Pro forma accounting figures prior to 2005)

- Leading arranger of debt financing in capital markets for Norwegian borrowers.
- Leading within domestic securities services with settlement for most foreign members of Oslo Børs.
- An increasing number of customers use DnB NOR Markets as registrar in the Norwegian Central Securities Depository, with market shares of 57 per cent for limited companies and 33 per cent for bonds.
- DnB NOR Markets was named Best Equity House in Norway by Euromoney in July 2005.
- In September Global Finance presented DnB NOR with the "Best Foreign Exchange Bank in Norway" award.

### Employees

- DnB NOR Markets has a staff of 530 full-time positions located in offices in Norway and abroad.
- DnB NOR Markets achieved the desired stability in staff levels and also recruited new employees within growth areas during the period.

### Revenues within various segments - IFRS

Amounts in NOK million	3Q05	2Q05	1Q05	4Q04	3Q04	Jan. - Sept.	
						2005	2004
FX and interest rate derivatives	212	237	244	228	209	693	648
Investment products	202	144	216	148	102	563	382
Corporate finance	101	78	97	70	60	276	139
Securities services	59	60	45	55	47	164	138
Total customer revenues	574	519	603	501	417	1 696	1 307
Market making/trading revenues	185	133	110	176	135	429	488
IFRS adjustments	(15)	(16)	(61)	9	9	(92)	29
Interest income on allocated capital	13	13	10	10	10	35	31
Total income	757	648	662	697	571	2 067	1 855

### Risk profile

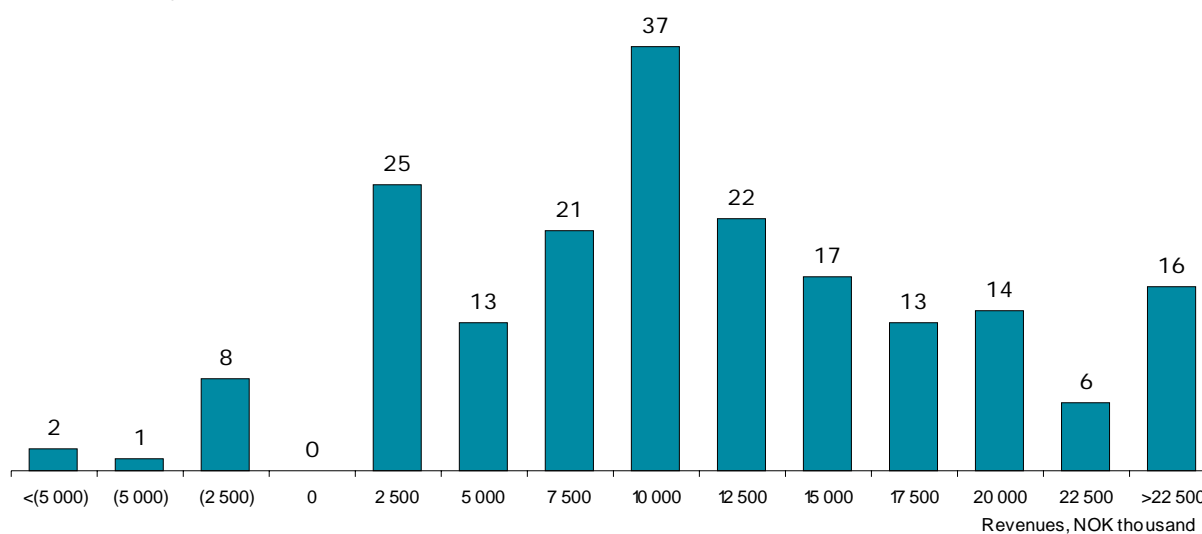
DnB NOR Markets has a moderate risk profile. Customer activities represent the main business. Trading activities support customer activities with products and prices, with focus on Norwegian krone products.

### Daily revenue statistics for DnB NOR Markets

Amounts in NOK thousand	Jan. - Sept.		2004	Pro forma 2003
	2005	2004		
Minimum	(9 662)	(3 806)	(3 812)	(3 007)
Maximum	75 434	41 601	61 034	51 894
Average	10 893	9 204	9 472	9 654
Loss days	11	9	10	3
Gain days	184	186	251	256

**Daily revenue distribution as at 30 September 2005**

Number of days

**Total income***Amounts in NOK million*

	Jan.-Sept. 2005
Total daily revenues	2 124
IFRS adjustments	(92)
Interest on allocated capital	35
<b>Total income</b>	<b>2 067</b>

**Value at risk**

Market risk exposures for DnB NOR Markets, i.e. DnB NOR Bank's trading portfolio/activities, were stable during the first three quarters of 2005.

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

<i>Amounts in NOK thousand</i>	30 Sept. 2005 Actual	Jan. - Sept.		
		Average	Maximum	Minimum
Currency risk	14 680	4 940	14 680	754
Interest rate risk	11 930	13 626	20 920	4 770
Diversification effects	(8 820)	(4 017)		
<b>Total</b>	<b>17 790</b>	<b>14 549</b>		

(Pro forma accounting figures prior to 2005)

**Interest rate sensitivity**

The value of financial investments recorded on and off the balance sheet is affected by interest rate movements. The table below shows potential losses for DnB NOR resulting from parallel one-percentage point changes in all interest rates. The calculations are based on a hypothetical situation where interest rate movements in all currencies are unfavourable for DnB NOR relative to the Group's positions. Also, all interest rate movements within the same interval are assumed to be unfavourable for the Group. In the trading portfolio, such losses will be charged to the accounts as they occur. In the banking portfolio, the losses will be amortised over the remaining maturity. The calculations are based on the Group's positions as at 30 September 2005 and market rates on the same date.

**Potential losses for DnB NOR resulting from parallel one percentage point changes in all interest rates**

<i>Amounts in NOK million</i>	Up to 1 month	From 1 month to 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	Total
<b>Trading portfolio</b>						
NOK	2	1	81	123	65	21
USD	3	3	29	35	8	5
EURO	3	6	0	1	7	2
GBP	0	1	1	1	0	2
Other currencies	4	3	8	2	2	5
<b>Banking portfolio</b>						
NOK	2	11	9	2	5	7
<b>Total</b>						
NOK	0	11	72	125	70	28
USD	3	3	29	35	8	5
EURO	3	6	0	1	7	2
GBP	0	1	1	1	0	2
Other currencies	4	3	8	2	2	5

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

## Life Insurance and Pensions

### Description of the business area

Life Insurance and Pensions offers group pension schemes to businesses and the public sector. In the retail market, long-term savings alternatives are offered in the form of individual pension agreements and annuities. Bård Benum, group executive vice president, is head of Life Insurance and Pensions.

Life Insurance and Pensions comprises Vital Forsikring ASA including subsidiaries and the sister company Vital Link AS. Vital aims to be Norway's strongest entity within pension savings. Vital seeks continued growth within the company's business segments and aims to deliver competitive results to its owner and policyholders. Devoting further efforts to improving cost efficiency, providing top-quality advisory services, maintaining high levels of service and customer relationship management and serving as an attractive entry portal for customers into the DnB NOR Group will be instrumental in reaching these targets.

### Financial results according to IFRS

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

Profit sharing between policyholders and the owner in life insurance companies is based on special accounting regulations for such operations stipulated by Kredittilsynet (the Financial Supervisory Authority of Norway). Regulations relating to profit sharing between the owner and policyholders in life insurance companies limit the DnB NOR Group's access to revenues and assets from life insurance operations. In accordance with IFRS, life insurance operations are incorporated in the DnB NOR Group's accounts based on the same principles that apply to the rest of the DnB NOR Group. Any deviations resulting from differences between the special accounting regulations for profit sharing and IFRS are charged directly to the DnB NOR Group's equity.

On pages 53-58, the profit and loss accounts and balance sheets for Life Insurance and Pensions as included in the DnB NOR Group's accounts according to IFRS, are included.

### Financial results according to NGAAP

The analyses on pages 59-61 are prepared on the basis of accounting principles according to Norwegian accounting legislation etc. (NGAAP).

(Pro forma accounting figures prior to 2005)

**Financial performance – Life Insurance and Pensions - IFRS**

Amounts in NOK million	3Q05	2Q05	1Q05	4Q04	3Q04	Jan. - Sept.	
						2005	2004
Interest result <sup>1) 2)</sup>	1 963	543	1 635	502	577	4 141	3 335
Risk result <sup>3)</sup>	35	38	(31)	(44)	(11)	42	(268)
Administration result <sup>4)</sup>	(1)	(29)	(38)	(287)	(31)	(68)	(100)
Other <sup>2)</sup>	0	0	0	245	(24)	0	(114)
Transferred to security reserve	7	0	(1)	(3)	(4)	6	3
Profit for distribution <sup>5)</sup>	1 990	552	1 567	419	515	4 109	2 850
Funds transferred to policyholders	1 636	289	1 247	(74)	280	3 172	2 107
Tax charge	(11)	(8)	(10)	(161)	11	(28)	97
<b>Profit life insurance</b>	<b>364</b>	<b>270</b>	<b>330</b>	<b>653</b>	<b>224</b>	<b>965</b>	<b>646</b>
Net profit in Vital Link	7	1	(2)	16	(2)	6	1
<b>Net profit from Life Insurance and Pensions</b>	<b>372</b>	<b>271</b>	<b>328</b>	<b>670</b>	<b>222</b>	<b>971</b>	<b>647</b>

1) For developments in the asset mix, return on assets and financial result in life insurance, see tables on pages 53, 54 and 57.

2) Including pre-tax profits to the owner of NOK 255 million from the sale of operations within non-life and group life insurance in the fourth quarter of 2004.

3) NOK 16 million was charged to the risk result for the third quarter of 2005 to strengthen disability provisions, compared with NOK 42 million in the corresponding period in 2004. Life Insurance and Pensions plans to strengthen the premium reserve by NOK 140 million to cover insurance claims in 2005.

4) In the fourth quarter of 2004, the administration result was charged with NOK 250 million in restructuring costs in connection with the merger between Vital Forsikring ASA and Gjensidige NOR Spareforsikring ASA.

5) See table on page 54.

**Comments to the financial performance in first three quarters of 2005 – Life Insurance and Pensions**

- Value-adjusted return on assets 6.0 per cent and recorded return on assets 5.2 per cent.
- A NOK 5.7 billion rise in solvency capital, to NOK 24.8 billion.
- 12 per cent growth in total assets, to NOK 193 billion.
- 18 per cent increase in total premiums due and a net inflow of transfers NOK 1.4 billion.
- A NOK 324 million rise in net profit.
- An 81 per cent increase in policyholders' funds from defined-contribution pension schemes compared with the figures at end-December.
- In the course of the fourth quarter, Vital will enter into an agreement with Norway Post on the most extensive defined-contribution pension scheme in the market. The scheme will cover 26 000 members and has an estimated annual premium of more than NOK 200 million.
- Preparations for the introduction of statutory occupational pension schemes are on schedule.
- Market shares by end-June are stable:
  - 39 per cent within unit linked operations
  - 49 per cent within traditional life insurance, excluding KLP (municipalities' pension funds)

**Financial results – life insurance - IFRS**

Amounts in NOK million	3Q05	2Q05	1Q05	4Q04	3Q04	Jan. - Sept.	
						2005	2004
Net result from shareholdings	3 153	1 592	1 351	766	(99)	6 096	2 169
Net result from other asset classes	1 216	1 725	860	2 784	2 161	3 801	4 779
Value-adjusted financial result <sup>1)</sup>	4 370	3 316	2 211	3 550	2 062	9 897	6 948
Guaranteed return on policyholders' funds	1 431	1 477	1 444	1 176	1 381	4 352	4 095
Financial result	2 939	1 839	767	2 374	681	5 545	2 853
+ From securities adjustment reserve	(976)	(1 296)	868	(1 572)	(104)	(1 404)	482
+ Transferred to additional allocations	0	0	0	300	0	0	0
Recorded interest result	1 963	543	1 635	502	577	4 141	3 335

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

**Value-adjusted return on assets – life insurance - IFRS**

Per cent	3Q05	2Q05	1Q05	4Q04	3Q04	Jan. - Sept.	
						2005	2004
Financial assets							
Norwegian equities	21.5	11.7	8.5	9.5	7.8	41.7	28.6
International equities	7.3	3.9	3.7	0.6	(3.5)	14.9	33.7
Norwegian bonds	0.3	2.5	0.8	1.9	2.5	3.6	4.8
International bonds	(0.3)	3.0	0.5	2.0	2.8	3.3	4.3
Money market instruments	0.5	0.6	0.5	0.5	0.7	1.6	1.8
Bonds held to maturity	1.4	1.4	1.4	1.5	1.4	4.2	4.2
Investment property	1.6	1.7	1.7	3.8	1.6	5.0	4.9
<b>Value-adjusted return on assets I <sup>1)</sup></b>	<b>2.7</b>	<b>2.0</b>	<b>1.3</b>	<b>2.5</b>	<b>1.3</b>	<b>6.0</b>	<b>4.6</b>
Value-adjusted return on assets II <sup>2)</sup>	2.2	2.3	1.1	2.7	1.7	5.6	5.0
Recorded return on assets <sup>3)</sup>	2.1	1.2	1.9	1.5	1.3	5.2	5.0
Value-adjusted return on assets I, annualised <sup>1)</sup>	10.8	8.0	5.4	10.0	5.1	8.0	6.1
Value-adjusted return on assets II, annualised <sup>2)</sup>	8.8	9.2	4.6	10.8	6.9	7.6	6.8

1) Excluding changes in value of commercial paper and bonds held to maturity.

2) Including changes in unrealised gains on commercial paper and bonds held to maturity.

3) Excluding changes in unrealised gains on commercial paper and bonds held to maturity.

**Specification of profit for distribution – life insurance**

Amounts in NOK million	3Q05	2Q05	1Q05	4Q04	3Q04	Jan. - Sept.	
						2005	2004
Profit for distribution	1 990	552	1 567	419	515	4 109	2 850
from operations subject to profit sharing <sup>1)</sup>	1 987	549	1 565	162	539	4 101	2 964
- Funds transferred to policyholders	1 636	289	1 247	(74)	280	3 172	2 107
- Profit for allocation to the owner and taxes	351	260	318	236	259	929	858
from operations not subject to profit sharing	3	3	2	257	(24)	8	(114)

1) Profit for allocation to the owner and taxes for operations subject to profit sharing in life insurance includes:

- return on equity, subordinated loan capital and the security reserve, calculated as the company's return on capital, less accrued interest on subordinated loans and allocations to the security reserve
- a margin of policyholders' funds
- a margin of effective risk premium adjusted for survival risk on contracts providing sufficient profits

According to regulations, annual profit for allocation to the owner and taxes cannot exceed 35 per cent of profit for operations subject to profit sharing. If this figure is negative, the entire amount should be charged to the owner. Total profit to the owner and taxes also includes profits from operations not subject to profit sharing.

(Pro forma accounting figures prior to 2005)

**Extracts from balance sheets and key figures – Life Insurance and Pensions**

<i>Amounts in NOK million</i>	30 Sept. 2005	30 June 2005	31 Mar. 2005	1 Jan. 2005	30 Sept. 2004	1 Jan. 2004
Total liabilities to life insurance policyholders	168 056	162 143	157 972	153 488	149 713	137 693
of which group pension - defined benefit	108 900	105 693	103 024	99 790	96 733	87 473
of which group pension - defined contribution	333	289	246	193	163	88
Insurance liabilities - customer bearing the risk	12 016	10 766	10 358	9 746	9 230	7 292
of which group pension - defined contribution	575	490	451	364	304	167

<i>Amounts in NOK million</i>	3Q05	2Q05	1Q05	4Q04	3Q04	Jan. - Sept.	
						2005	2004
Solvency capital <sup>1)</sup>	24 802	22 432	20 033	19 630	19 112	24 802	19 112
Return on capital (per cent) <sup>2)</sup>	17.9	13.7	17.4	28.4	12.1	16.3	13.5
Expenses in per cent of insurance provisions <sup>3)</sup>	0.83	0.85	0.88	0.87	0.87	0.85	0.91

1) Life insurance. For the composition of solvency capital, see table on page 60.

2) Calculations of return on capital are based on recorded equity, after tax charges, and are annualised.

3) Life insurance. Annualised according to NGAAP, including costs charged to the administration result.

**Premium income – Life Insurance and Pensions - IFRS**

<i>Amounts in NOK million</i>	3Q05	2Q05	1Q05	4Q04	3Q04	Jan. - Sept.	
						2005	2004
Total premiums due <sup>1) 2) 3)</sup>	4 569	3 734	5 720	4 535	3 057	14 023	11 429
Inflow of reserves <sup>4)</sup>	467	1 003	1 461	896	1 041	2 931	4 840
Outflow of reserves <sup>5)</sup>	661	492	502	234	545	1 655	1 937
Net premiums paid	4 375	4 245	6 679	5 197	3 552	15 299	14 332
Outflow of premiums	661	492	502	234	545	1 655	1 937
<b>Total premium income</b>	<b>5 036</b>	<b>4 737</b>	<b>7 181</b>	<b>5 431</b>	<b>4 098</b>	<b>16 954</b>	<b>16 269</b>

1) Of which group pension - defined benefit

2) Of which group pension - defined contribution

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

4) Of which transfers between Vital companies

5) The figure for the fourth quarter of 2004 does not include NOK 1 035 million in reserves from the sale of operations within non-life and group life insurance.

**Market shares – Life Insurance and Pensions**

<i>Per cent</i>	30 June 2005	31 Dec. 2004	30 June 2004
Of insurance funds including unit linked products <sup>1)</sup>	34.4	34.6	36.2
- Retail market	49.3	51.3	52.9
- Corporate market <sup>1)</sup>	29.2	28.7	30.1
Of insurance funds for unit linked products	38.9	40.6	40.4

All premiums include reserves transferred from other life insurance companies.

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

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

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

<i>Amounts in NOK million</i>	3Q05	2Q05	1Q05	4Q04	3Q04	Jan. - Sept.	
						2005	2004
Interest income							
Interest expenses							
<b>Net interest income and credit commissions</b>							
Commissions and fees receivable etc.	400	369	361	352	345	1 130	1 053
Commissions and fees payable etc.	134	118	125	121	104	377	320
Net gains on financial instruments at fair value							
Net gains on financial assets in life insurance and profits from insurance operations	289	267	337	539	240	893	791
Net realised gains on investment securities (AFS)							
Profit from companies accounted for by the equity method							
Other income	46	37	31	31	31	114	93
<b>Net other operating income</b>	<b>601</b>	<b>555</b>	<b>604</b>	<b>800</b>	<b>512</b>	<b>1 760</b>	<b>1 616</b>
Staff costs	134	153	137	159	159	424	497
Other costs	80	118	119	112	89	317	276
Depreciation, impairment on fixed and intangible assets	22	20	31	36	29	73	98
<b>Total operating expenses</b>	<b>236</b>	<b>291</b>	<b>287</b>	<b>306</b>	<b>278</b>	<b>814</b>	<b>871</b>
<b>Pre-tax operating profit before write-downs</b>	<b>364</b>	<b>264</b>	<b>317</b>	<b>494</b>	<b>233</b>	<b>945</b>	<b>744</b>
Net gains on fixed and intangible assets							
Write-downs on loans and guarantees							
<b>Pre-tax operating profit</b>	<b>364</b>	<b>264</b>	<b>317</b>	<b>494</b>	<b>233</b>	<b>945</b>	<b>744</b>
Taxes	(8)	(7)	(11)	(176)	11	(26)	97
Profit from discontinuing operations after taxes							
<b>Profit for the period <sup>2)</sup></b>	<b>372</b>	<b>271</b>	<b>328</b>	<b>670</b>	<b>222</b>	<b>971</b>	<b>647</b>

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

2) For a detailed statement of financial performance, see page 53.



(Pro forma accounting figures prior to 2005)

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

<i>Amounts in NOK million</i>	30 Sept. 2005	30 June 2005	31 March 2005	1 Jan. 2005	30 Sept. 2004	1 Jan. 2004
Cash and deposits with central banks						
Lending to and deposits with credit institutions	9 872	7 341	6 095	5 165	5 995	4 206
Gross lending to customers						
- Accumulated write-downs						
Net lending to customers						
Trading securities - commercial paper and bonds						
Trading securities - shareholdings etc.						
Financial assets - customers bearing the risk	12 016	10 766	10 354	9 747	9 230	7 287
Other financial instruments at fair value through profit and loss - commercial paper and bonds	64 191	65 348	61 361	55 313	53 708	53 744
Other financial instruments at fair value through profit and loss - shareholdings etc.	30 001	27 037	25 496	24 371	22 565	19 398
Financial derivative instruments	118	272	472	2 189	612	442
Financial derivative instruments used for hedging						
Shareholdings- available for sale						
Commercial paper and bonds - held to maturity	52 282	51 656	54 390	55 645	56 588	47 414
Investment property	19 445	18 161	18 552	18 445	16 763	16 687
Investments in associated companies	14	14	14	14	14	14
Intangible assets	213	231	270	292	334	416
Deferred tax assets	0	30	0	0	0	0
Fixed assets	1 168	1 104	1 116	1 094	1 083	1 067
Biological assets						
Discontinuing operations						
Accrued income and prepaid expenses	32	32	4	4	38	64
Other assets	3 155	3 373	2 744	2 830	5 505	7 026
<b>Total assets</b>	<b>192 508</b>	<b>185 364</b>	<b>180 870</b>	<b>175 109</b>	<b>172 434</b>	<b>157 765</b>
Loans and deposits from credit institutions						
Deposits from customers						
Financial derivative instruments						
Securities issued						
Insurance liabilities - customers bearing the risk	12 016	10 766	10 354	9 747	9 230	7 287
Liabilities to life insurance policyholders	168 056	162 143	157 972	153 488	149 713	137 693
Other liabilities	938	1 048	699	922	1 628	2 832
Accrued expenses and prepaid income	281	552	1 317	761	2 027	663
Discontinuing operations						
Provisions						
Deferred tax liabilities	394	405	412	423	680	598
Subordinated loan capital	2 578	2 577	2 538	2 519	2 566	2 732
<b>Total liabilities</b>	<b>184 263</b>	<b>177 491</b>	<b>173 293</b>	<b>167 860</b>	<b>165 844</b>	<b>151 805</b>
Minority interests						
Revaluation changes						
Share capital	2 423	2 423	2 418	2 418	2 418	2 418
Other reserves and retained earnings	5 821	5 450	5 159	4 831	4 172	3 541
<b>Total equity</b>	<b>8 245</b>	<b>7 873</b>	<b>7 577</b>	<b>7 249</b>	<b>6 591</b>	<b>5 960</b>
<b>Total liabilities and equity</b>	<b>192 508</b>	<b>185 364</b>	<b>180 870</b>	<b>175 109</b>	<b>172 434</b>	<b>157 765</b>

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

### Products and organisation

Life Insurance and Pensions offers:

- Group pension schemes to businesses, adapted to customer needs for defined-benefit, defined-contribution and single premium pension schemes.
- Long-term savings alternatives in the form of individual pension agreements and annuities in the retail market.
- Products are offered with guaranteed returns or with a choice of investment profile (unit linked).
- Savings products from other units in the DnB NOR Group, including mutual funds from DnB NOR Kapitalforvaltning and equity-linked bonds from DnB NOR Markets.

The business area is represented in most parts of Norway through sales offices and provides services through DnB NOR and Postbanken's distribution networks and independent agents, as well as via the Internet.

### Cooperation with other group entities

- By taking advantage of the strength of the DnB NOR Group's total distribution network, Life Insurance and Pensions is well positioned to enjoy continued market growth.
- Life Insurance and Pensions' growth in the retail market is not least due to the business area's extensive distribution network, where other business areas in the Group play a principal role.
- In the third quarter of 2005, other business areas accounted for 69.7 per cent of the sales of Life Insurance and Pensions' products in the retail market, compared with 52.8 per cent in the corresponding period of 2004.

### Employees

Life Insurance and Pensions gives priority to retaining and developing a high level of expertise within insurance products, management and other relevant areas of competence.

### Full-time positions – Life Insurance and Pensions - IFRS

	30 Sept. 2005	30 Sept. 2004
Life insurance	838	965
Unit link	29	29
<b>Total</b>	<b>867</b>	<b>994</b>

## Balance sheets and capital adequacy according to NGAAP

The analyses below are prepared on the basis of accounting principles according to Norwegian accounting legislation etc. (NGAAP). Tables marked "Life Insurance and Pensions" refer to life insurance operations including unit linked operations in Vital Link AS. Tables marked "life insurance" refer to operations in Vital Forsikring ASA including subsidiaries.

Kredittilsynet and the Ministry of Finance have not adapted solvency capital or capital adequacy regulations to IFRS. For the time being, solvency and capital adequacy calculations are based on rules for statutory accounts, which thus far are not allowed to be restated according to IFRS.

### Balance sheets – Life Insurance and Pensions - NGAAP

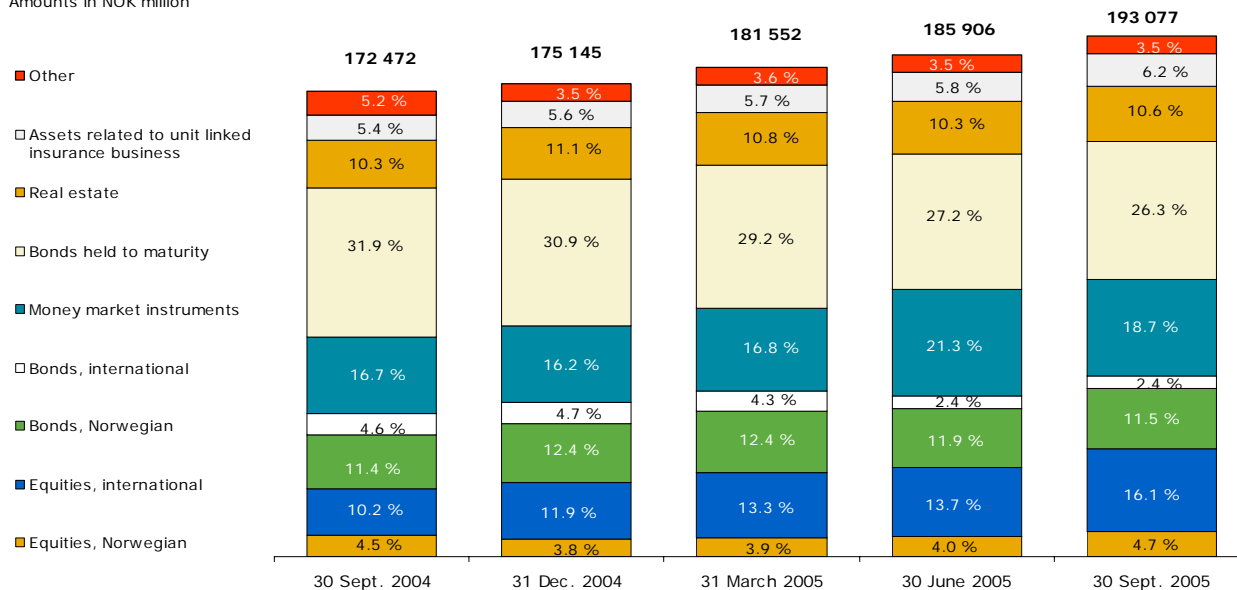
<i>Amounts in NOK million</i>	30 Sept. 2005	30 June 2005	31 Mar. 2005	31 Dec. 2004	30 Sept. 2004	Pro forma 31 Dec. 2003
<b>Financial assets</b>						
Norwegian equities <sup>1)</sup>	9 094	7 959	7 509	7 077	7 684	7 518
International equities <sup>2)</sup>	21 209	19 376	18 241	17 476	15 062	12 023
Norwegian bonds <sup>3)</sup>	25 942	26 439	27 694	26 636	27 442	23 687
International bonds <sup>4)</sup>	12 484	17 955	16 579	18 776	16 880	15 746
Money market instruments <sup>5)</sup>	34 217	27 201	22 111	15 654	14 475	21 034
Bonds held to maturity	50 846	50 515	52 955	54 172	55 020	46 723
Real estate	20 496	19 167	19 518	19 410	17 723	17 633
Assets related to unit linked insurance business	12 016	10 766	10 353	9 741	9 230	7 287
Other	6 773	6 529	6 593	6 203	8 956	6 157
<b>Total assets</b>	<b>193 077</b>	<b>185 906</b>	<b>181 552</b>	<b>175 145</b>	<b>172 472</b>	<b>157 808</b>
<b>Equity</b>	<b>8 306</b>	<b>7 932</b>	<b>7 638</b>	<b>7 307</b>	<b>6 639</b>	<b>5 991</b>
Subordinated loan capital	2 580	2 577	2 538	2 519	2 566	2 732
Securities adjustment reserve	4 942	3 966	2 670	3 538	1 966	2 448
<b>Insurance provisions</b>						
Premium reserve	154 817	150 080	147 189	140 701	139 112	126 193
Additional allocations	2 324	2 331	2 340	2 357	2 053	2 050
Premium fund and pension regulation fund	5 572	5 352	5 367	5 992	5 601	5 678
Security reserve	203	200	200	201	202	200
Other reserves	563	584	577	545	636	1 018
Provisions in unit linked insurance business	12 016	10 766	10 353	9 741	9 230	7 287
Other liabilities	1 756	2 119	2 681	2 244	4 467	4 212
<b>Total equity and liabilities</b>	<b>193 077</b>	<b>185 906</b>	<b>181 552</b>	<b>175 145</b>	<b>172 472</b>	<b>157 808</b>

Net exposure after adjustment for derivative contracts:

1) Norwegian equities	9 094	7 480	7 058	6 664	7 684	7 518
2) International equities	31 018	25 382	24 178	20 787	17 659	12 023
- of which investments in hedge funds	1 435	1 485	1 454	1 447	1 406	1 712
3) Norwegian bonds	22 117	22 051	22 516	21 649	19 595	23 687
4) International bonds	4 620	4 433	7 829	8 199	7 855	15 746
5) Money market instruments	36 098	39 583	30 553	28 320	28 749	21 034

**Balance sheet – Life Insurance and Pensions <sup>1)</sup> –NGAAP**

Amounts in NOK million



1) Net exposure in Life Insurance and Pensions after adjustment for derivative contracts.

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

	30 Sept. 2005	30 June 2005	31 Mar. 2005	31 Dec. 2004	30 Sept. 2004	Pro forma 31 Dec. 2003
<i>Amounts in NOK million</i>						
Interim profit, accumulated	4 109	2 119	1 567	-	2 850	-
Securities adjustment reserve	4 942	3 966	2 670	3 538	1 966	2 448
Additional allocations	2 324	2 331	2 340	2 357	2 053	2 050
Security reserve	203	196	196	197	200	197
Equity	7 156	7 156	7 156	7 156	5 856	5 856
Subordinated loan capital and perpetual subordinated loan capital securities	2 483	2 482	2 468	2 449	2 496	2 662
Unrealised gains on long-term securities	3 586	4 183	3 637	3 935	3 692	2 842
<b>Solvency capital</b>	<b>24 802</b>	<b>22 432</b>	<b>20 033</b>	<b>19 630</b>	<b>19 112</b>	<b>16 056</b>
<b>Buffer capital <sup>2)</sup></b>	<b>13 780</b>	<b>10 930</b>	<b>9 089</b>	<b>8 577</b>	<b>8 328</b>	<b>6 335</b>

1) The table above shows the composition of and development in solvency capital. All these elements, with the exception of part of the security reserve, can be used to meet the guaranteed rate of return on policyholders' funds.

2) Buffer capital is equity in excess of the minimum statutory capital requirement and interim profits, additional allocations and the securities adjustment reserve.

**Capital adequacy and solvency margin capital – life insurance - NGAAP**

<i>Amounts in NOK million</i>	30 Sept. 2005	30 June 2005	31 Mar. 2005	31 Dec. 2004	30 Sept. 2004	Pro forma 31 Dec. 2003
<b>Capital adequacy <sup>1)</sup></b>						
Total eligible primary capital	9 075	9 035	9 032	8 953	7 661	7 724
Capital adequacy ratio (%)	12.6	12.8	14.1	14.1	12.7	13.8
Core capital	6 818	6 806	6 803	6 801	5 497	5 390
Core capital (%)	9.4	9.6	10.6	10.7	9.1	9.6
Risk-weighted assets	72 239	70 689	64 220	63 325	60 566	56 151
<b>Solvency margin capital <sup>2)</sup></b>						
Solvency margin capital	10 351	10 307	10 308	10 238	8 777	8 838
Solvency margin capital exceeding minimum requirement	3 488	3 651	3 605	3 949	2 358	3 045
Solvency margin capital in per cent of solvency margin capital requirement (%)	151	155	154	163	137	153

1) Capital adequacy regulations regulate the relationship between the company's primary capital and the investment exposure on the asset side of the balance sheet. Life insurance companies are subject to a minimum capital adequacy requirement of 8 per cent.

2) Solvency margin capital is measured against the solvency margin requirement, which is linked to the company's insurance commitments on the liabilities side of the balance sheet. The solvency margin requirements for Norwegian life insurance companies are subject to regulations on the calculation of solvency capital requirements and solvency margin capital, as laid down by the Ministry of Finance on 19 May 1995.

## Asset Management

Asset Management provides mutual funds and discretionary portfolio management services to Norwegian and other Nordic corporate clients, the public sector, private pension funds and retail customers. Øyvind Birkeland, group executive vice president, heads the business area.

Asset Management seeks to provide first-class returns on customer funds within the preferred risk profile and investment horizon. DnB NOR aspires to be the leading asset manager for customers in the Nordic region, providing sound long-term returns and a high level of service based on a thorough understanding of customer needs.

The first exchange-traded fund in Norway, DnB NOR OBX, was launched in the first quarter of 2005. The hedge fund operations of Absolute Return Investment AB were taken over in their entirety from Skandia Liv in April 2005.

The integration of products, services and the organisations is expected to result in annual cost synergies of NOK 110 million by the end of 2006. The initial integration process in 2003-2004 resulted in staff cuts of 71 full-time positions. In the first three quarters of 2005 synergies reduced staff by 11 full-time positions. In addition new preliminary vacancies reduced staff by eight full-time positions. Planned staff reductions in connection with the merger was 70 full-time positions. Staff reduction are thus ahead of target.

New mutual fund packages, the 'Save Smart' concept, launched in September 2005 were well received in the market. Hedge funds are a priority area in 2005. The new tax reform in Norway will be an incentive for mutual fund savings.

## Financial performance - IFRS

<i>Amounts in NOK million</i>	3Q05	2Q05	1Q05	4Q04	3Q04	Jan. - Sept.	
						2005	2004
Net interest income - ordinary operations	0	(2)	(1)	(1)	3	(3)	(5)
Interest on allocated capital <sup>1)</sup>	8	7	6	6	6	21	19
Net interest income	9	5	5	5	9	18	15
Commission income							
- from retail customers	90	84	85	95	96	259	265
- from institutional clients	149	148	157	139	127	455	406
Other income	5	4	3	8	13	13	12
Total income	253	241	250	247	246	744	698
Operating expenses	162	164	169	172	156	496	509
Pre-tax operating profit before write-downs	91	77	81	76	90	249	189
Write-downs on loans and net losses on assets	2	0	0	0	0	2	0
Pre-tax operating profit	89	77	81	76	90	247	189
<b>Assets under management <sup>2)</sup></b>							
Institutional	464	447	449	440	450	464	450
- of which Life Insurance and Pensions	163	159	154	149	145	163	145
Retail	47	44	43	42	40	47	40
Total	511	491	492	482	490	511	490
<b>Key figures</b>							
Cost/income ratio	63.9	68.2	67.6	69.4	63.5	66.6	73.0
Return on capital (% p.a.) <sup>1)</sup>	17.8	16.9	20.3	17.5	20.7	18.3	14.6

1) Calculated on the basis of recorded equity.

2) Assets under management at end of period.

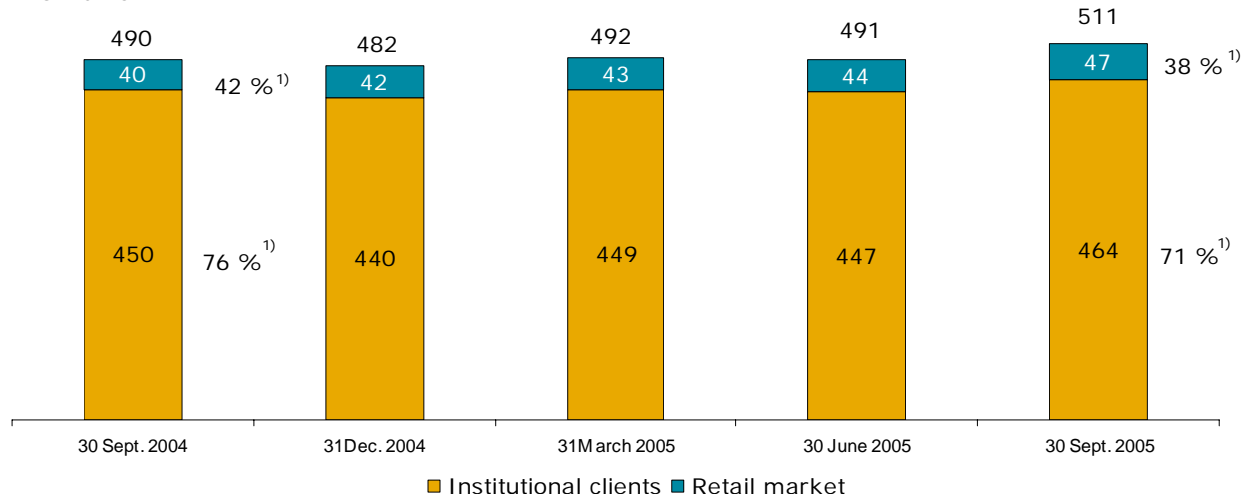
(Pro forma accounting figures prior to 2005)

**Comments to the financial performance in the first three quarters of 2005**

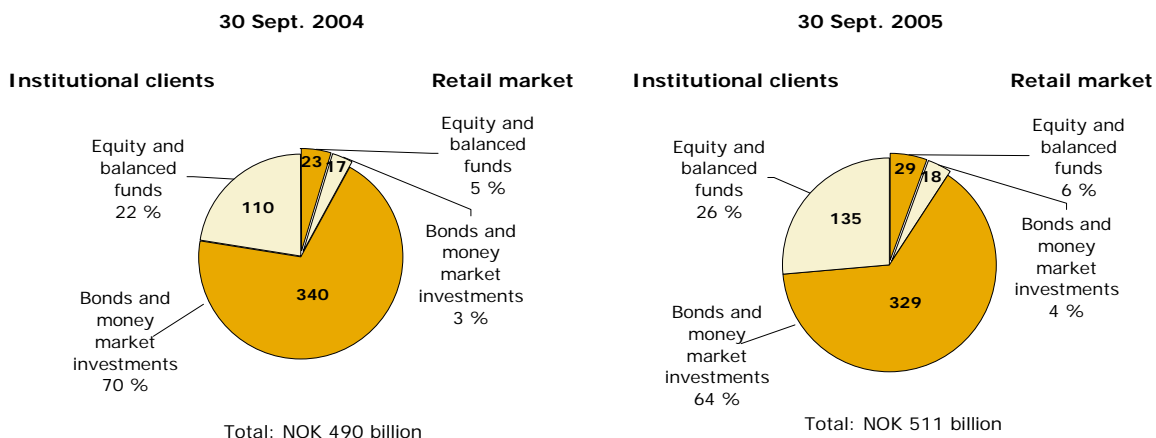
- Commission income increased by NOK 44 million from the first three quarters of 2004 to the first three quarters of 2005. This was mainly due to growth in assets under management.
- Operating expenses in the first three quarters of 2005 were NOK 496 million, which was NOK 13 million below operating expenses in the corresponding period of 2004.
- Cost synergies representing NOK 58 million were achieved in the first three quarters of 2005, bringing total synergies from the DnB NOR merger to NOK 106 million so far.

**Assets under management**

NOK billion



1) Share of total assets in the institutional and retail market respectively, invested in bonds, fixed-income funds and money market funds.



(Amounts in NOK billion and per cent of total assets)

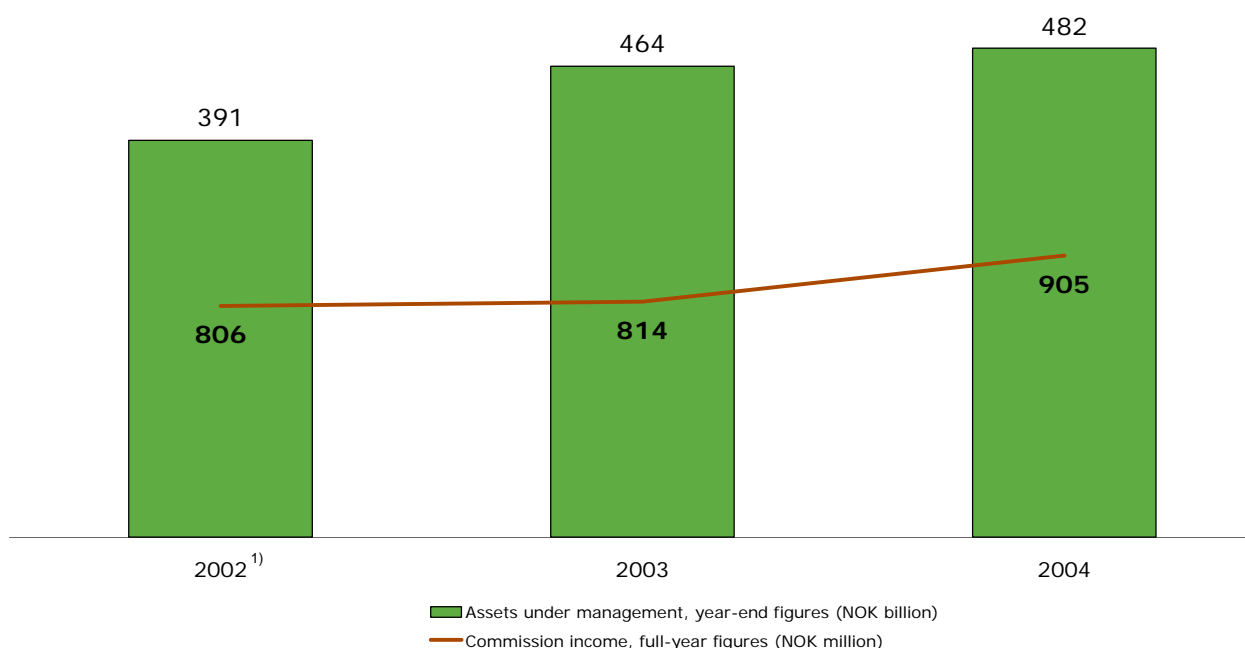
**Changes in assets under management - net inflow**

Amounts in NOK million	3Q05	2Q05	1Q05 <sup>1)</sup>	4Q04	3Q04	Jan. - Sept.	
						2005 <sup>1)</sup>	2004 <sup>2)</sup>
Retail market	88	(668)	(572)	909	(480)	(1 152)	(871)
Institutional clients	3 495	(3 700)	7 098	(17 585) <sup>3)</sup>	1 279	6 893	2 899
Total	3 583	(4 368)	6 526	(16 675)	799	5 741	2 027

- 1) Excluding dividends of NOK 1 446 million, of which NOK 446 million refers to retail and NOK 1 000 million to institutional clients.
- 2) Excluding dividends of NOK 1 821 million, of which NOK 779 million refers to retail and NOK 1 042 million to institutional clients.
- 3) The reduction was due to the termination of one large contract which, according to agreement, should have been terminated two quarters earlier.

**Comments to changes in assets under management**

- Assets under management increased by NOK 29.2 billion or 6.1 per cent in the first three quarters of 2005.
- There was a net inflow of funds from institutional clients of NOK 6.9 billion or 1.6 per cent and a net outflow from the retail market of NOK 1.1 billion or 2.7 per cent in the first three quarters of 2005.
- New institutional mandates were won in both Sweden and Norway.
- Market developments led to a NOK 39.6 billion increase in assets under management, representing 8.2 per cent measured in customers' base currencies.
- The appreciation of NOK against other currencies, especially SEK, reduced assets under management by NOK 16.2 billion or 3.4 per cent.
- During the first three quarters of 2005, Morgan Stanley's global equity index (MSCI World Net Div.) increased by 6.2 per cent measured in USD and by 14.4 per cent measured in NOK.
- The stock exchanges in Stockholm (OMX) and Oslo (OSEBX) climbed by 20.8 and 38.6 per cent respectively during the first three quarters of 2005.

**Development in assets under management and commission income**

1) Pro forma including Skandia Asset Management as from 1 January 2002



(Pro forma accounting figures prior to 2005)

**Investment returns on assets under management**

- Returns on a number of major client portfolios and funds outperformed relevant benchmarks, including Vital Forsikring's total portfolio, as well as Norwegian equity and bond investments and major Swedish equity portfolios.
- Fund managers' specialisation has led to strong performance for several industry-specific funds (percentage point return in excess of benchmark in parentheses):
  - DnB NOR Global Health Care (3.9)
  - DnB NOR Nordic Technology (5.2)
  - DnB NOR Telecom (5.1)

**Customers/markets**

- Asset Management serves the Norwegian and Swedish savings markets, offering domestic and international asset management services.
- Brand names:
  - DnB NOR Kapitalforvaltning in the Norwegian institutional and retail markets
  - DnB NOR Asset Management and Carlson in the Swedish institutional and retail markets
- A leading position in the institutional market in both Norway and Sweden with around 470 institutional clients. The largest clients are Skandia Liv and Vital
- The number of mutual fund customers in Norway was more than 676 000 at the end of September 2005. The number of savings agreements exceeded 251 000.
- Market shares:
  - DnB NOR Kapitalforvaltning (mutual funds in Norway) 31.7 per cent (as at 31 Aug. 2005)
  - Carlson Fonder (mutual funds in Sweden) 1.3 per cent
  - Institutional market in Norway > 30 per cent
  - Institutional market in Sweden > 20 per cent

**Fund capital and market shares in Norway**

	31 August 2005		30 June 2005		31 March 2005		31 Dec. 2004		30 Sept. 2004	
	Fund capital	Market share	Fund capital	Market share	Fund capital	Market share	Fund capital	Market share	Fund capital	Market share
<i>Amounts in NOK million and per cent</i>										
Equity funds (Norwegian)	11 911	25.1	10 851	25.8	10 574	26.1	10 280	27.4	10 207	28.5
Equity funds (international)	14 717	18.7	14 313	20.8	15 584	23.3	13 582	23.4	13 557	27.5
Balanced funds	5 007	58.6	4 793	59.8	4 588	60.5	4 251	62.0	3 927	59.7
Fixed-income funds	9 644	35.4	11 526	40.5	11 096	40.1	11 107	39.9	10 397	40.7
Money market funds	27 464	50.1	26 836	50.3	28 131	51.9	26 899	53.1	28 022	53.8
<b>Total mutual funds</b>	<b>68 742</b>	<b>31.7</b>	<b>68 319</b>	<b>34.0</b>	<b>69 973</b>	<b>35.6</b>	<b>66 119</b>	<b>36.6</b>	<b>66 111</b>	<b>39.1</b>

Source: Norwegian Mutual Fund Association

**Products and services**

- Mutual funds, hedge funds and absolute return products
- Discretionary portfolio management
- Management and monitoring of investment portfolios
- Asset allocation and risk management advisory services

**Organisation**

- Legal structure simplified through the merging of all operational asset management companies in Norway.
- Customer activity is concentrated in Norway and Sweden. In order to provide competitive global asset management, investment operations have also been established in London, New York and Hong Kong.
- A combination of regional and sector-oriented management teams with a presence in all major financial markets.
- Asset management services are provided through channels adapted to the various markets:

Retail customers in Norway

- DnB NOR's extensive network of branches and regional financial services centres
- Post offices and in-store postal outlets
- The Internet
- External channels including brokers, investment advisers and regional and local savings banks

Retail customers in Sweden

- Local distributors

Institutional markets in Sweden and Norway

- The business area's own sales force and, in Norway, through cooperation with Corporate Banking

**Employees**

- Staff cuts corresponding to 11 full-time positions and new vacancies corresponding to eight full-time positions in the first three quarters of 2005.
- 291 full-time positions at the end of September 2005.

**Cooperation with other group entities**

- DnB NOR's extensive network represents the major distribution channel in the Norwegian retail market.
- Asset Management and Corporate Banking cooperate in providing a complete range of financial services to corporate customers.
- Asset Management manages Vital's equity and bond portfolios.
- Asset Management cooperates with other group entities in developing products adapted to the various markets.

## Section 4

# Financial results for the banking group according to NGAAP

DnB NOR Bank Group

## Financial results – banking group - NGAAP

### Financial highlights

<i>Amounts in NOK million</i>	3Q05	2Q05	1Q05	4Q04	3Q04	Jan. - Sept.	
						2005	2004 <sup>1)</sup>
Pre-tax operating profit before losses	2 620	2 387	2 318	2 187	2 135	7 325	7 056
Pre-tax operating profit	2 929	2 432	2 178	2 172	2 280	7 540	7 011
Profit for the period	2 139	1 775	1 590	1 668	1 663	5 504	5 118
Cost/income ratio excl. goodwill (per cent)	50.7	53.3	53.2	56.6	55.5	52.4	56.1
Cost/income ratio (per cent)	52.0	54.6	54.5	58.0	56.3	53.7	57.4
Return on equity excl. goodwill (per cent)	20.9	18.3	17.2	16.4	16.6	18.8	18.2
Return on equity (per cent)	20.3	17.6	16.5	15.7	16.3	18.1	17.4
Core capital ratio at end of period (per cent) <sup>2)</sup>	7.2	7.4	7.4	7.5	7.7	7.2	7.7

1) Including NOK 946 million in gains on the sale of operations and NOK 805 million in restructuring provisions related to the DnB NOR merger.

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

### Profit and loss accounts

<i>Amounts in NOK million</i>	3Q05	2Q05	1Q05	4Q04	3Q04	Jan. - Sept.	
						2005	2004
Net interest income and credit commissions	3 376	3 306	3 236	3 337	3 322	9 918	10 039
Net other ordinary operating income	2 067	1 916	1 824	1 879	1 603	5 807	5 235
Ordinary operating expenses	2 828	2 831	2 772	2 887	2 746	8 431	8 704
Ordinary operating profit	2 616	2 390	2 288	2 329	2 179	7 294	6 569
Net gains on the sale of fixed assets	13	36	31	(6)	(40)	80	1 305
Other expenses	9	39	2	135	5	49	818
Pre-tax operating profit before losses	2 620	2 387	2 318	2 187	2 135	7 325	7 056
Net losses on loans etc.	(102)	(40)	134	70	(121)	(8)	97
Net gains on long-term securities	208	5	(5)	55	24	208	51
Pre-tax operating profit	2 929	2 432	2 178	2 172	2 280	7 540	7 011
Taxes	791	657	588	504	617	2 036	1 893
<b>Profit for the period</b>	<b>2 139</b>	<b>1 775</b>	<b>1 590</b>	<b>1 668</b>	<b>1 663</b>	<b>5 504</b>	<b>5 118</b>

### Balance sheets

<i>Amounts in NOK billion</i>	30 Sept.	30 June	31 March	31 Dec.	30 Sept.	31 Dec.
	2005	2005	2005	2004	2004	2003
Cash and lending to/deposits with credit institutions	68.1	59.2	51.2	30.4	36.9	36.6
Net lending to customers	648.1	617.2	597.0	577.4	570.7	565.9
Commercial paper, bonds, etc.	77.3	68.2	68.4	63.0	65.4	59.7
Shareholdings, etc.	4.0	3.9	6.1	6.0	5.7	5.3
Fixed and intangible assets	6.3	6.4	6.7	6.8	7.2	7.7
Other assets	27.8	30.7	28.9	29.0	31.7	29.7
<b>Total assets</b>	<b>831.6</b>	<b>785.6</b>	<b>758.3</b>	<b>712.5</b>	<b>717.5</b>	<b>704.9</b>
Loans and deposits from credit institutions	93.4	84.1	77.2	48.9	63.5	78.5
Deposits from customers	409.4	393.0	375.5	360.2	354.5	337.8
Borrowings through the issue of securities	222.2	207.1	199.6	192.4	192.3	181.9
Other liabilities and provisions	38.6	36.2	42.3	49.1	41.7	46.4
Primary capital	68.1	65.2	63.7	61.8	65.4	60.3
<b>Total liabilities and equity</b>	<b>831.6</b>	<b>785.6</b>	<b>758.3</b>	<b>712.5</b>	<b>717.5</b>	<b>704.9</b>
Average total assets for the year to date	772.1	760.0	746.7	739.3	738.3	693.4
Ratio of deposits to net lending (%)	63.2	63.7	62.9	62.4	62.1	59.7
Ratio of average deposits to average net lending (%)	63.2	62.8	63.2	62.5	62.4	63.0

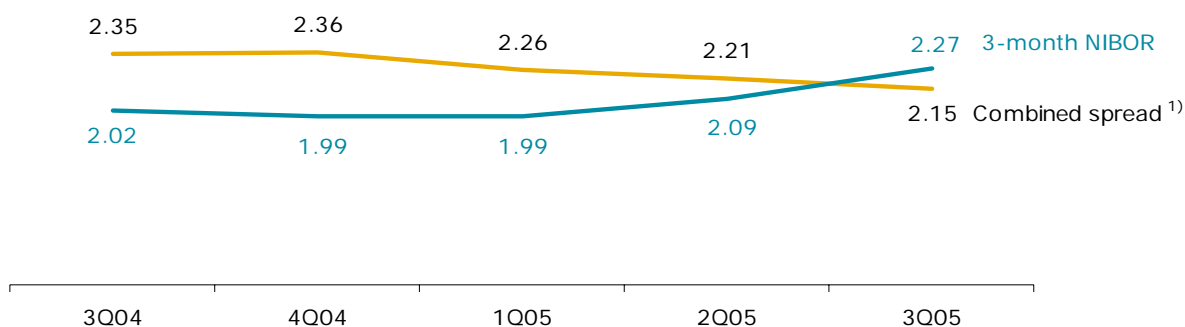
For detailed profit and loss accounts and balance sheets, see page 82.

## Net interest income – banking group - NGAAP

<i>Amounts in NOK million</i>	3Q05	2Q05	1Q05	4Q04	3Q04	Jan. - Sept.	
						2005	2004
Interest on loans to and deposits with credit institutions	378	369	384	402	421	1 130	1 419
Interest and credit commissions on instalment loans	5 271	4 967	4 853	4 893	4 859	15 091	14 911
Interest and credit commissions on overdraft and working capital facilities	674	667	630	641	633	1 971	1 923
Interest and credit commissions on building loans	83	80	73	74	67	236	194
Leasing income	132	127	126	124	125	386	589
Factoring income	16	17	14	16	14	47	63
Front-end fees, etc.	276	257	223	256	272	756	745
Interest on other loans to customers	38	31	32	66	78	102	184
<b>Total interest income on loans to customers</b>	<b>6 491</b>	<b>6 146</b>	<b>5 952</b>	<b>6 071</b>	<b>6 048</b>	<b>18 588</b>	<b>18 611</b>
Interest on commercial paper and bonds	531	488	520	556	522	1 539	1 515
Other interest income	119	107	92	84	106	319	147
<b>Total interest income</b>	<b>7 519</b>	<b>7 109</b>	<b>6 948</b>	<b>7 112</b>	<b>7 097</b>	<b>21 576</b>	<b>21 692</b>
Interest on loans and deposits from credit institutions	585	500	481	413	430	1 565	1 381
Interest on demand deposits from customers	920	822	758	832	794	2 500	2 559
Interest on time deposits from customers	201	178	169	52	53	549	149
Interest on special-term deposits from customers	349	263	265	256	240	876	791
<b>Total interest expenses on deposits from customers</b>	<b>1 470</b>	<b>1 263</b>	<b>1 192</b>	<b>1 140</b>	<b>1 087</b>	<b>3 925</b>	<b>3 498</b>
Interest on securities issued	1 612	1 476	1 406	1 362	1 154	4 493	3 223
Interest on subordinated loan capital	232	224	208	195	183	664	530
Levies to the banks' guarantee fund	0	0	0	60	70	0	209
Other interest expenses	244	341	425	605	851	1 010	2 812
<b>Total interest expenses</b>	<b>4 142</b>	<b>3 803</b>	<b>3 712</b>	<b>3 775</b>	<b>3 775</b>	<b>11 658</b>	<b>11 653</b>
<b>Net interest income</b>	<b>3 376</b>	<b>3 306</b>	<b>3 236</b>	<b>3 337</b>	<b>3 322</b>	<b>9 918</b>	<b>10 039</b>

### Developments in average interest rate spreads

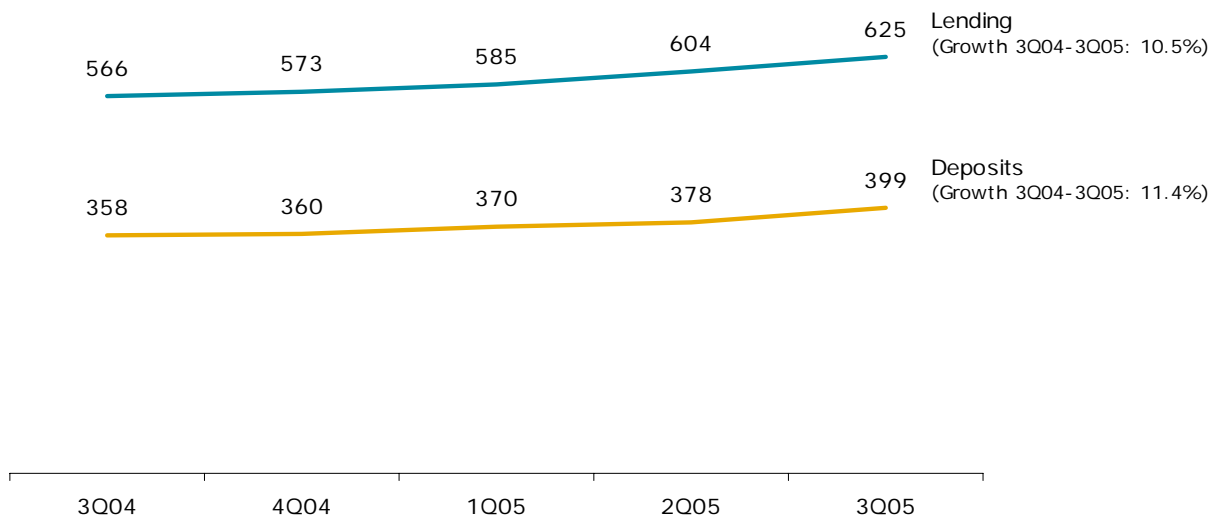
Per cent



1) Combined spread for lending and deposits.

### Developments in average volumes

NOK billion



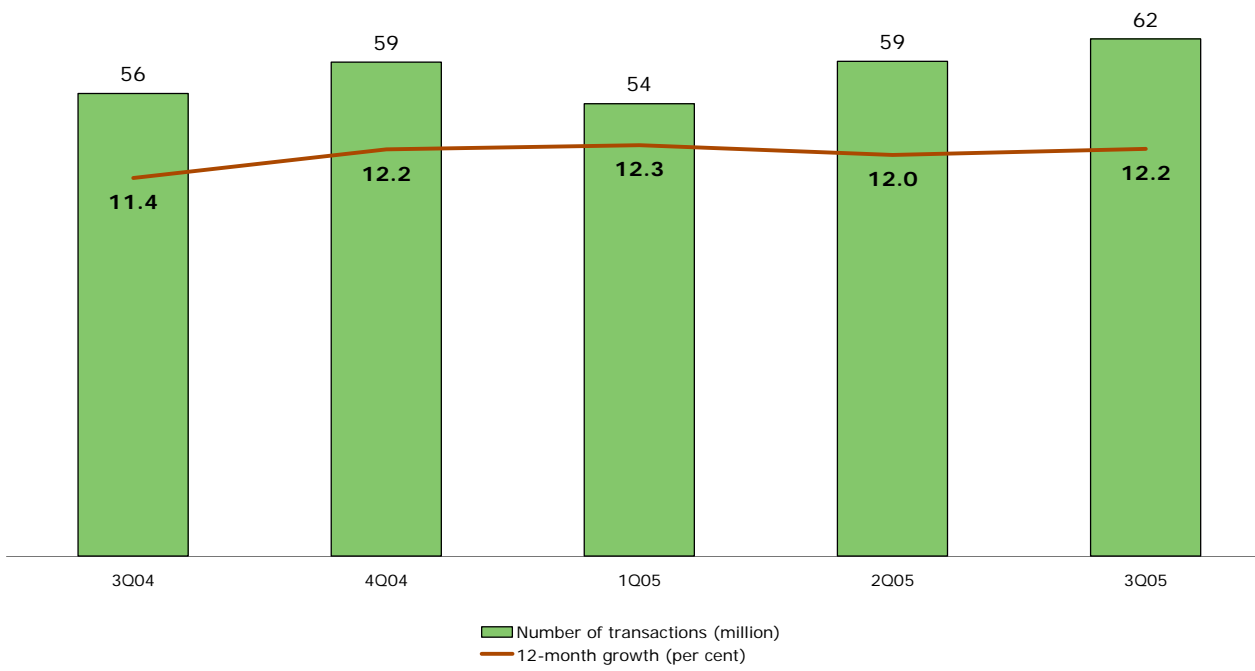
## Net other operating income – banking group - NGAAP

<i>Amounts in NOK million</i>	3Q05	2Q05	1Q05	4Q04	3Q04	Jan. - Sept.	
						2005	2004
Dividends	4	114	30	23	18	148	120
Money transfer fees receivable	759	796	733	807	831	2 287	2 388
Fees on asset management services	48	42	41	54	34	132	111
Fees on custodial services	67	85	68	67	59	220	185
Fees on securities broking (incl. corporate finance)	190	165	188	134	103	544	379
Guarantee commissions	91	96	93	99	90	280	290
Interbank fees	49	44	45	44	44	139	138
Credit broking commissions	51	46	27	35	39	124	90
Sales commissions on insurance products	72	73	72	71	48	218	154
Sundry commissions and fees receivable on banking services	254	198	195	180	167	647	536
<b>Total commissions and fees receivable</b>	<b>1 582</b>	<b>1 546</b>	<b>1 463</b>	<b>1 491</b>	<b>1 416</b>	<b>4 590</b>	<b>4 273</b>
Money transfer fees payable	256	278	253	276	287	787	860
Fees on custodial services payable	19	25	29	18	20	73	65
Interbank fees	73	56	64	60	61	193	183
Sundry commissions and fees payable on banking services	160	162	164	137	137	486	411
<b>Total commissions and fees payable</b>	<b>509</b>	<b>521</b>	<b>510</b>	<b>491</b>	<b>504</b>	<b>1 539</b>	<b>1 519</b>
Net gains on short-term shareholdings	152	8	61	15	(3)	220	(3)
Net gains on commercial paper and bonds	(85)	87	(75)	74	153	(73)	136
Net gains on trading in foreign exchange and financial derivatives <sup>1)</sup>	319	423	254	577	472	995	2 303
Net gains on other short-term interest rate instruments <sup>1)</sup>	265	(108)	274	(181)	(281)	430	(1 247)
<b>Net gains on foreign exchange and financial instruments</b>	<b>650</b>	<b>409</b>	<b>514</b>	<b>486</b>	<b>342</b>	<b>1 573</b>	<b>1 190</b>
Operating income on real estate	2	1	2	2	11	5	37
Rental income	25	41	14	49	23	81	117
Fees on real estate broking	172	175	123	155	145	470	463
Share of profit in associated companies	37	20	26	35	43	82	183
Miscellaneous operating income	104	130	163	129	108	397	372
<b>Total sundry ordinary operating income</b>	<b>341</b>	<b>368</b>	<b>327</b>	<b>370</b>	<b>331</b>	<b>1 036</b>	<b>1 171</b>
Gains on the sale of fixed assets	13	36	31	(6)	(40)	80	1 305
<b>Net other operating income</b>	<b>2 080</b>	<b>1 952</b>	<b>1 855</b>	<b>1 872</b>	<b>1 563</b>	<b>5 886</b>	<b>6 539</b>
<i>As a percentage of total income <sup>2)</sup></i>	<i>38.1</i>	<i>37.1</i>	<i>36.4</i>	<i>35.9</i>	<i>32.0</i>	<i>37.2</i>	<i>35.8</i>

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

2) Gains on the sale of operations are not included in the calculation January to September 2004.

### Number of "point-of-sale" transactions





## Net gains on foreign exchange and financial instruments

<i>Amounts in NOK million</i>	3Q05	2Q05	1Q05	4Q04	3Q04	Jan. - Sept.	
						2005	2004
Net gains on short-term shareholdings	152	8	61	15	(3)	220	(3)
Net gains on commercial paper and bonds	(85)	87	(75)	74	153	(73)	136
Net gains on trading in foreign exchange and financial derivatives	319	423	254	577	472	995	2 303
Net gains on other short-term interest rate instruments	265	(108)	274	(181)	(281)	430	(1 247)
<b>Net gains on foreign exchange and financial instruments</b>	<b>650</b>	<b>409</b>	<b>514</b>	<b>486</b>	<b>342</b>	<b>1 573</b>	<b>1 190</b>
Of which:							
DnB NOR Markets (I+II)	498	406	460	440	331	1 365	1 135
Banking portfolio, equity investments	111	0	44	12	(15)	156	(22)
Banking portfolio, other	40	3	10	33	26	53	76

## Total income in DnB NOR Markets

<i>Amounts in NOK million</i>	3Q05	2Q05	1Q05	4Q04	3Q04	Jan. - Sept.	
						2005	2004
<b>Customer business</b>							
Net gains on trading in foreign exchange and financial instruments (I)	273	251	331	254	210	855	677
Net interest income	60	62	49	61	53	171	154
Other income	241	205	223	187	154	669	477
<b>Total income customer business</b>	<b>574</b>	<b>519</b>	<b>603</b>	<b>501</b>	<b>417</b>	<b>1 695</b>	<b>1 307</b>
<b>Trading/market making</b>							
Net gains on trading in foreign exchange and financial instruments (II)	225	155	129	186	121	510	459
Net interest income	(34)	(24)	(17)	(14)	15	(75)	29
Other income	(5)	1	(2)	4	(2)	(6)	(1)
<b>Total income trading/market making</b>	<b>185</b>	<b>133</b>	<b>110</b>	<b>176</b>	<b>135</b>	<b>429</b>	<b>488</b>
<b>Total income customer business and trading/market making</b>	<b>759</b>	<b>651</b>	<b>713</b>	<b>677</b>	<b>552</b>	<b>2 124</b>	<b>1 795</b>
Interest on allocated equity	13	13	10	10	10	35	31
<b>Total income DnB NOR Markets</b>	<b>772</b>	<b>664</b>	<b>723</b>	<b>688</b>	<b>562</b>	<b>2 159</b>	<b>1 825</b>

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

<i>Amounts in NOK million</i>	30 Sept. 2005	30 June 2005	31 March 2005	31 Dec. 2004	30 Sept. 2004	31 Dec. 2003
Commercial paper and bonds	45	92	80	104	88	57
Short-term shareholdings	66	143	97	110	65	45

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

## Short-term investments in securities

<i>Amounts in NOK million</i>	30 Sept. 2005		31 Dec. 2004	
	Book value	Market value	Book value	Market value
<b>Commercial paper and bonds</b>				
Trading portfolio	62 571	62 571	50 436	50 436
Banking portfolio	14 680	14 725	12 549	12 653
Total commercial paper and bonds	77 252	77 296	62 986	63 090
<b>Short-term shareholdings</b>				
Trading portfolio	1 320	1 320	1 115	1 115
Banking portfolio	1 152	1 218	2 708	2 818
Total short-term shareholdings	2 473	2 538	3 823	3 933

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

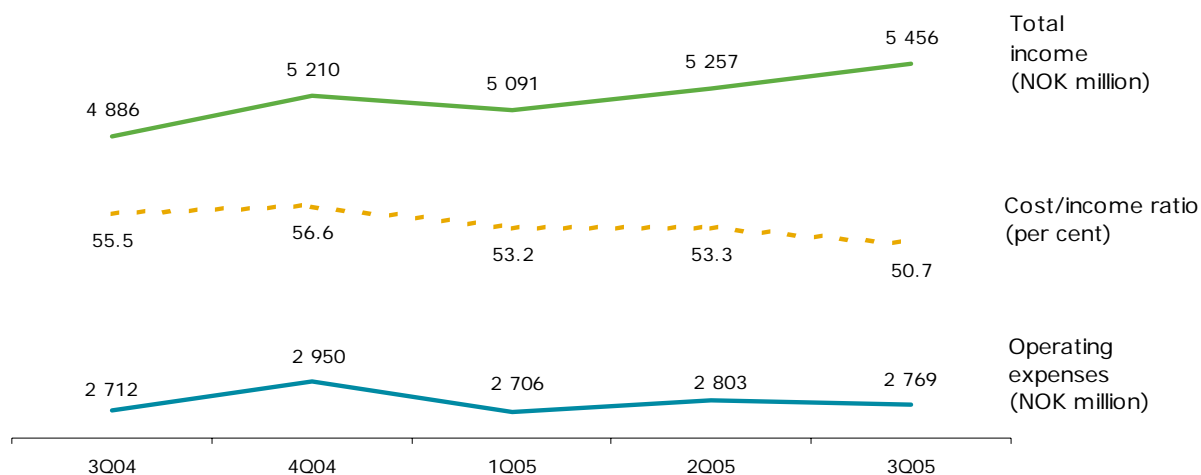
<i>Amounts in NOK million</i>	Book value	Market value
IT Fornebu Eiendom	148	114
OVDS	84	132
Troms Fylkes Dampskibsselskap	55	33
Viking Ship Finance	37	65
Euroclear	36	36
Orkla	23	99
KS Venturos Technology III	22	7
EFD-Elva Fritz Dusseldorf	20	20
Tomra Systems	20	16
iTet	17	0
SMB Invest III	16	8
Saltens Bilruter	14	14
iTicket	14	14
Scan-Sense	13	0
Norrøna Hotell	11	11
Sikon Øst	10	10
Equity funds, total	361	365
Other, banking portfolio	251	274
<b>Total banking portfolio</b>	<b>1 152</b>	<b>1 218</b>
Trading portfolio	1 320	1 320
<b>Total</b>	<b>2 473</b>	<b>2 538</b>

## Operating expenses – banking group - NGAAP

<i>Amounts in NOK million</i>	3Q05	2Q05	1Q05	4Q04	3Q04	Jan. - Sept.	
						2005	2004
Ordinary salaries	1 126	1 059	1 075	1 088	1 048	3 261	3 217
Employer's national insurance contributions	169	150	160	115	157	479	508
Pension expenses	104	126	140	159	157	370	481
Social expenses	89	72	58	51	66	219	172
<b>Total salaries and other ordinary personnel expenses</b>	<b>1 487</b>	<b>1 407</b>	<b>1 434</b>	<b>1 413</b>	<b>1 428</b>	<b>4 328</b>	<b>4 379</b>
Fees	104	140	120	87	118	364	355
EDP expenses	311	308	289	289	314	908	994
Postage, telecommunications and office supplies	136	140	125	151	130	401	452
Marketing and public relations	91	112	107	145	78	309	264
Travel expenses	33	39	32	34	36	104	122
Reimbursement to Norway Post for transactions executed <sup>1)</sup>	142	132	125	161	145	399	414
Training expenses	8	10	9	6	8	28	32
Sundry administrative expenses	41	55	46	53	34	141	118
<b>Total administrative expenses</b>	<b>866</b>	<b>936</b>	<b>853</b>	<b>925</b>	<b>863</b>	<b>2 654</b>	<b>2 752</b>
Goodwill amortisation	68	67	67	72	39	203	220
Other depreciation	118	128	127	136	130	373	411
<b>Total depreciation</b>	<b>186</b>	<b>195</b>	<b>194</b>	<b>208</b>	<b>169</b>	<b>575</b>	<b>631</b>
Operating expenses on properties and premises	200	234	206	231	213	639	676
Operating expenses on machinery, vehicles and office equipment	21	23	18	24	15	62	52
Miscellaneous ordinary operating expenses	69	37	67	86	58	173	214
<b>Total sundry ordinary operating expenses</b>	<b>290</b>	<b>293</b>	<b>291</b>	<b>341</b>	<b>286</b>	<b>874</b>	<b>942</b>
Allocations to employee funds	0	0	0	134	0	0	0
Restructuring expenses	0	0	0	0	0	0	805
Losses on the sale of fixed assets	2	39	2	3	1	42	8
Write-downs on rental contracts and fixed assets	7	0	0	(3)	4	7	4
<b>Total other expenses</b>	<b>9</b>	<b>39</b>	<b>2</b>	<b>135</b>	<b>5</b>	<b>49</b>	<b>818</b>
<b>Total operating expenses</b>	<b>2 836</b>	<b>2 870</b>	<b>2 773</b>	<b>3 022</b>	<b>2 751</b>	<b>8 480</b>	<b>9 522</b>

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

## Cost/income ratio before goodwill amortisation



## Number of employees - full-time positions <sup>1)</sup>

	30 Sept. 2005	Other changes	Changes in group structure resulting from the merger	31 Dec. 2004
<i>Full-time positions</i>				
Corporate Banking	1 787	(44)		1 831
Retail Banking	4 137	(152)		4 288
DnB NOR Markets	530	(1)		531
Discontinued operations <sup>2)</sup>			(5)	5
Staff and support units	2 056	(17)		2 073
<b>Total</b>	<b>8 510</b>	<b>(213)</b>	<b>(5)</b>	<b>8 728</b>

1) Figures do not include seasonal employees. For information on synergies, see page 13.

2) A reduction of five full-time positions resulted from the sale of Postbanken Eiendomsmegling in January 2005.

## Losses on loans and guarantees – banking group - NGAAP

### Net losses

<i>Amounts in NOK million</i>	3Q05	2Q05	1Q05	4Q04	3Q04	Jan. - Sept.	
						2005	2004
New losses	209	203	335	289	289	748	1 114
Reversals on specified losses	311	243	201	219	410	756	1 017
<b>Net losses</b>	<b>(102)</b>	<b>(40)</b>	<b>134</b>	<b>70</b>	<b>(121)</b>	<b>(8)</b>	<b>97</b>

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

<i>Amounts in NOK million</i>	3Q05	2Q05	1Q05	4Q04	3Q04	Jan. - Sept.	
						2005	2004
Retail Banking	5	88	0	(26)	54	93	126
Corporate Banking	(134)	(128)	134	57	(175)	(128)	(52)
Discontinuing operations							23
Other units	27	0	0	39	0	27	0
<b>Net losses</b>	<b>(102)</b>	<b>(40)</b>	<b>134</b>	<b>70</b>	<b>(121)</b>	<b>(8)</b>	<b>97</b>

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

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

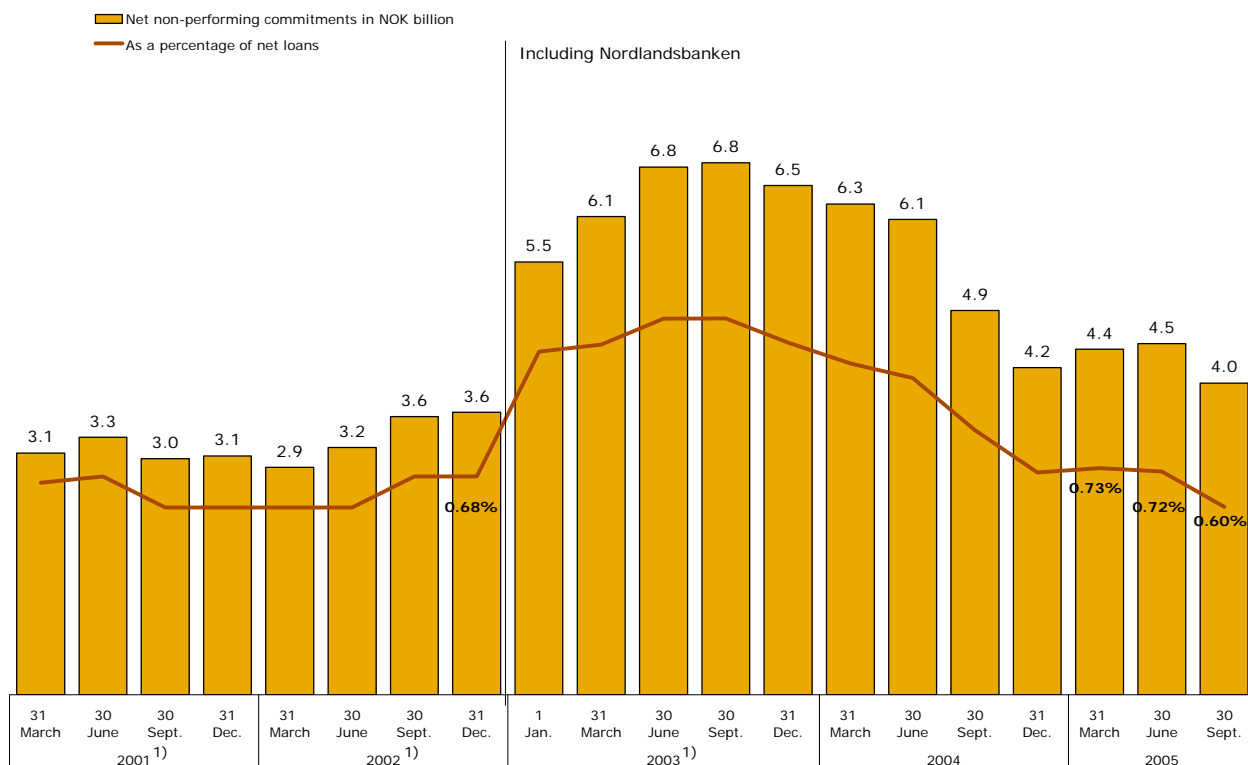
<i>Amounts in NOK million</i>	3Q05	2Q05	1Q05	4Q04	3Q04	Jan. - Sept.	
						2005	2004
Retail customers	12	91	6	(76)	62	109	133
International shipping	2	17	3	(7)	(14)	21	(39)
Real estate	13	(14)	(10)	19	(4)	(11)	(13)
Manufacturing	8	19	2	61	(231)	29	(165)
Services and management	(27)	(3)	0	13	7	(29)	(227)
Trade	(9)	6	37	(5)	30	34	56
Oil and gas	3	0	(7)	(7)	(30)	(4)	(34)
Transportation and communication	0	6	4	2	5	10	23
Building and construction	2	(4)	8	9	7	6	53
Power and water supply	0	0	2	0	0	2	0
Fishing	4	11	21	44	20	36	134
Other sectors <sup>2)</sup>	(122)	(241)	68	10	25	(295)	176
<b>Total customers</b>	<b>(114)</b>	<b>(112)</b>	<b>134</b>	<b>63</b>	<b>(123)</b>	<b>(92)</b>	<b>97</b>
Credit institutions	12	72	0	7	2	84	0
<b>Net losses</b>	<b>(102)</b>	<b>(40)</b>	<b>134</b>	<b>70</b>	<b>(121)</b>	<b>(8)</b>	<b>97</b>

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

2) Including net losses and reversals in Pan Fish and Follalaks. According to NGAAP Pan Fish and Follalaks were classified as repossessed assets. Following the sale of the shares in Pan Fish and Follalaks, losses of NOK 223 million were reversed in the second quarter and NOK 85 million in the third quarter of 2005. According to IFRS these items are classified as fixed assets.

## Asset quality – banking group - NGAAP

### Non-performing commitments after specified loan-loss provisions



1) Pro forma, except for the 31 December 2003 figures.

### Non-performing and doubtful commitments

<i>Amounts in NOK million</i>	30 Sept. 2005	30 June 2005	31 March 2005	31 Dec. 2004	30 Sept. 2004	31 Dec. 2003
<b>Non-performing commitments</b>						
Net non-accruing commitments	3 024	3 559	3 313	3 235	3 346	4 411
Net accruing commitments	971	944	1 119	961	1 583	2 121
<b>Total net non-performing commitments</b>	<b>3 995</b>	<b>4 503</b>	<b>4 432</b>	<b>4 196</b>	<b>4 929</b>	<b>6 531</b>
<b>Doubtful commitments</b>						
Net non-accruing commitments	729	334	1 124	851	845	430
Net accruing commitments	482	1 040	524	927	1 338	1 440
<b>Total net doubtful commitments</b>	<b>1 211</b>	<b>1 374</b>	<b>1 648</b>	<b>1 778</b>	<b>2 183</b>	<b>1 870</b>
<b>Total net non-performing and doubtful commitments</b>	<b>5 206</b>	<b>5 877</b>	<b>6 080</b>	<b>5 974</b>	<b>7 112</b>	<b>8 401</b>

## Lending – banking group - NGAAP

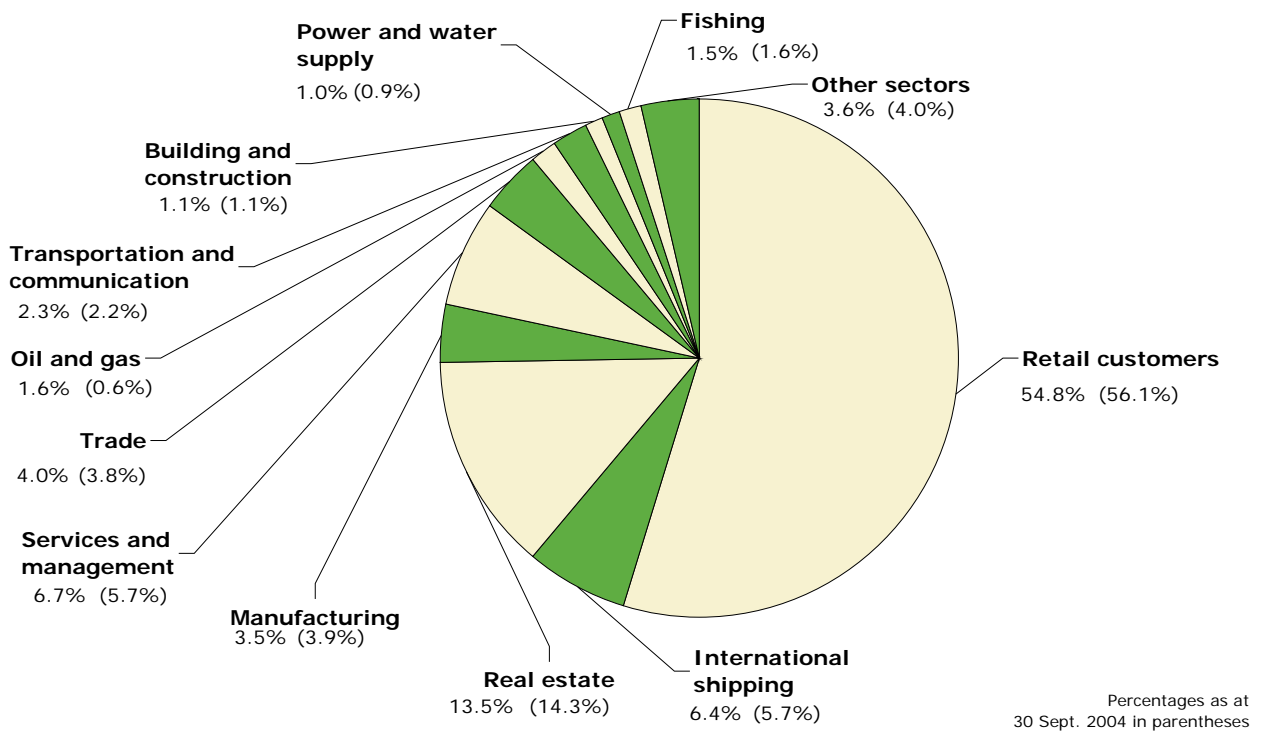
### Lending to principal sectors <sup>1) 2)</sup>

<i>Amounts in NOK billion</i>	30 Sept. 2005	30 June 2005	31 March 2005	31 Dec. 2004	30 Sept. 2004	31 Dec. 2003
Retail customers	357.3	347.8	338.0	330.8	322.1	301.6
International shipping	41.8	38.6	33.8	32.0	32.6	31.2
Real estate	87.9	84.7	82.9	82.9	82.0	82.2
Manufacturing	23.1	22.9	23.4	20.4	22.4	24.8
Services and management	43.8	34.6	34.6	32.5	33.0	38.7
Trade	25.8	23.7	24.2	21.2	22.1	23.8
Oil and gas	10.3	10.2	6.3	4.8	3.6	4.2
Transportation and communication	14.7	14.2	13.6	13.0	12.9	14.0
Building and construction	7.2	7.3	6.6	6.2	6.1	8.4
Power and water supply	6.6	4.6	4.8	4.7	4.9	6.3
Fishing	9.5	8.9	9.2	9.0	9.3	10.4
Other sectors, of which:						
Hotels and restaurants	4.0	3.8	3.7	3.6	3.9	4.1
Agriculture and forestry	5.4	4.6	4.5	4.5	4.3	4.7
Central and local government	1.4	2.7	2.5	1.4	1.8	2.1
Other	12.8	12.2	12.4	13.9	13.1	13.1
<b>Total</b>	<b>651.6</b>	<b>620.8</b>	<b>600.5</b>	<b>580.9</b>	<b>574.2</b>	<b>569.6</b>
Of which residential mortgages						
within 80% of collateral value	330.0	321.8	312.7	307.9	293.8	257.7
above 80% of collateral value	10.5	10.2	11.4	11.1	9.2	8.9
Total	340.5	332.0	324.1	319.0	303.0	266.6

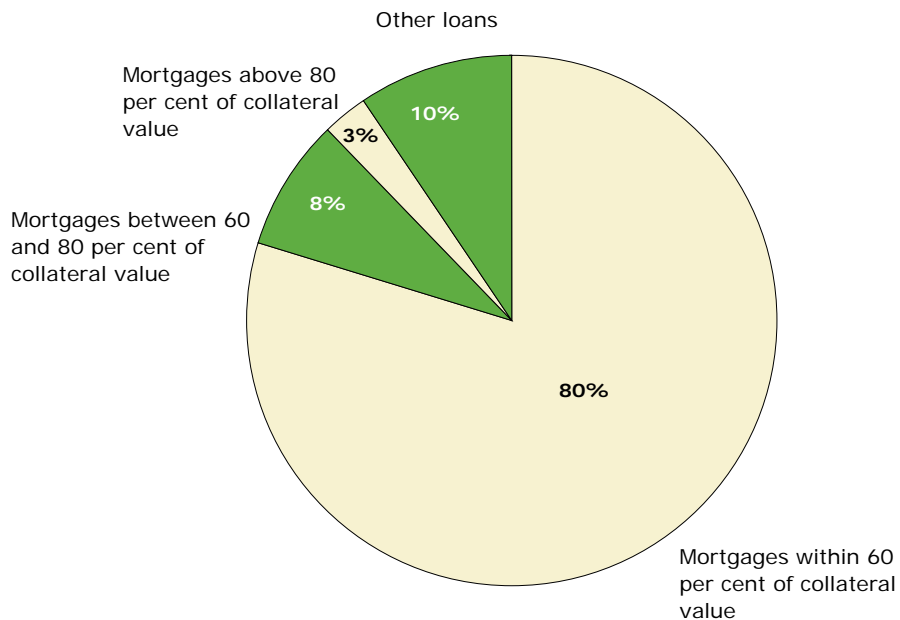
1) Split according to official industry definitions which may differ from DnB NOR's business area reporting.

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

### Lending to principal sectors as at 30 September 2005



### Retail market lending as at 30 September 2005





## Customer savings – banking group - NGAAP

### Deposits

<i>Amounts in NOK billion</i>	30 Sept. 2005	30 June 2005	31 March 2005	31 Dec. 2004	30 Sept. 2004	31 Dec. 2003
Retail customers	185	190	176	173	173	167
Corporate customers	224	203	200	187	181	171
<b>Total <sup>1)</sup></b>	<b>409</b>	<b>393</b>	<b>376</b>	<b>360</b>	<b>354</b>	<b>338</b>

1) of which:

NOK	357	351	334	325	320	316
other currencies	52	42	42	35	34	22

## Capital adequacy – banking group - NGAAP

### Developments in primary capital and capital ratios

<i>Amounts in NOK million</i>	DnB NOR Bank ASA		DnB NOR Bank Group	
	30 Sept. 2005	31 Dec. 2004	30 Sept. 2005	31 Dec. 2004
Share capital	16 964	16 964	16 964	16 964
Other equity	17 830	17 781	20 782	20 774
Total equity	34 795	34 745	37 746	37 738
Perpetual subordinated loan capital securities <sup>1) 2)</sup>	5 359	5 270	5 590	5 531
Reductions:				
Pension funds above pension commitments	(816)	(814)	(852)	(853)
Goodwill	(1 367)	(1 460)	(1 825)	(1 967)
Deferred tax assets	(705)	(717)	(651)	(646)
Other intangible assets etc.	(54)	(78)	(62)	(88)
Core capital	37 212	36 945	39 945	39 715
Perpetual subordinated loan capital <sup>1) 2)</sup>	5 548	5 528	5 648	5 367
Term subordinated loan capital <sup>2)</sup>	13 549	12 565	14 190	13 538
Net supplementary capital	19 097	18 092	19 838	18 905
Deductions	2 177	2 514	2 177	2 514
Total eligible primary capital <sup>3)</sup>	54 131	52 523	57 607	56 105
<b>Total risk-weighted volume</b>	<b>542 306</b>	<b>480 291</b>	<b>591 116</b>	<b>528 240</b>
Core capital ratio (%)	6.9	7.7	6.8	7.5
Capital ratio (%)	10.0	10.9	9.7	10.6
Core capital ratio incl. 50 per cent of profit for the period (%)	7.3		7.2	
Capital ratio incl. 50 per cent of profit for the period (%)	10.4		10.2	

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

2) Calculations of capital adequacy include a total of NOK 578 million in subordinated loan capital in associated companies, in addition to subordinated loan capital in the banking group's balance sheet.

3) Primary capital and nominal amounts used in calculating risk-weighted volume deviate from figures in the banking group's accounts as a different consolidation method ("pro rata consolidation") is used in calculating capital adequacy.

All figures are presented in accordance with rules prevailing at the time in question.

For information on capital adequacy in the DnB NOR Group, see page 27.

## Financial results – banking group - NGAAP

### Profit and loss accounts - details

Amounts in NOK million						Jan. - Sept.	
	3Q05	2Q05	1Q05	4Q04	3Q04	2005	2004
Interest income	7 519	7 109	6 948	7 112	7 097	21 576	21 692
Interest expenses	4 142	3 803	3 712	3 775	3 775	11 658	11 653
<b>Net interest income and credit commissions</b>	<b>3 376</b>	<b>3 306</b>	<b>3 236</b>	<b>3 337</b>	<b>3 322</b>	<b>9 918</b>	<b>10 039</b>
Dividends	4	114	30	23	18	148	120
Commissions and fees receivable	1 582	1 546	1 463	1 491	1 416	4 590	4 273
Commissions and fees payable	509	521	510	491	504	1 539	1 519
Net gains on foreign exchange and financial instruments	650	409	514	486	342	1 573	1 190
Sundry ordinary operating income	341	368	327	370	331	1 036	1 171
Gains on the sale of fixed assets	13	36	31	(6)	(40)	80	1 305
<b>Net other operating income</b>	<b>2 080</b>	<b>1 952</b>	<b>1 855</b>	<b>1 872</b>	<b>1 563</b>	<b>5 886</b>	<b>6 539</b>
Salaries and other ordinary personnel expenses	1 487	1 407	1 434	1 413	1 428	4 328	4 379
Administrative expenses	866	936	853	925	863	2 654	2 752
Depreciation	186	195	194	208	169	575	631
Sundry ordinary operating expenses	290	293	291	341	286	874	942
Other expenses	9	39	2	135	5	49	818
<b>Total operating expenses</b>	<b>2 836</b>	<b>2 870</b>	<b>2 773</b>	<b>3 022</b>	<b>2 751</b>	<b>8 480</b>	<b>9 522</b>
<b>Pre-tax operating profit before losses</b>	<b>2 620</b>	<b>2 387</b>	<b>2 318</b>	<b>2 187</b>	<b>2 135</b>	<b>7 325</b>	<b>7 056</b>
Net losses on loans, etc.	(102)	(40)	134	70	(121)	(8)	97
Net gains on long-term securities	208	5	(5)	55	24	208	51
<b>Pre-tax operating profit</b>	<b>2 929</b>	<b>2 432</b>	<b>2 178</b>	<b>2 172</b>	<b>2 280</b>	<b>7 540</b>	<b>7 011</b>
Taxes	791	657	588	504	617	2 036	1 893
<b>Profit for the period</b>	<b>2 139</b>	<b>1 775</b>	<b>1 590</b>	<b>1 668</b>	<b>1 663</b>	<b>5 504</b>	<b>5 118</b>
Earnings per share	12.61	10.47	9.37	9.83	9.80	32.45	30.17
Average total assets	796 224	773 396	746 656	742 289	747 255	772 092	738 341

### Balance sheets - details

Amounts in NOK million	30 Sept.	30 June	31 March	31 Dec.	30 Sept.	31 Dec.
	2005	2005	2005	2004	2004	2003
Cash and deposits with central banks	24 264	1 593	7 366	8 780	12 802	8 565
Lending to and deposits with credit institutions	43 872	57 643	43 804	21 604	24 052	28 060
Gross lending to customers	654 538	623 856	603 638	584 230	577 929	573 973
– Specified loan-loss provisions	(2 912)	(3 105)	(3 094)	(3 255)	(3 701)	(4 329)
– Unspecified loan-loss provisions	(3 534)	(3 534)	(3 534)	(3 534)	(3 534)	(3 714)
Net lending to customers	648 092	617 217	597 010	577 441	570 694	565 929
Repossessed assets	201	285	412	538	580	576
Commercial paper and bonds	77 252	68 207	68 352	62 986	65 365	59 677
Shareholdings etc.	2 731	2 597	4 873	4 611	4 176	3 905
Investments in associated companies	1 298	1 262	1 264	1 354	1 492	1 384
Intangible assets	2 476	2 463	2 540	2 637	2 993	3 294
Fixed assets	3 869	3 949	4 197	4 155	4 178	4 454
Other assets	21 926	25 069	23 361	22 943	26 012	23 618
Prepayments and accrued income	5 661	5 327	5 109	5 477	5 121	5 484
<b>Total assets</b>	<b>831 642</b>	<b>785 612</b>	<b>758 288</b>	<b>712 526</b>	<b>717 466</b>	<b>704 946</b>
Loans and deposits from credit institutions	93 425	84 107	77 175	48 950	63 511	78 508
Deposits from customers	409 374	392 995	375 533	360 240	354 487	337 807
Securities issued	222 156	207 137	199 575	192 410	192 310	181 949
Other liabilities	28 793	27 053	33 600	41 140	31 234	37 820
Accrued expenses and prepaid revenues	7 415	6 455	5 816	5 013	7 944	5 999
Provisions for commitments	2 378	2 668	2 927	2 994	2 549	2 570
Subordinated loan capital	24 850	24 082	24 308	24 040	23 718	23 709
Share capital	16 964	16 964	16 964	16 964	16 964	16 964
Equity reserves	20 782	20 784	20 799	20 774	19 629	19 620
Profit for the period	5 504	3 366	1 590	0	5 118	0
<b>Total liabilities and equity</b>	<b>831 642</b>	<b>785 612</b>	<b>758 288</b>	<b>712 526</b>	<b>717 466</b>	<b>704 946</b>

## Key figures – banking group - NGAAP

	3Q05	2Q05	1Q05	4Q04	3Q04	Jan. - Sept.	
						2005	2004
<b>Interest rate analysis</b>							
1 Combined average spread for lending and deposits (%)	2.15	2.21	2.26	2.36	2.35	2.21	2.35
2 Spread for ordinary lending to customers (%)	1.44	1.52	1.59	1.64	1.64	1.52	1.64
3 Spread for deposits from customers (%)	0.71	0.69	0.67	0.72	0.71	0.69	0.71
<b>Financial strength</b>							
4 Core (Tier 1) capital ratio at end of period (%)	6.8	7.1	7.3	7.5	7.2	6.8	7.2
5 Core (Tier 1) capital ratio incl. 50 per cent of profit for the period (%)	7.2	7.4	7.4	7.5	7.7	7.2	7.7
6 Capital adequacy ratio at end of period (%)	9.7	10.1	10.3	10.6	10.4	9.7	10.4
7 Capital adequacy ratio incl. 50 % of profit for the period (%)	10.2	10.4	10.4	-	10.9	10.2	10.9
8 Core capital at end of period (NOK million)	39 945	39 960	39 915	39 715	38 293	39 945	38 293
9 Total eligible primary capital at end of period (NOK million)	57 607	56 796	56 457	56 105	55 433	57 607	55 433
10 Risk-weighted volume at end of period (NOK million)	591 116	561 352	549 528	528 240	533 292	591 116	533 292
<b>Loan portfolio and loan-loss provisions</b>							
11 Loan-loss ratio annualised (%)	(0.06)	(0.03)	0.09	0.05	(0.08)	0.00	0.02
12 Non-performing and doubtful commitments, % of net lending	0.80	0.95	1.02	1.03	1.25	0.80	1.25
13 Loan-loss provisions relative to total gross lending (%)	0.98	1.06	1.11	1.16	1.25	0.98	1.25
14 Non-performing commitments at end of period	3 995	4 503	4 432	4 196	4 929	3 995	4 929
15 Doubtful commitments at end of period	1 211	1 374	1 648	1 778	2 183	1 211	2 183
<b>Liquidity</b>							
16 Ratio of customer deposits to net lending at end of period (%)	63.2	63.7	62.9	62.4	62.1	63.2	62.1

### Definitions

- 11 Net losses on loans (excluding guarantees) as a percentage of lending after the deduction of specified loan-loss provisions at end of period.
- 12 Non-performing and doubtful commitments after the deduction of specified loan-loss provisions relative to lending after the deduction of specified loan-loss provisions.
- 13 Accumulated specified and unspecified loan-loss provisions relative to gross lending at end of period.



## Section 5

# Shareholder information

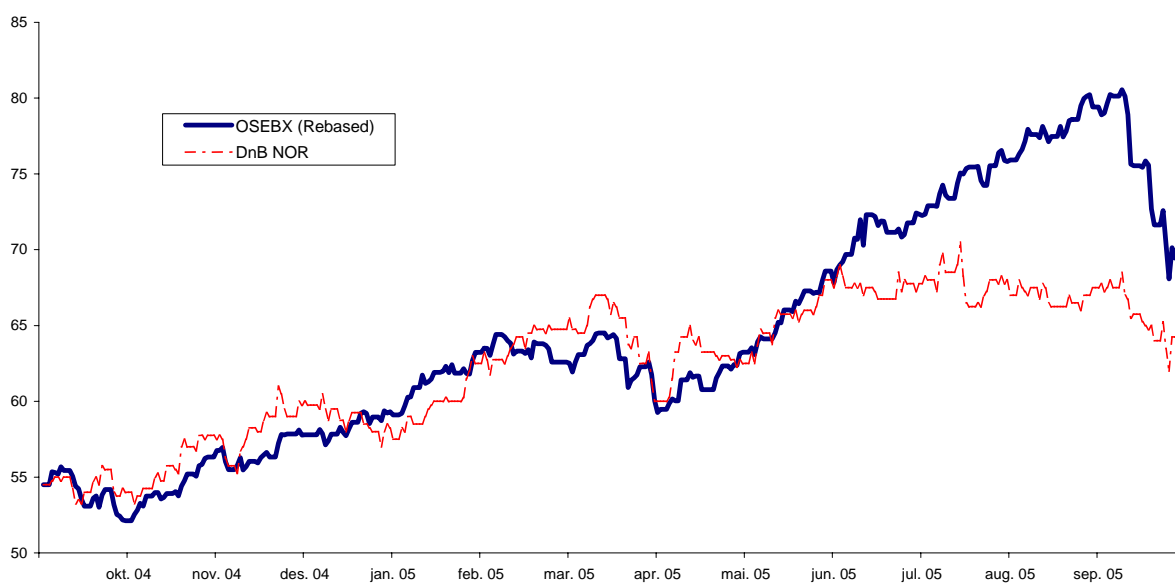
## Equity-related data

### Key figures

	IFRS		NGAAP		
	Jan.-Sept. 2005 <sup>1)</sup>	2004 <sup>2)</sup>	2003	2002 <sup>3)</sup>	2001 <sup>3)</sup>
Shares outstanding at end of period (1 000)	1 336 875	1 327 139	1 309 027	1 309 007	1 309 968
Average number of shares (1 000)	1 333 701	1 317 744	1 309 027	1 309 552	1 313 965
Earnings per share (NOK)	5.30	6.28	4.11	2.77	4.59
Return on equity (per cent)	17.8	17.7	12.7	8.9	15.5
RARORAC (per cent) <sup>4)</sup>	17.3	17.0	n/a	n/a	n/a
Share price at end of period (NOK)	67.50	59.75	44.40	32.60	40.40
Price/earnings ratio <sup>5)</sup>	9.55	9.52	10.81	11.75	8.81
Price/book value	1.67	1.58	1.29	1.00	1.25
Dividend per share (NOK)		2.55	2.20	2.40 <sup>5)</sup>	2.40 <sup>5)</sup>
Dividend yield (per cent) <sup>6)</sup>		4.27	4.95	7.36	5.94
Equity per share including accrued dividend at end of period (NOK)	40.42	37.79	34.37	32.46	32.27

- 1) Including the effect of the 9 736 376 shares issued on 31 March 2005 in connection with the subscription rights programme for employees in the former DnB Group
- 2) Including the effect of the 12 929 907 shares issued on 26 March 2004 in connection with the subscription rights for employees in the former DnB Group and the effect of 5 181 408 shares issued in October 2004 in connection with the subscription rights programme for employees in the former Gjensidige NOR Group.
- 3) Including the effect of the cancellation of shares at the AGM 2002 (8 067 420 shares) and AGM 2003 (960 000 shares)
- 4) New principles for measuring risk-adjusted capital implemented in 2005
- 5) Based on the share price at end of period, and annualised EPS.
- 6) Dividend per share and dividend yield prior to 2003 are based on DnB Holding ASA's payment of dividend and DnB Holding's share price.

### Share price development – 10 October 2004 to 24 October 2005

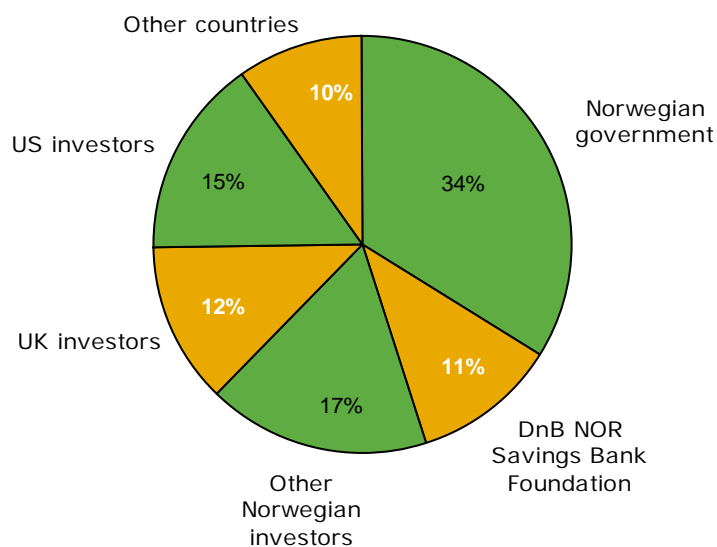


## Shareholder structure as at 30 September 2005

### Major shareholders

		Shares in 1 000	Ownership in %
Norwegian government		454 537	34.00
DnB NOR Savings Bank Foundation		145 719	10.90
JPMorgan Chase Bank, Bank Clients	NOM	62 103	4.65
State Street Bank, Client Omnibus D	NOM	47 977	3.59
Capital Euro Pacific Growth Fund		32 600	2.44
Folketrygdfondet		31 301	2.34
Gjensidige Forsikring		29 472	2.20
JPMorgan Chase Bank Fidelity Lending Account	NOM	20 947	1.57
The Northern Trust C Treaty Account	NOM	19 415	1.45
Mellon Bank AS Agent	NOM	17 831	1.33
Fidelity Funds Europe		17 590	1.32
Orkla ASA (incl. Nordstjernen Holding)		12 649	0.95
The Northern Trust, USL Treaty Account	NOM	11 265	0.84
Capital World Growth Fund		10 936	0.82
Deutsche Bank clients account	NOM	10 872	0.81
JPMorgan Chase Bank, Omnibus Lending Account	NOM	10 592	0.79
Oslo Pensjonsforsikring		10 000	0.75
State Street Bank, Client Omnibus F	NOM	8 797	0.66
DnB NOR Employees Fund		8 500	0.64
DnB NOR Norway Fund		7 951	0.59
<b>Total largest shareholders</b>		<b>971 054</b>	<b>72.64</b>
Other		365 821	27.36
<b>Total</b>		<b>1 336 875</b>	<b>100.00</b>

### Shareholder structure







## Section 6

# The Norwegian economy

## Basic information 2004

Area	385 356 km <sup>2</sup>
Population	4.6 million
Fertility rate	1.8
Life expectancy	M: 76.7 F: 82.0
Work participation rate, per cent 15 – 74 years	72.9 (M: 76.7 F:69.1)
Gross domestic product	USD 267.5 billion
GDP per capita	USD 58 080
Rating	AAA, Aaa
Currency exchange rate used	6.55 NOK/USD
Current balance	USD 36.7 or 13.7 per cent of GDP

## Key macro-economic indicators

Per cent	2004	2005	2006	2007
GDP growth				
- Norway, total	2.9	2.2	2.3	1.8
- Mainland Norway	3.5	3.7	2.6	2.1
Private consumption	4.4	3.5	3.5	2.7
Gross fixed investment	9.1	10.2	0.7	(0.6)
Inflation (CPI)	0.4	1.4	2.1	2.7
Savings ratio <sup>1)</sup>	10.3	11.5	6.5	5.8
Unemployment rate	4.4	4.5	4.3	4.1
Current account <sup>2)</sup>	13.5	17.9	15.9	12.9
Net foreign assets <sup>2) 3)</sup>	49.6	64.1	78.4	
General government budget balance <sup>2) 3)</sup>	11.7	15.6	17.0	

1) Per cent of disposable income.

2) Per cent of GDP.

3) Source: Ministry of Finance.

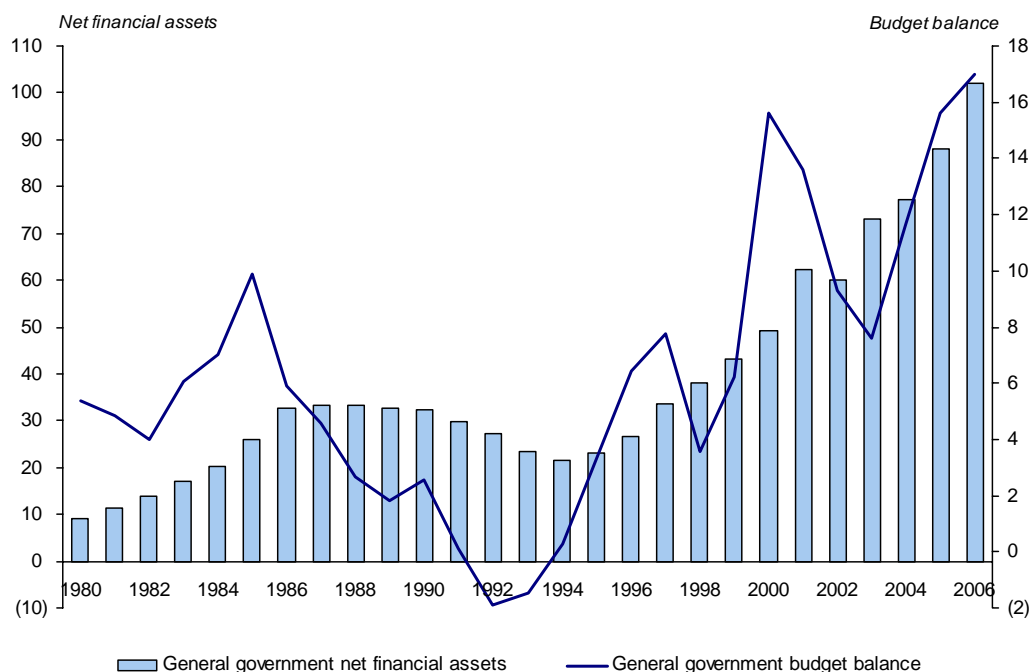
Source if not otherwise indicated: DnB NOR Markets

## Contribution to volume growth in GDP mainland Norway

Per cent	2002	2003	2004	2005
Household demand	1.6	1.4	3.1	2.5
Gross fixed capital formation, mainland companies	0.4	(0.5)	0.5	0.4
Gross fixed capital formation, petroleum activity	(0.8)	0.6	0.6	1.9
Public sector demand	1.0	0.7	0.6	0.7
Exports, mainland Norway	(0.2)	0.7	0.8	0.8
Imports, mainland Norway	(0.4)	(1.0)	(3.3)	(2.5)
Changes in stocks and stat. discrepancies	(0.2)	(1.2)	1.1	0.0
GDP, mainland Norway	1.4	0.7	3.5	3.7

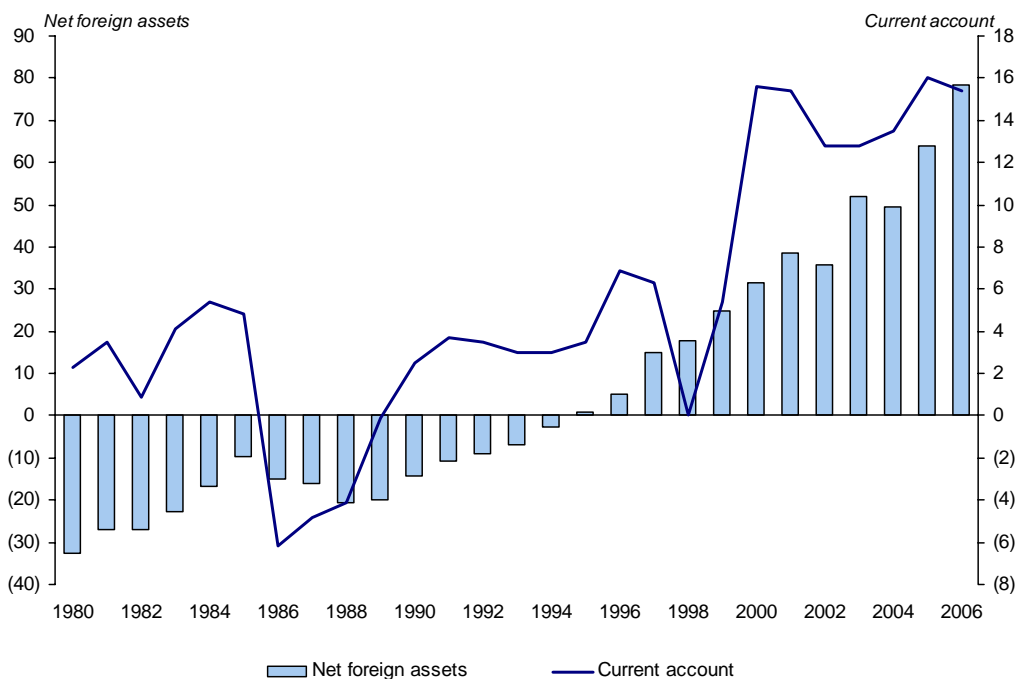
Source: Statistics Norway and DnB NOR Markets

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



Source: Ministry of Finance

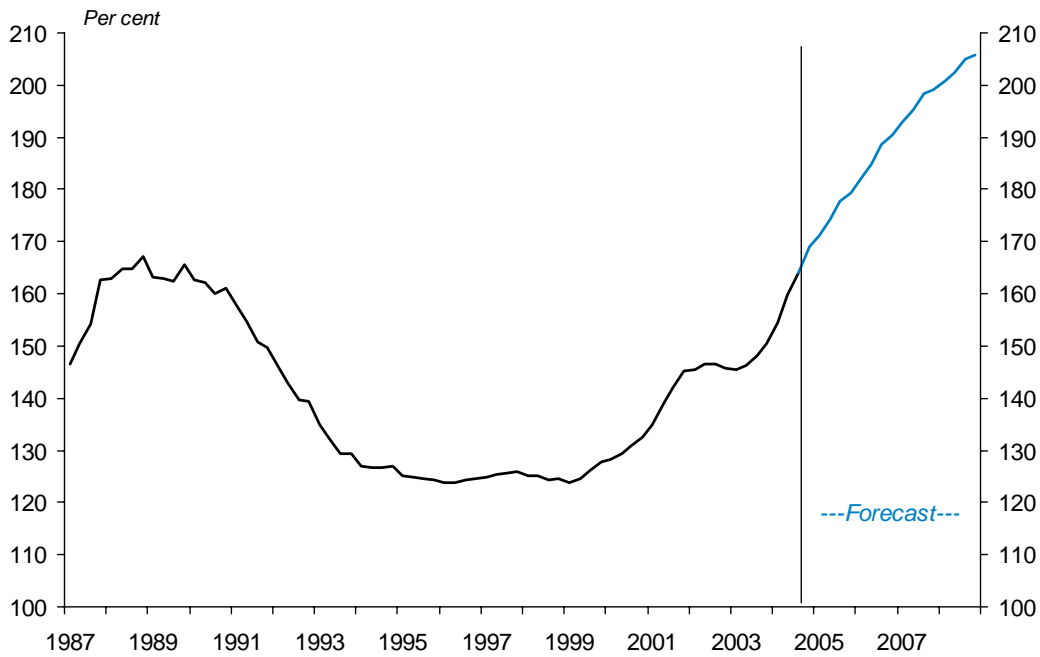
### Current account and net foreign assets (incl. private sector) <sup>1)</sup> (Per cent of GDP)



Source: Ministry of Finance

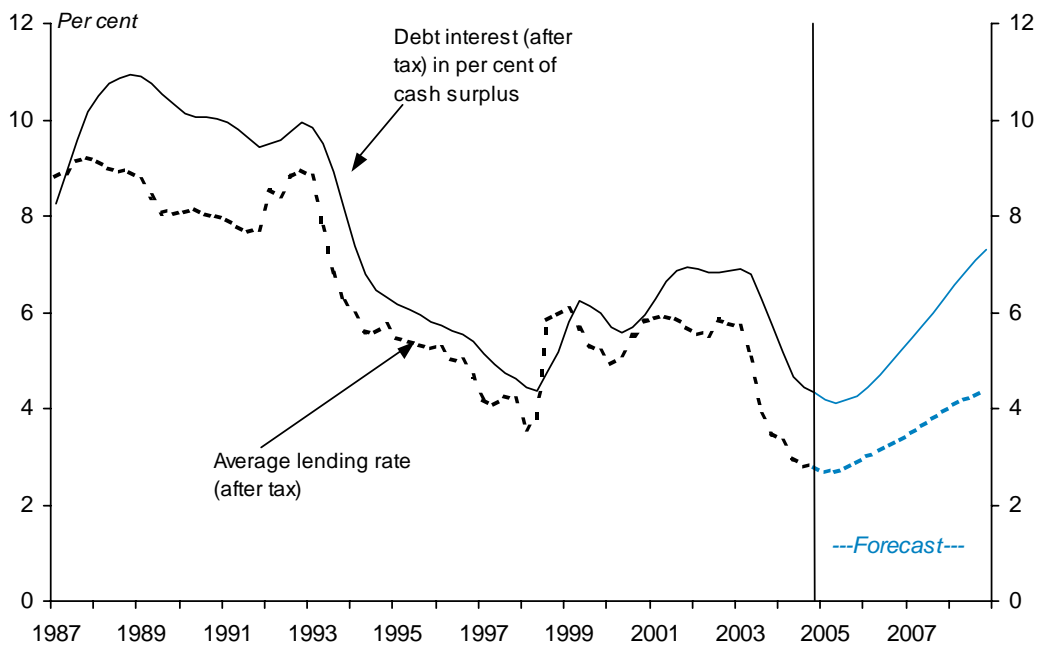
1) The projections are based on an assumed oil price of NOK 350 per barrel in 2005, NOK 350 in 2006 and NOK 284 in 2009. The oil price in September 2005 was NOK 401 per barrel.

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



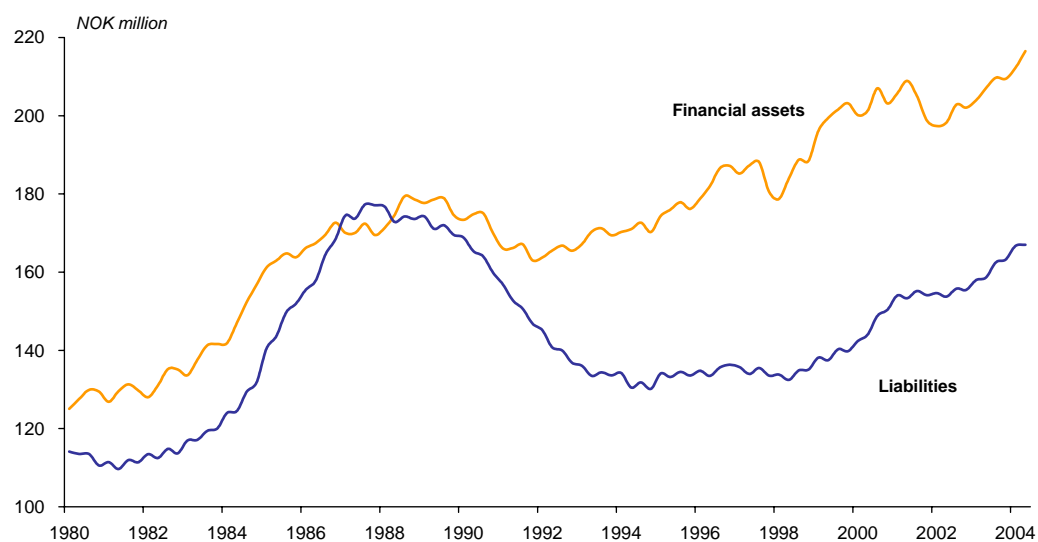
Source: Norges Bank

### Household interest burden



Source: Norges Bank

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



Source: EcoWin

## Financial market growth

	31 Dec. 2002	31 Dec. 2003	31 Dec. 2004	31 Aug. 2005
Percentage change from previous year				
<b>Credit</b> <sup>1)</sup>				
Total	5.2	4.9	6.9	8.7 <sup>4)</sup>
- of which commercial and savings banks	6.4	7.9	9.5	13.0
Total retail market	11.3	11.8	12.5	13.1
Total corporate market	1.5	0.4	2.9	5.5 <sup>4)</sup>
<b>Savings</b>				
Total <sup>2)</sup>	4.0	9.1	11.4	12.2 <sup>5)</sup>
- of which commercial and savings banks	7.7	3.8	7.5	8.4
Total retail market <sup>2)</sup>	4.7	8.7	8.2	10.4 <sup>5)</sup>
Total corporate market <sup>3)</sup>	3.6	8.6	14.0	13.4 <sup>5)</sup>

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

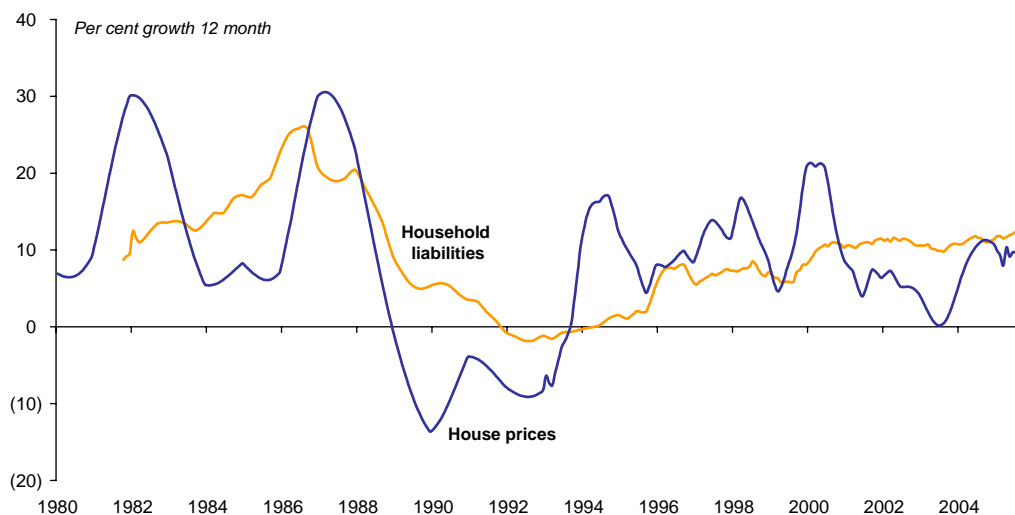
2) Deposits in commercial and savings banks, participation in mutual funds, funds for insurance commitments, equity-linked bonds.

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

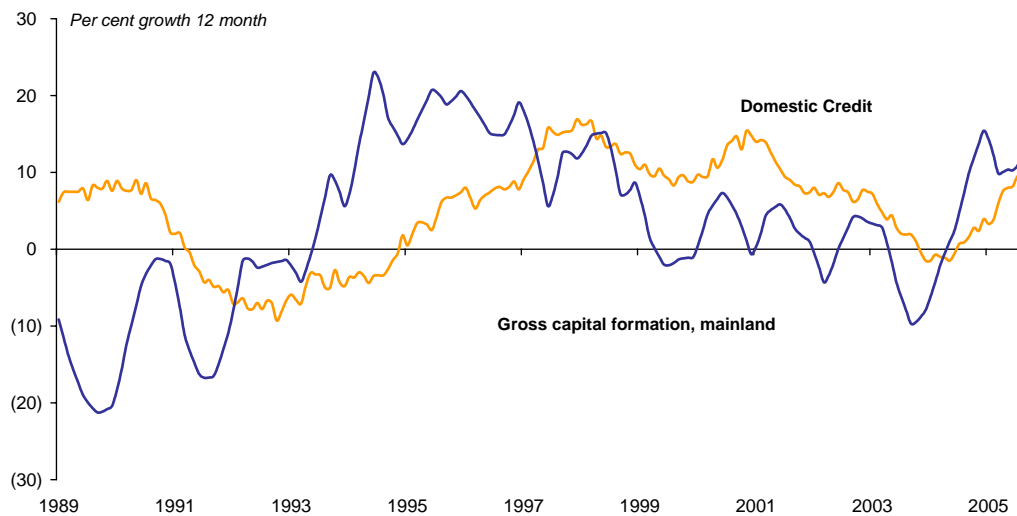
4) As at 31 July 2005

5) As at 30 June 2005

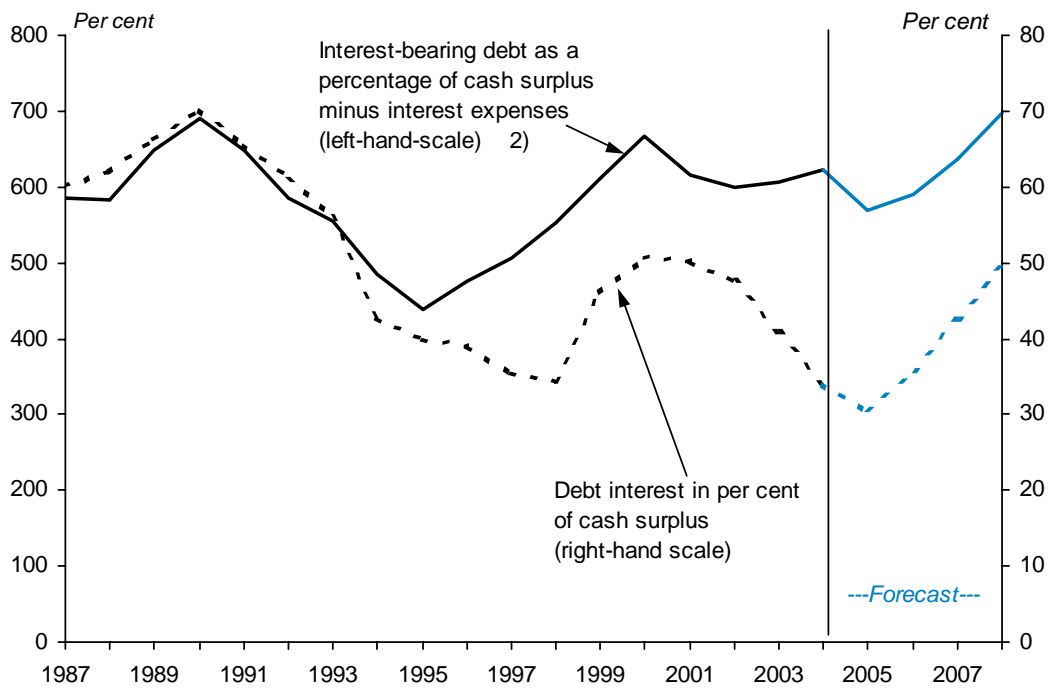
### House prices and household liabilities



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



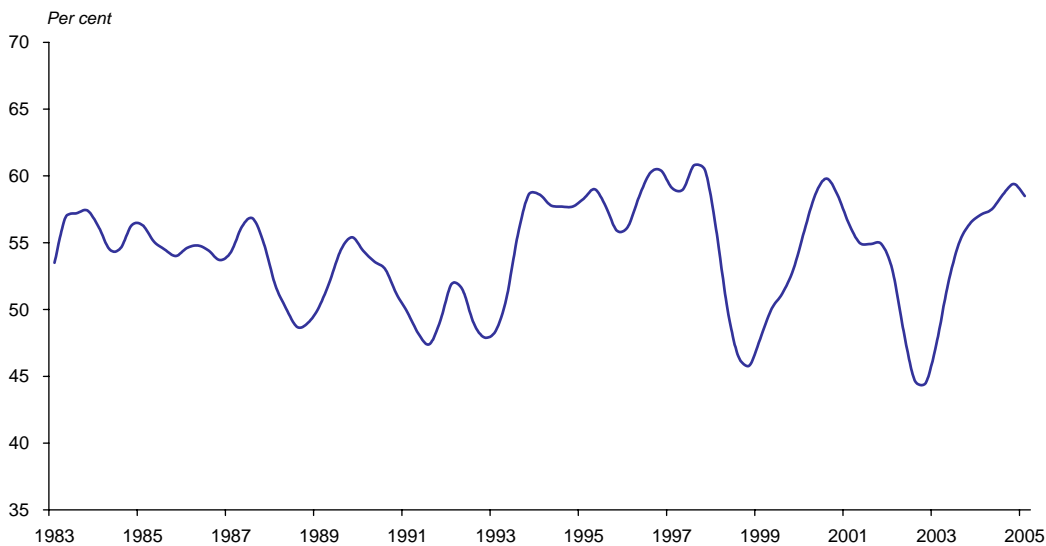
### Corporates' interest-bearing debt and interest paid <sup>1)</sup>



Source: Norges Bank

- 1) For non-financial corporates excluding petroleum and international shipping.
- 2) Interest-bearing debt is defined as loans from domestic and financial institutions and from the bond and short-term paper markets. Cash surplus is defined as the sum of value added and wealth income less wages and tax. Interest expenses are deducted from the cash surplus to provide a measure of the sector's ability to make principal payments.

### Business surveys, manufacturing sector (general judgement of outlooks for next quarter, trend)



Source: EcoWin