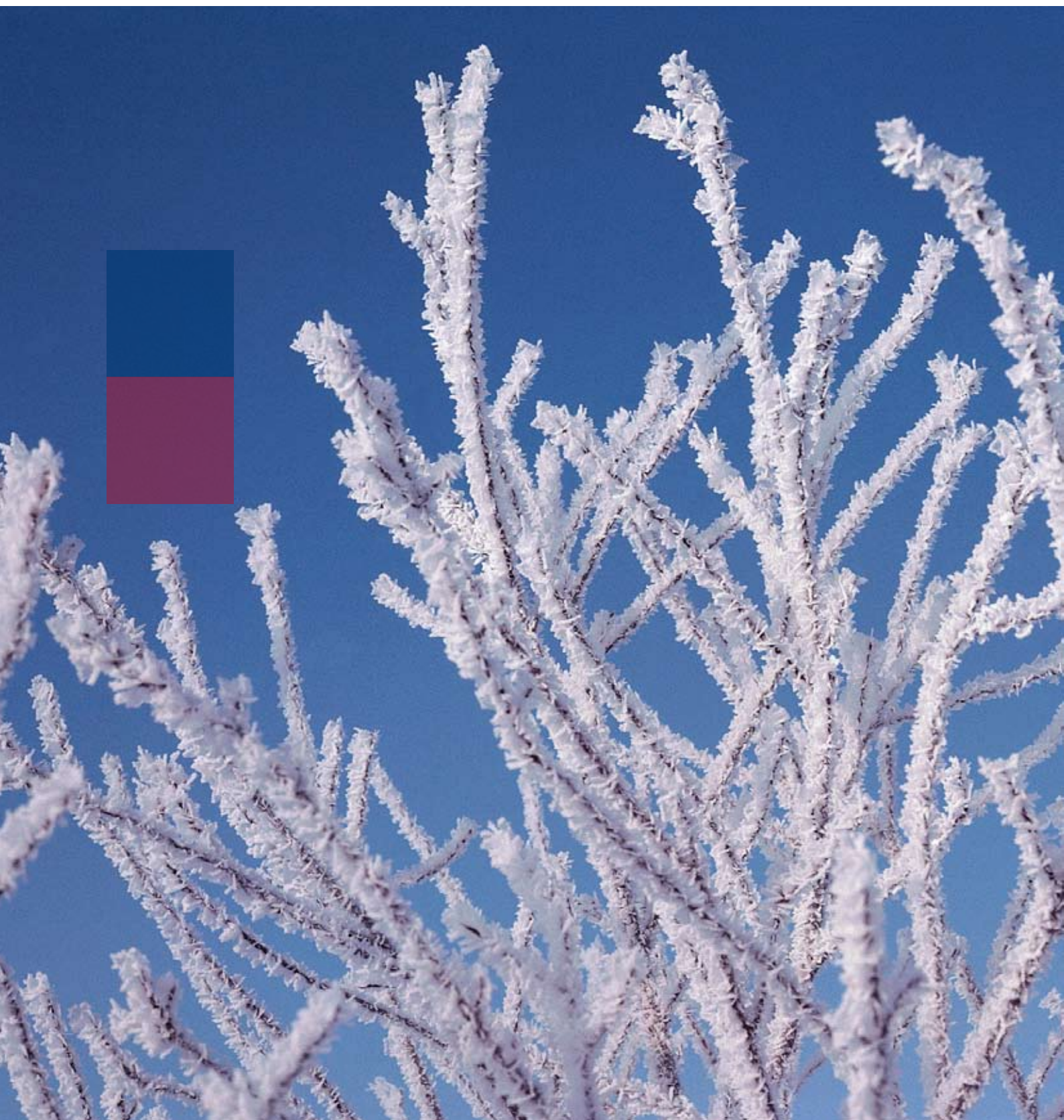


Fourth quarter report 2007

Preliminary and unaudited



Financial highlights

Fourth quarter 2007

- Pre-tax operating profits before write-downs were up 0.9 per cent to NOK 3.6 billion (3.6)
- Profit for the period increased by 49.6 per cent to NOK 5.1 billion (3.4)
- Return on equity was 28.4 per cent (21.5)
- Expenses represented 51.9 per cent of income (50.4)
- The core capital ratio was 7.2 per cent (6.7)

Full year 2007

- Pre-tax operating profits before write-downs were up 7.7 per cent to NOK 15.1 billion (14.1)
- Profit for the year increased by 27.2 per cent to NOK 15 billion (11.8)
- Return on equity was 22 per cent (19.5)
- Expenses represented 50.6 per cent of income (50.1)
- The core capital ratio was 7.2 per cent (6.7)
- Earnings per share were NOK 11.08 (8.74)
- The proposed dividend per share is NOK 4.50 (4.00)

Comparable figures for 2006 in parentheses.

Fourth quarter report 2007

Introduction

The DnB NOR Group achieved strong profits in the fourth quarter of 2007 in spite of the financial market turmoil. Total income rose by 12.5 per cent compared with the fourth quarter of 2006, while ordinary operating expenses, excluding allocations to employees, increased by 15.7 per cent. The DnB NOR Group's pre-tax operating profits before write-downs came to NOK 3 636 million in the fourth quarter of 2007, up from NOK 3 602 million in the year-earlier period. After taxes, profits totalled NOK 5 076 million, compared with NOK 3 394 million a year earlier. Key factors influencing the fourth quarter accounts were:

- Healthy growth in volumes and rising interest rates, resulting in higher interest income
- Financial market turmoil, with the Group recording unrealised losses on bonds of net NOK 658 million. The losses are expected to be reversed over a period of three years
- Apart from this, the financial market turmoil had insignificant impact on the accounts
- High non-recurring income due to, among other things, the sale of own bank buildings
- A rise in costs resulting from:
 - High levels of activity
 - International growth
 - High non-recurring expenses for adapting Vital's IT systems to new regulations and for winding up the employee investment funds

Return on equity was 28.4 per cent for the October through December period in 2007, an increase from 21.5 per cent in the fourth quarter of 2006. Earnings per share stood at NOK 3.76 and NOK 2.52 respectively. The cost/income ratio, excluding allocations to employees, was 51.9 per cent in the fourth quarter of 2007 and 50.4 per cent in the year-earlier period.

At year-end 2007, DnB NOR was the fourth largest company listed on Oslo Børs with a market capitalisation of NOK 110.6 billion, or 5.1 per cent of the value of all companies listed on the stock exchange.

At the Group's Capital Markets Day in London on 9 October, DnB NOR presented its new strategy. The Group aims to achieve pre-tax operating profits before write-downs of NOK 20 billion in 2010 based on 10 per cent average annual growth, and minimum 16 per cent return on equity from 2008. A new cost programme will reduce group costs by NOK 1 billion annually by 2010 and bring DnB NOR's cost/income ratio below 46 per cent. In addition, group programmes for cross-sales and international growth have been defined. DnB NOR's current dividend policy and capital adequacy requirements will remain unchanged.

The Group sold its remaining bank buildings in Norway during the fourth quarter of 2007, providing greater flexibility with respect to office space and localisation. Furthermore, the transactions release capital to concentrate on core activities. The properties are leased back through long-term leases.

During the quarter, the Group completed the acquisition of SalusAnsvar, which distributes financial products to members of Swedish professional organisations. The Group also entered into an agreement to purchase SkandiaBanken Bilfinans. The transaction will be completed during the first quarter of 2008.

The core capital ratio for the Group was 7.2 per cent as at 31 December 2007. The Board of Directors considers the Group to be adequately capitalised relative to the risk level of the loan portfolios and other operations.

The Board of Directors will propose a dividend of NOK 4.50 per share for 2007, compared with NOK 4.00 for 2006. The proposal is based on the Group's dividend policy and an assessment of the Group's financial performance and future prospects.

Income

Income totalled NOK 8.5 billion for the October through December period, an increase of 12.5 per cent from the fourth quarter of 2006.

Net interest income

<i>Amounts in NOK million</i>	4th quarter 2007	Change	4th quarter 2006
Net interest income	5 000	1 025	3 975
Lending and deposit volumes		540	
Lending and deposit spreads		260	
Other net interest income		224	

Net interest income was NOK 5.0 billion in the fourth quarter of 2007, up 25.8 per cent compared with the year-earlier period. There was strong growth in volumes in 2007. Intensified competition contributed to a 0.05 percentage point reduction in the average lending spreads from the fourth quarter of 2006 to the corresponding period in 2007, while deposit spreads widened by 0.27 percentage points.

Net other operating income

<i>Amounts in NOK million</i>	4th quarter 2007	Change	4th quarter 2006
Net other operating income	3 545	(77)	3 622
Net income from Vital ¹⁾		328	
Net gains on foreign exchange and interest rate instruments, excluding guarantees and credit margins		163	
Net other commissions and fees		36	
Real estate broking		19	
Unrealised capital losses due to wider credit spreads		(658)	
Other operating income		36	

¹⁾ Excluding guaranteed returns and allocations to policyholders. After eliminations.

Net other operating income amounted to NOK 3.5 billion in the fourth quarter of 2007, down 2.1 per cent from 2006. The reduction was due to net unrealised capital losses of NOK 658 million stemming from an increase in credit spreads on investments in bonds and other interest rate instruments, after reversals of NOK 64 million on previous write-downs. It is expected that the loss will be reversed over the residual maturity of the bonds, which averages less than three years. Adjusted for this loss, net other operating income rose by 16 per cent, reflecting a strong increase in the sale of foreign exchange and interest rate agreements.

Net other operating income represented 41.5 per cent of total income in the fourth quarter of 2007 and 47.7 per cent in the year-earlier period.

Operating expenses

<i>Amounts in NOK million</i>	4th quarter		4th quarter
	2007	Change	2006
Operating expenses	4 908	914	3 994
Allocations to employees		312	
Rise in staff numbers		118	
Performance-based pay		72	
Pension expenses		62	
IT expenses		209	
Properties		65	
Other		77	

Operating expenses totalled NOK 4.9 billion in the fourth quarter of 2007, up 22.9 per cent from the year-earlier period. The increase mainly reflected a boost in international and Norwegian activity, high non-recurring costs in connection with the dissolution of the employee investment funds, as well as write-downs and development of the system portfolio in Vital.

Net gains on fixed and intangible assets

Net gains on fixed and intangible assets came to NOK 1.6 billion in the fourth quarter of 2007, compared with NOK 66 million in the year-earlier period. The sizeable gain in the fourth quarter of 2007 mainly referred to the sale of the Group's remaining bank buildings.

Write-downs on commitments

Due to strong earnings in the business sector and healthy finances among Norwegian households, the Group continued to record low write-downs on loans and guarantees in the fourth quarter of 2007. Net reversals on write-downs on loans and guarantees totalled NOK 41 million. Individual write-downs were NOK 148 million. Group write-downs were reduced by NOK 189 million due to changes in certain methods and better statistical material.

After deductions for individual write-downs, net non-performing and impaired commitments came to NOK 4 174 million at end-December 2007, up NOK 374 million from 31 December 2006. Net non-performing and impaired commitments represented 0.42 per cent of net lending at year-end 2007, down from 0.45 per cent a year earlier.

Business areas

At year-end 2007, activities in DnB NOR were organised in the business areas Corporate Banking and Payment Services, Retail Banking, DnB NOR Markets and Life and Asset Management. The business areas operate as independent profit centres and have responsibility for serving all of the Group's customers and for the total range of products. DnB NOR is regarded as a separate profit centre.

Corporate Banking and Payment Services recorded healthy profits and strong growth in the fourth quarter of 2007. Pre-tax operating profits totalled NOK 2 219 million, up 401 million from the year-earlier period, while lending increased by 17.5 per cent. Growth more than compensated for narrowing spreads due to fierce

competition. Sound liquidity among corporate clients ensured a 17.2 per cent rise in deposits from the fourth quarter of 2006. The quality of the loan portfolio was high. Net write-downs on loans and guarantees were at a low level, representing NOK 30 million for the October through December period in 2007, compared with net reversals of NOK 39 million in the corresponding period in 2006. Return on capital was 18.6 per cent, up from 18.4 per cent in the fourth quarter of 2006. The cost/income ratio declined from 37.1 per cent in the fourth quarter of 2006 to 34.4 per cent in the corresponding period in 2007.

Corporate Banking and Payment Services is an important contributor to the Group's international growth. In line with group strategy, there was particularly strong growth within the shipping, offshore, logistics and energy sectors, as well as in Sweden. In 2007, it was decided to establish a branch in Santiago, Chile, and representative offices in Mumbai, India, and in Athens, Greece.

Retail Banking recorded satisfactory results in the fourth quarter of 2007. Pre-tax operating profits were NOK 1 263 million, up NOK 168 million from the year-earlier period. Buoyant demand for housing loans and successful sales campaigns boosted average lending by NOK 34.9 billion or 8.6 per cent from the fourth quarter of 2006. Customer deposits increased by 5.5 per cent. Average lending spreads contracted by 0.03 percentage points from the fourth quarter of 2006. Deposit spreads widened by 0.39 percentage points during the 12-month period. Net other operating income totalled NOK 783 million, up NOK 26 million from the October through December period in 2006. A rise in income from real estate broking and the sale of savings products compensated for the fall in income from payment transfers. Expenses were up NOK 101 million or 6.5 per cent. Return on capital was 26.6 per cent in the fourth quarter of 2007, up 4.5 percentage points from the year-earlier period. The cost/income ratio was 56.1 per cent, down from 59.5 per cent in the fourth quarter of 2006.

Retail Banking is improving its electronic channels, the Internet bank and the mobile phone bank, to improve the service offered to customers and to facilitate more self-service solutions. The concept of in-store banking outlets in cooperation with NorgesGruppen will be launched nation-wide during 2008. DnB NOR has decided to establish a separate non-life insurance company, which will commence operations by the end of 2008. Sweden is a priority market for DnB NOR, and during 2007, further initiatives were taken in the Swedish retail market through the acquisition of the property brokerage firm Svensk Fastighetsförmedling and SalusAnsvar, distributor of financial products to members of professional organisations in Sweden.

DnB NOR Markets showed sound performance in the fourth quarter of 2007, even though profits reflected the turmoil in global financial markets. Pre-tax operating profits totalled NOK 423 million, a NOK 331 million reduction from the year-earlier period. The general increase in credit spreads resulted in unrealised mark-to-market losses on bonds of NOK 658 million in the October through December period in 2007. Total revenues were NOK 842 million, down NOK 355 million compared with the fourth quarter of 2006. Adjusted for the fall in value of the bond portfolio, income rose by NOK 303 million or 25.3 per cent. Costs were brought down by NOK 24 million, in spite of the establishment of new international units and product areas. The cost/income ratio was 49.8 per cent and the return on capital 30.3 per cent.

Life and Asset Management, which consists of Vital Forsikring and DnB NOR Asset Management, recorded a rise in profits in the fourth quarter of 2007 compared with the year-earlier period. Pre-tax operating profits were NOK 556 million, up NOK 70 million compared with the fourth quarter of 2006. Return on equity stood at 67.2 per cent.

Profits from Vital for allocation to the owner increased from NOK 1 101 million in the fourth quarter of 2006 to NOK 1 899 million in the corresponding period in 2007. During the year, Vital increased reserves by NOK 4.4 billion to reflect higher life expectancy. Allocations to policyholders were NOK 8.6 billion in 2007, up from NOK 5.6

billion in 2006.

New regulations entering into force as from 1 January 2008 will imply major changes for the life insurance industry. Vital has implemented the required changes in its insurance systems and is well prepared to meet the requirements laid down in the new regulations.

DnB NOR Asset Management recorded pre-tax operating profits of NOK 132 million in the fourth quarter of 2007, down NOK 18 million from the corresponding period in 2006. DnB NOR Asset Management is Norway's largest fund manager and has a leading position within discretionary asset management for institutional clients in Norway and Sweden. DnB NOR Asset Management had more than 360 000 client savings schemes at year-end 2007, an increase of 19.2 per cent compared with 2006. Return on equity was 20.5 per cent in the fourth quarter of 2007, and the cost/income ratio rose from 55.0 per cent in the fourth quarter of 2006 to 58.2 per cent in the corresponding period of 2007.

DnB NOR started its operations in December 2005 and is jointly owned by DnB NOR with 51 per cent and the German bank NORD/LB with 49 per cent. DnB NOR recorded pre-tax operating profits of NOK 113 million in the fourth quarter of 2007, up NOK 68 million from the year-earlier period. Return on capital was 8.8 per cent and the cost/income ratio 71.9 per cent in the October through December period in 2007. Average lending was NOK 56.6 billion in the fourth quarter of 2007, up 52.2 per cent compared with the year-earlier period 2006. DnB NOR has 172 offices in six countries and is established in areas which have experienced sound economic growth in recent years, such as the Baltic region and Poland. DnB NOR expects a somewhat slower future growth rate, especially in Latvia. In Poland, DnB NOR doubled its operations in 2007 through the acquisition of BISE Bank. DnB NOR offers a broad range of products to both corporate and retail customers and has made extensive investments in solutions, thus enabling the bank to offer effective cross-border services.

Full year results 2007

The DnB NOR Group's profits for the year came to NOK 15.0 billion in 2007, up 27.2 per cent from the previous year. Strong and robust growth resulted in a significant rise in profits. There was a 17.2 per cent rise in lending, while deposits grew by 13.4 per cent. Income increased by 10.9 per cent, and international expansion resulted in 15.5 per cent of income being generated outside Norway. Total costs rose by 14.0 per cent due to non-recurring costs and strong international growth. Pre-tax operating profits before write-downs were up 7.7 per cent from 2006 in spite of negative non-recurring items due to the financial market turmoil and the dissolution of the employee funds. Low taxes and limited write-downs on loans in 2007 also contributed to the strong growth in profits for the year.

Net interest income

<i>Amounts in NOK million</i>	2007	Change	2006
Net interest income	17 866	2 577	15 289
Lending and deposit volumes		2 015	
Lending and deposit spreads		(286)	
Equity and non-interest-earning items		1 196	
Other net interest income		(348)	

Net interest income was NOK 17.9 billion in 2007, a rise of 16.9 per cent compared with 2006. Strong growth in volumes in 2007 more than compensated for narrower spreads. The lending spreads contracted on average by 0.18 percentage points from 2006 to 2007, while the deposit spreads rose by 0.23 percentage points.

Net other operating income

<i>Amounts in NOK million</i>	2007	Change	2006
Net other operating income	13 732	528	13 204
Net income from Vital		683	
Net gains on foreign exchange and interest rate instruments, excluding guarantees and credit margins		545	
Equity-related income including financial instruments		319	
Net other commissions and fees		214	
Real estate broking		36	
Unrealised losses due to wider credit spreads		(1 258)	
Other operating income		(10)	

Net other operating income totalled NOK 13.7 billion in 2007, up 4.0 per cent from 2006. The moderate increase reflected losses on bonds and other interest rate instruments, which represented NOK 1 258 million for the year. Adjusted for these losses, net other operating income was up 13.5 per cent due to, among other things, an increase in the sale of foreign exchange and interest rate agreements.

Net other operating income represented 43.5 per cent of total income in 2007, compared with 46.3 per cent in 2006.

Operating expenses

<i>Amounts in NOK million</i>	2007	Change	2006
Operating expenses	16 450	2 023	14 427
Rise in staff numbers		350	
Allocations to employees		312	
Pension expenses		204	
Wage settlements		199	
Performance-based pay		175	
IT expenses		419	
Operational leasing		93	
Marketing		63	
Other		209	

Operating expenses totalled NOK 16.4 billion in 2007, reflecting both a rise in the level of activity and high non-recurring costs, as mentioned above. Excluding allocations to employees, expenses came to NOK 16 billion, up 12.0 per cent from 2006.

Net gains on fixed and intangible assets

Net gains on fixed and intangible assets came to NOK 2 481 million in 2007, as against NOK 365 million in 2006. The increase was mainly due to the sale of the Group's remaining bank buildings in the second half of 2007.

Write-downs on commitments

Due to strong earnings in the business sector and healthy finances among Norwegian households, the Group continued to record low write-downs on loans in 2007. Net reversals on loans and guarantees came to NOK 220 million. Individual write-downs totalled NOK 422 million, while group write-downs were reduced by NOK 202 million.

After deductions for individual write-downs, net non-performing and impaired commitments came to NOK 4 174 million at end-December 2007, an increase of NOK 374 million from 2006. Net non-performing and impaired commitments represented 0.42 per cent of net lending at year-end 2007, compared with 0.45 per cent a year earlier.

Taxes

The DnB NOR Group's total tax charge for 2007 was NOK 2 387 million, representing 13.7 per cent of pre-tax operating profits. The low tax charge in 2007 was primarily due to taxation rules for capital gains on equities and value adjustments on indirectly owned properties in the Group's insurance operations. In addition, there

were changes in the calculation of taxes for 2006 in Vital, resulting in a NOK 599 million reduction in estimated taxes in 2007. In 2006, the tax charge was NOK 2 881 million or 19.6 per cent of pre-tax operating profits. The DnB NOR Group anticipates a future normalised tax level of 23 per cent.

Balance sheet and assets under management

At end-December 2007, total combined assets in the DnB NOR Group were NOK 1 834 billion, an increase of NOK 146 billion or 8.7 per cent from a year earlier. Total assets in the Group's balance sheet were NOK 1 474 billion at year-end 2007, as against NOK 1 320 billion a year earlier.

Net lending to customers rose by NOK 143 billion or 17.2 per cent from 2006 to 2007. Customer deposits rose by NOK 64 billion or 13.4 per cent during the twelve-month period.

In order to keep the Group's liquidity risk at a low level, the majority of loans are financed through customer deposits, long-term securities, subordinated loan capital and equity. With respect to the short-term funding, restrictive borrowing limits have been established. The financial market turmoil resulted in a very tight liquidity market in the second half of 2007. However, DnB NOR enjoyed a sound liquidity situation throughout the year, and the Group was not materially affected by the tight financial market.

The ratio of customer deposits to net lending to customers was maintained at a satisfactory level, standing at 55.5 per cent at end-December 2007, down from 57.3 per cent a year earlier.

Securities issued by the Group increased by NOK 45 billion or 13.8 per cent from 2006, totalling NOK 372 billion at end-December 2007. The majority of the securities were issued in international capital markets. Total assets in Vital were NOK 232.5 billion as at 31 December 2007, compared with NOK 223.7 billion a year earlier.

Risk

DnB NOR quantifies risk by measuring risk-adjusted capital. Net risk-adjusted capital increased by NOK 8 billion to NOK 48.8 billion as at 31 December 2007. The rise mainly reflected a strong increase in credit volumes, while there were only minor increases for other risk categories. The table below shows developments in risk-adjusted capital:

<i>Amounts in NOK billion</i>	31 Dec. 2007	31 Dec. 2006
Credit risk	42.6	36.0
Market risk	3.6	2.4
Ownership risk for Vital	8.5	7.5
Operational risk	5.2	4.8
Business risk	2.5	2.4
Gross risk-adjusted capital	62.4	53.0
Diversification effect ¹⁾	(13.6)	(12.3)
Net risk-adjusted capital	48.8	40.7
Diversification effect in per cent of gross risk-adjusted capital ¹⁾	21.8	23.3

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

Credit growth was particularly strong in the corporate market in 2007, though there was also a healthy rise in housing loans. There was a high level of activity within shipping and offshore. In addition to experiencing a strong increase in volumes in its own books, DnB NOR syndicated large volumes to other banks. Due to sound corporate earnings, healthy income growth among Norwegian households and falling unemployment, portfolio quality was maintained at a highly satisfactory level.

The rise in market risk mainly reflected higher limits for operations in DnB NOR and a favourable price trend for the Group's equity investments. Risk associated with the fall in value of the bond portfolio maintained by the Group to ensure access to funding from

Norges Bank and other central banks is treated as credit risk in the risk measurement.

A favourable development in values in Vital, including values on commercial property, ensured a very good financial result for the company. In 2007, Kredittilsynet (the Financial Supervisory Authority of Norway) presented requirements to life insurance companies for a rise in insurance provisions to reflect the increase in average life expectancy. To meet this requirement, Vital increased its provisions by NOK 4.4 billion. The financial buffers were maintained as the decline in the securities adjustment reserve of approximately NOK 3.5 billion was offset by an increase in additional allocations of approximately NOK 3.0 billion. A large part of the equity portfolio was hedged against reductions in share prices at year-end 2007.

During the first half of 2007, DnB NOR experienced a virus attack on its IT systems which for some days significantly hampered the Group's operations. However, the costs were limited, and customers were generally not affected. The Group incurred no other major single operational losses in 2007.

Liquidity risk is not quantified when calculating risk-adjusted capital. The turmoil in financial markets in the second half of 2007, which was initiated by the crisis in the US subprime market, reduced liquidity in the financial markets and made it more difficult for financial institutions to raise funding. Nevertheless, DnB NOR fared well through 2007 due to the Group's target to maintain a high share of long-term funding. As from June 2007, it was possible to use covered bonds as a new funding instrument. These bonds are backed by well-secured housing loans. The financial market turmoil has had a far less serious impact on the covered bonds market than on traditional bank loans, which has made it possible for DnB NOR to maintain a balance sheet structure with low liquidity risk.

The Group capital situation is assessed relative to the Group's capitalisation policy. The level of equity should help the Group reach its AA level rating target for the bank's ordinary long-term funding. In the longer term, the Group's equity will be structured to ensure that core capital excluding hybrid securities exceeds 4.25 per cent of risk-weighted assets, with the addition of a capital buffer determined on the basis of the prevailing risk situation. Calculations show that the capitalisation of the Group was in line with this target at year-end 2007.

The table below shows developments in the Group's equity relative to the capitalisation target:

<i>Amounts in NOK billion</i>	31 Dec. 2007	31 Dec. 2006
4.25 per cent of risk-weighted assets	42.1	37.4
Capital buffer	15.8	13.3
Core capital target excl. hybrid securities	58.0	50.7
Statutory deductions in core capital	13.6	4.4
Equity target	71.5	55.1
Actual equity ¹⁾	76.0	57.8
Equity reserve	4.4	2.7

1) *Equity is calculated according to NGAAP as at 31 December 2006 and according to IFRS as at 31 December 2007.*

Risk-weighted volume included in the calculation of the formal capital adequacy requirement was NOK 991 billion at end-December 2007, up 12.6 per cent from 2006, reflecting the transitional rules for Basel II. For 2007, the rules stipulated a reduction in risk-weighted volume of maximum 5 per cent upon the transition to the IRB system. Without such a limitation, risk-weighted volume would have been reduced by a further NOK 56 billion. The core capital ratio was 7.2 per cent, as against 6.7 per cent in 2006, while the capital adequacy ratio was 9.6 per cent at year-end 2007.

Future prospects

The Norwegian economy experienced robust economic expansion in 2007. The international economic picture changed, however, during

the summer months, when growth prospects for the US economy were drastically revised downwards. The cyclical downturn in the United States spread from the housing market to the credit market and increased uncertainty in international financial markets. Towards the end of 2007, the turmoil in financial markets increased significantly and appears to have a greater and longer-term effect than initially assumed.

It is expected that the US economy will suffer a recession in 2008, but a recovery is likely during the second half of the year. Global growth will probably be affected by developments in the United States, but this will be partly offset by strong growth in emerging markets. The financial and credit markets are expected to gradually normalise.

The economic prospects for Sweden, Poland and the Baltic States are still good, even though growth, also here, is expected to level off compared with 2007. However, pressure tendencies in the Baltic economies represent a considerable risk to economic development in the region.

In Norway, a solid economic development is expected also in 2008, but growth will be somewhat slower than in 2007. Heavy oil investments will continue to uphold growth in Norwegian manufacturing production, but a strong NOK exchange rate and subdued market growth will curb the rise in exports. The high profitability in the Norwegian business community in recent years combined with a tight labour market is also expected to result in wage and price inflation. In addition, an anticipated rise in electricity prices will affect consumer price inflation. Long-term interest rates are expected to rise. Subdued housing price growth and generally weaker economic prospects are expected to curb household optimism and reduce consumption growth. However, households' credit demand is not expected to be much lower owing to high levels of housing wealth and generally good solvency. Growth in companies' operating profits is expected to weaken somewhat due to rising wage inflation and the international slowdown. Lower corporate profits will contribute to lower deposit growth.

The financial turmoil will probably result in higher credit margins and lower lending growth. High lending growth over several years combined with rising interest rates will probably also entail that the volume of problem commitments will increase. Insurance provisions and assets in mutual funds are expected to increase moderately due to a projected weak development in share prices.

The financing needs of Norwegian companies increased towards the end of 2007 and it is expected that this trend will continue in 2008. It is also expected that monetary tightening and slower global growth will gradually curb activity and that demand in the housing market will decline. Rising interest rate levels and subdued growth in housing prices point towards a more moderate increase in housing loans over the next few years. Savings growth is expected to remain high.

DnB NOR expects growth to continue in the most important segments of the Group's operations, but it must be assumed that the extraordinary balance sheet growth of recent years will level off. The Group's targets, communicated to the capital market in October 2007, remain in force. The Group's strategic programme for international growth and cross-sales will be a positive contribution, while the cost programme will improve productivity in Norwegian operations.

The increase in the use of electronic solutions and international service concepts is expected to generate further competition and price pressure in both the corporate and retail markets.

New regulations for life insurance companies entail a considerable change in external parameters for this sector, but the Group is of the opinion that the regulations can provide new opportunities and it is well prepared to meet the new situation. Increased life expectancy in the population is also a challenge for this industry, and the Group will follow developments closely.

International initiatives will be stepped up in 2008, and it is expected that an increasing share of profits and volumes will be generated outside Norway's borders. The Group will work towards organic growth in existing operations and consider structural opportunities to reach its targets.

The Board of Directors has commenced a process to simplify the group structure, whereby the Group has applied for permission to be converted to a financial services group with the bank as the parent company instead of a separate holding company, which is what DnB NOR ASA is today. In the opinion of the Board, this would streamline operations, provide cost savings and improve the management of the Group. The proposal is currently being considered by the authorities.

Thus far in 2008, the financial market turmoil has had a pronounced effect on international stock markets. It is DnB NOR's assumption that the turmoil will have relatively limited consequences for the Group in a short-term perspective.

Oslo, 13 February 2008
The Board of Directors of DnB NOR ASA

Olav Hytta
(chairman)

Johan Nic. Vold
(vice-chairman)

Per Hoffmann

Nina Britt Husebø

Jørn O. Kvilhaug

Bent Pedersen

Trine Sæther Romuld

Ingjerd Skjeldrum

Siri Pettersen Strandenes

Bjørn Sund

Anne Carine Tanum

Rune Bjerke
(group chief executive)

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DnB NOR ASA

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Income statement ¹⁾

<i>Amounts in NOK million</i>	Note	DnB NOR Group				
		4th quarter 2007	4th quarter 2006	Full year 2007	Full year 2006	Full year 2005
Total interest income	5	17 543	12 556	61 746	42 381	29 973
Total interest expenses	5	12 543	8 581	43 880	27 092	16 363
Net interest income	5	5 000	3 975	17 866	15 289	13 610
Commissions and fees receivable etc.	6	2 486	2 371	9 476	8 963	8 362
Commissions and fees payable etc.	6	616	583	2 392	2 253	2 320
Net gains on financial instruments at fair value	6, 7	700	1 150	3 185	3 610	2 915
Net gains on assets in Vital	6	3 856	6 022	23 883	16 131	14 379
Guaranteed returns and allocations to policyholders in Vital	6	1 117	5 731	17 005	14 584	13 111
Premium income etc. included in the risk result in Vital	6	703	1 191	4 249	4 314	3 925
Insurance claims etc. included in the risk result in Vital	6	2 778	1 146	8 907	4 324	3 828
Net realised gains on investment securities (AFS)	6	0	0	0	0	167
Profit from companies accounted for by the equity method	6	(10)	24	9	171	118
Other income	6	320	323	1 234	1 176	1 117
Net other operating income	6	3 545	3 622	13 732	13 204	11 725
Total income		8 545	7 597	31 598	28 493	25 335
Salaries and other personnel expenses	8	2 875	2 346	9 413	8 189	6 737
Other expenses	8	1 699	1 452	6 005	5 523	5 474
Depreciation and write-downs of fixed and intangible assets	8	335	196	1 032	715	653
Total operating expenses	8	4 908	3 994	16 450	14 427	12 864
Net gains on fixed and intangible assets	10	1 593	66	2 481	365	775
Write-downs on loans and guarantees	11	(41)	(16)	220	(258)	137
Pre-tax operating profit		5 269	3 684	17 409	14 689	13 109
Taxes		193	291	2 387	2 881	2 965
Profit from discontinuing operations after taxes		0	0	0	0	0
Profit for the period		5 076	3 394	15 022	11 808	10 144
Profit attributable to shareholders		5 017	3 366	14 780	11 665	10 131
Profit attributable to minority interests		59	28	242	143	13
Earnings per share (NOK) ²⁾		3.76	2.52	11.08	8.74	7.59
Earnings per share for discontinuing operations (NOK) ²⁾		0.00	0.00	0.00	0.00	0.00

1) See note 4 for specification of income statement items in Vital.

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

Balance sheet ¹⁾

		DnB NOR Group		
		31 Dec.	31 Dec.	31 Dec.
<i>Amounts in NOK million</i>		2007	2006	2005
	Note			
Assets				
Cash and deposits with central banks		9 816	11 453	21 229
Lending to and deposits with credit institutions	13	64 379	71 091	40 854
Lending to customers	12, 13, 14	970 504	827 947	697 579
Commercial paper and bonds		177 602	172 040	145 475
Shareholdings		48 682	51 393	35 980
Financial assets, customers bearing the risk		19 868	18 840	13 136
Financial derivatives		65 933	57 999	33 913
Shareholdings, available for sale		0	0	0
Commercial paper and bonds, held to maturity		59 641	62 444	52 587
Investment property		33 078	25 816	23 143
Investments in associated companies		1 435	1 515	1 402
Intangible assets	15	7 742	6 471	6 042
Deferred tax assets		136	38	52
Fixed assets		3 496	5 478	5 120
Biological assets		0	0	0
Discontinuing operations	2	225	27	27
Other assets		11 382	7 691	4 889
Total assets		1 473 919	1 320 242	1 081 428
Liabilities and equity				
Loans and deposits from credit institutions		144 198	124 372	108 056
Deposits from customers		538 151	474 526	410 991
Financial derivatives		62 741	58 812	31 845
Securities issued	16	371 784	326 806	236 631
Insurance liabilities, customers bearing the risk		19 868	18 840	13 136
Liabilities to life insurance policyholders		191 626	188 096	174 675
Payable taxes		3 238	4 091	943
Deferred taxes		187	730	1 759
Other liabilities		27 717	18 812	14 333
Discontinuing operations	2	0	0	0
Provisions		5 207	4 768	4 594
Subordinated loan capital	16	33 226	33 977	26 112
Total liabilities		1 397 944	1 253 829	1 023 075
Minority interests		2 662	2 201	946
Revaluation reserve		0	0	0
Share capital		13 327	13 341	13 369
Other reserves and retained earnings		59 987	50 870	44 038
Total equity		75 976	66 413	58 353
Total liabilities and equity		1 473 919	1 320 242	1 081 428
Off-balance sheet transactions and contingencies	18			

1) See note 4 for specification of balance sheet items in Vital.

Statement of changes in equity

<i>Amounts in NOK million</i>	DnB NOR Group						
	Minority interests ¹⁾	Revalu- ation reserve	Share capital	Share premium reserve	Other equity ¹⁾	Total other reserves and retained earnings	Total equity ¹⁾
Balance sheet as at 31 December 2005	946	0	13 369	11 963	32 075	44 038	58 353
Net change in currency translation reserve	44				32	32	76
Profit for the period	143				11 665	11 665	11 808
Net income for the period	187				11 698	11 698	11 884
Dividends 2005					(4 680)	(4 680)	(4 680)
Own shares			(28)		(184)	(184)	(212)
Minority interests DnB NORD	1 071				0		1 071
Other minority interests	(3)				(1)	(1)	(4)
Balance sheet as at 31 December 2006	2 201	0	13 341	11 963	38 907	50 870	66 413
Net change in currency translation reserve	(72)				(231)	(231)	(303)
Profit for the period	242				14 780	14 780	15 022
Net income for the period	171				14 549	14 549	14 719
Dividends 2006					(5 336)	(5 336)	(5 336)
Redemption of shares			(14)	(267)	173	(94)	(108)
Minority interests DnB NORD	261						261
Other minority interests	30						30
Balance sheet as at 31 December 2007	2 662	0	13 327	11 697	48 290	59 987	75 976

1) Of which currency translation reserve:

<i>Balance sheet as at 31 December 2005</i>	<i>0</i>				<i>(76)</i>		<i>(76)</i>
<i>Net change in currency translation reserve</i>	<i>44</i>				<i>32</i>		<i>76</i>
<i>Balance sheet as at 31 December 2006</i>	<i>44</i>				<i>(44)</i>		<i>0</i>
<i>Net change in currency translation reserve</i>	<i>(72)</i>				<i>(231)</i>		<i>(303)</i>
<i>Balance sheet as at 31 December 2007</i>	<i>(28)</i>				<i>(275)</i>		<i>(303)</i>

Cash flow statement

<i>Amounts in NOK million</i>	DnB NOR Group		
	Full year 2007	Full year 2006	Full year 2005
Operations			
Net payments on loans to customers	(147 421)	(135 673)	(86 045)
Net receipts on deposits from customers	65 651	66 315	45 478
Interest received from customers	50 211	40 136	25 572
Interest paid to customers	(17 733)	(9 065)	(6 421)
Net receipts/payments on the sale/aquisition of financial assets for investment or trading	22 440	(33 948)	(22 547)
Net receipts on commissions and fees	7 118	9 243	8 689
Payments to operations	(17 794)	(15 726)	(14 918)
Taxes paid	(3 980)	(613)	(1 848)
Receipts on premiums	13 295	17 442	17 803
Net receipts/payments on premium reserve transfers	(1 937)	(2 209)	1 704
Payments of insurance settlements	(19 621)	(11 942)	(8 017)
Other receipts	1 213	1 107	1 078
Net cash flow relating to operations	(48 560)	(74 932)	(39 472)
Investment activity			
Net receipts/payments on the sale/acquisition of fixed assets	3 087	(932)	(242)
Receipts on the sale of long-term investments in shares	9	212	1 291
Payments on the acquisition of long-term investments in shares	(4 080)	(167)	(1 349)
Dividends received on long-term investments in shares	248	115	59
Net cash flow relating to investment activity	(736)	(771)	(241)
Funding activity			
Net receipts/payments on loans from credit institutions	23 278	(8 215)	19 543
Net receipts/payments on other short-term liabilities	(10 622)	(2 786)	2 463
Net receipts on issue of bonds and commercial paper ¹⁾	58 281	95 281	37 685
Issue of subordinated loan capital	5 581	10 302	1 594
Redemptions of subordinated loan capital	(4 017)	(2 433)	(952)
Repurchase of own shares/share issue	(108)	(212)	320
Dividend payments	(5 336)	(4 680)	(3 410)
Net interest payments on funding activity	(20 420)	(17 674)	(7 413)
Net cash flow from funding activity	46 637	69 583	49 830
Net cash flow	(2 659)	(6 120)	10 116
Cash as at 1 January	18 594	24 714	14 597
Net payments of cash	(2 659)	(6 120)	10 116
Cash as at 31 December	15 935	18 594	24 714

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

1) A significant share of the Group's operations was during 2005, 2006 and 2007 funded by issuing bonds and commercial paper.

Key figures

	DnB NOR Group				
	4th quarter 2007	4th quarter 2006	Full year 2007	Full year 2006	Full year 2005
Interest rate analysis					
1. Combined average spread for lending and deposits (%)	2.25	2.04	2.14	2.10	2.19
2. Spread for ordinary lending to customers (%)	1.10	1.15	1.09	1.28	1.49
3. Spread for deposits from customers (%)	1.16	0.89	1.05	0.82	0.70
Rate of return/profitability					
4. Net other operating income, per cent of total income	41.5	47.7	43.5	46.3	46.3
5. Cost/income ratio (%)	51.9	50.4	50.6	50.1	50.2
6. Return on equity, annualised (%)	28.4	21.5	22.0	19.5	18.8
7. RARORAC, annualised (%)	20.7	22.8	21.6	22.0	24.1
8. RORAC, annualised (%)	39.8	31.6	32.0	28.4	30.9
9. Average equity including allocated dividend (NOK million)	70 767	62 527	67 063	59 862	53 111
10. Return on average risk-weighted volume, annualised (%)	2.10	1.56	1.66	1.50	1.58
Financial strength					
11. Core (Tier 1) capital ratio at end of period (%)	7.2	6.7	7.2	6.7	7.4
12. Capital adequacy ratio at end of period (%)	9.6	10.0	9.6	10.0	10.2
13. Core capital at end of period (NOK million)	71 392	59 054	71 392	59 054	52 523
14. Risk-weighted volume at end of period (NOK million)	991 455	880 292	991 455	880 292	714 039
Loan portfolio and write-downs					
15. Write-downs relative to net lending to customers, annualised	(0.02)	(0.01)	0.02	(0.03)	0.02
16. Net non-performing and impaired commitments, per cent of net lending	0.42	0.45	0.42	0.45	0.63
17. Net non-performing and impaired commitments at end of period (NOK million)	4 174	3 800	4 174	3 800	4 751
Liquidity					
18. Ratio of customer deposits to net lending to customers at end of period (%)	55.5	57.3	55.5	57.3	58.9
Total assets owned or managed by DnB NOR					
19. Assets under management at end of period (NOK billion)	572	575	572	575	567
20. Total combined assets at end of period (NOK billion)	1 834	1 688	1 834	1 688	1 459
21. Average total assets (NOK billion)	1 457	1 322	1 412	1 209	1 002
22. Customer savings at end of period (NOK billion)	1 111	1 052	1 111	1 052	982
Staff					
23. Number of full-time positions at end of period	13 455	11 824	13 455	11 824	11 334
The DnB NOR share					
24. Number of shares at end of period (1 000)	1 332 654	1 334 089	1 332 654	1 334 089	1 336 875
25. Average number of shares (1 000)	1 332 654	1 334 089	1 333 402	1 335 449	1 334 474
26. Earnings per share (NOK)	3.76	2.52	11.08	8.74	7.59
27. Dividend per share (NOK) ¹⁾	-	-	4.50	4.00	3.50
28. Total shareholders' return (%)	0.4	15.2	(1.7)	27.8	25.3
29. Dividend yield (%)	-	-	5.42	4.52	4.86
30. Equity per share including allocated dividend at end of period (NOK)	55.01	48.13	55.01	48.13	42.94
31. Share price at end of period (NOK)	83.00	88.50	83.00	88.50	72.00
32. Price/earnings ratio	5.51	8.77	7.49	10.13	9.49
33. Price/book value	1.51	1.84	1.51	1.84	1.68
34. Market capitalisation (NOK billion)	110.6	118.1	110.6	118.1	96.3

1) Proposed dividend for 2007.

Definitions

- 1, 2, 3 Based on nominal values excluding lending to and deposits with credit institutions and impaired loans.
- 5 Total expenses relative to total income. Expenses are exclusive of allocation to employees.
- 6 Profit for the period, excluding profit attributable to minority interests, adjusted for the period's change in fair value recognised in equity. Average equity is calculated on the basis of recorded equity excluding minority interests.
- 7 RARORAC (Risk-Adjusted Return On Risk-Adjusted Capital) is defined as risk-adjusted profits relative to risk-adjusted capital requirement. Risk-adjusted profits indicate the level of profits in a normalised situation. The risk-adjusted capital requirement is described in further detail in the chapter "Management in DnB NOR" in the DnB NOR Group's annual report for 2006.
- 8 RORAC (Return On Risk-Adjusted Capital) is defined as profits for the period relative to risk-adjusted capital requirement. Profits for the period are exclusive of profits attributable to minority interests and are adjusted for the period's change in fair value recognised directly in equity and for the difference between recorded interest on average equity and interest on risk-adjusted capital.
- 10 Profit for the period relative to average risk-weighted volume.
- 19 Total assets under management for customers in Life and Asset Management.
- 20 Total assets and assets under management.
- 22 Total deposits from customers, assets under management and equity-linked bonds.
- 24 Number of shares in 2006 are excluding the 2 786 thousand own shares repurchased in accordance with the authorisation issued by DnB NOR's General Meeting.
- 26 Excluding discontinuing operations and profits attributable to minority interests. Holdings of own shares are not included in calculations of the number of shares.
- 28 Closing price at end of period less closing price at beginning of period, included dividends reinvested in DnB NOR shares on the dividend payment date, relative to closing price at beginning of period.
- 30 Equity at end of period excluding minority interests relative to number of shares at end of period.
- 31 Closing price at end of period relative to annualised earnings per share.
- 33 Closing price at end of period relative to recorded equity at end of period.
- 34 Number of shares multiplied by closing price at end of period.

Note 1 – Accounting principles etc.

Accounting principles

The fourth quarter accounts have been prepared according to IFRS principles as approved by the EU, including IAS 34 - Interim Financial Reporting. A description of the accounting principles applied by the Group in preparing the accounts is found in the annual report for 2006.

Estimates

When preparing the consolidated accounts, management makes assessments and estimates and prepares assumptions that influence the effect of the accounting principles applied and thus the recorded values of assets and liabilities, income and expenses. Accounting principles and note 2 in the annual report for 2006 give a description of important estimates and assumptions.

With effect from 31 December 2006, the Group changed the assumption concerning life expectancy in connection with the calculation of pension commitments. This has affected pension expenses for 2007, see note 8 Operating expenses.

The group write-down model and the factors included therein are under continuous review. During 2007, further improvements were made in two of the factors included in the calculation model. Better statistical material has caused a shift in the economic cycle indicator, following the inclusion of a longer loss experience record. The changes took effect as from the fourth quarter of 2007, see note 11 Write-downs on loans and guarantees.

In all other respects, the same estimation techniques and assumptions that are described in the 2006 annual report have been applied when preparing the accounts for the fourth quarter of 2007.

Comparable figures

Comparable figures have not been restated following the acquisition of BISE Bank, Svensk Fastighetsförmedling and SalusAnsvar.

Note 2 – Changes in group structure

SalusAnsvar

DnB NOR's offer to purchase all shares in SalusAnsvar was accepted by Swedish authorities on 18 October 2007. On the acceptance closing date, 26 October, shareholders representing 94.5 per cent of the company's shares had accepted DnB NOR's offer. The acceptance deadline was extended to 9 November. As at 31 December 2007, DnB NOR had acquired 96.0 per cent of the share capital, representing 98.8 per cent of the voting shares in SalusAnsvar. DnB NOR will call for compulsory redemption of the outstanding minority shares. SalusAnsvar distributes financial products to members of Swedish professional organisations and trade unions. The company has 235 employees and approximately 540 000 customers. The acquisition will give DnB NOR access to a well-established distribution network and a large customer base in Sweden. SalusAnsvar was included in the consolidated accounts with effect from 31 December 2007. Thus, profit and loss items from the acquired company are not included in DnB NOR's consolidated accounts for 2007. If the acquisition had taken place with effect from 1 January 2007, the Group's operating income would have risen by NOK 135 million while profit for the year would have declined by NOK 15 million.

The total cost price, including transaction costs, was SEK 729 million. Transaction costs totalled SEK 9 million and mainly represented fees to advisers and commissions relating to the share purchases. No excess values were identified relating to recorded assets and liabilities. In connection with the acquisition, a due diligence was undertaken of SalusAnsvar to identify any additional intangible assets and commitments. The value of customer contracts and customer relations is estimated at SEK 250 million. These assets are expected to have a useful life of six years and are depreciated over this period according to the straight-line principle. Deferred taxes on intangible assets total SEK 70 million. Other excess values are classified as goodwill and represent the value of greater distribution power in the Swedish retail and corporate markets. Goodwill will be subject to annual impairment testing.

Balance sheet	DnB NOR Group	SalusAnsvar	DnB NOR Group	SalusAnsvar
	Recorded value of SalusAnsvar on the acquisition date 31 Dec. 2007 <i>Amounts in SEK million</i>	Recorded value (acc. to IFRS) immediately before the acquisition date <i>Amounts in SEK million</i>	Recorded value of SalusAnsvar on the acquisition date 31 Dec. 2007 <i>Amounts in NOK million</i>	Recorded value (acc. to IFRS) immediately before the acquisition date <i>Amounts in NOK million</i>
Assets				
Lending to and deposits with credit institutions	16	16	13	13
Commercial paper and bonds	123	123	104	104
Investments in associated companies	56	56	48	48
Intangible assets	645	22	546	18
Fixed assets	23	23	20	20
Other assets	29	29	24	24
Total assets	892	269	755	227
Liabilities and equity				
Other liabilities	127	57	107	48
Equity	765	212	648	179
Total liabilities and equity	892	269	755	227

Note 2 – Changes in group structure (continued)

Preliminary acquisition analysis SalusAnsvar	DnB NOR Group
<i>Amounts in SEK million</i>	31 December 2007
Cost price	
Purchase of shares, 96 per cent	720
Transaction costs	9
Cost price	729
Excess of cost over book value	
Cost price	729
Share of equity, excl. minority interests, 96 per cent	183
Excess of cost over book value	546
Allocation of excess values	
Value of customer contracts and customer relations	250
Deferred taxes	70
Minority's share of excess values	7
Identified excess values	173
Goodwill	373
Excess of cost over book value	546

SkandiaBanken Bilfinans

In order to further strengthen the Group's position in the Swedish market, DnB NOR has entered into an agreement to acquire SkandiaBanken Bilfinans and will thus become one of the key providers of car financing in Scandinavia. Through the purchase, the Group will take over 115 000 customer contracts, 120 employees and a total credit portfolio of approximately NOK 11 billion, equally balanced between Norway and Sweden. DnB NOR will pay a premium of just under NOK 1 billion over the company's equity.

The transaction has been approved by Norwegian and Swedish authorities, and the operations in Norway were taken over with effect from 1 February 2008. The company's operations in Sweden will be taken over by end-March 2008.

Discontinuing operations

In connection with the sale of bank buildings, gains totalling NOK 1 470 million were recorded as income in the fourth quarter of 2007. These buildings were classified as discontinuing operations as at 30 September 2007.

Note 3 – Business areas

The operational structure of DnB NOR includes four business areas and four staff and support units. In addition, DnB NOR is reported as a separate profit centre. The business areas carry responsibility for customer segments served by the Group, as well as the products offered.

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

Income statement, fourth quarter

Amounts in NOK million	Corporate Banking and Payment Services		Retail Banking		DnB NOR Markets		Life and Asset Management		DnB NOR		DnB NOR Group Other operations/ eliminations ¹⁾	
	4th quarter		4th quarter		4th quarter		4th quarter		4th quarter		4th quarter	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Net interest income - ordinary operations	2 101	1 777	1 962	1 718	44	57	10	0	311	197	571	225
Interest on allocated capital	488	256	196	129	58	30	27	16	48	23	(817)	(454)
Net interest income	2 590	2 033	2 158	1 847	101	87	37	16	359	220	(245)	(229)
Net other operating income	830	799	783	757	740	1 109	1 208	993	206	91	(222)	(127)
Total income	3 420	2 832	2 941	2 604	842	1 196	1 245	1 009	565	311	(468)	(356)
Operating expenses ¹⁾	1 178	1 050	1 651	1 551	419	443	689	523	406	229	565	200
Pre-tax operating profit before write-downs	2 242	1 782	1 290	1 054	423	754	556	486	159	82	(1 033)	(556)
Net gains on fixed and intangible assets	7	(4)	44	9	0	0	0	0	2	2	1 539	59
Write-downs on loans and guarantees	30	(39)	72	(32)	0	0	0	0	48	38	(190)	17
Pre-tax operating profit	2 219	1 818	1 263	1 094	423	754	556	486	113	45	696	(513)
<i>*) Of which group overhead</i>	<i>31</i>	<i>19</i>	<i>14</i>	<i>12</i>	<i>6</i>	<i>5</i>	<i>4</i>	<i>3</i>	<i>0</i>	<i>0</i>	<i>(56)</i>	<i>(40)</i>

Income statement, full year

Amounts in NOK million	Corporate Banking and Payment Services		Retail Banking		DnB NOR Markets		Life and Asset Management		DnB NOR		DnB NOR Group Other operations/ eliminations	
	2007		2006		2007		2006		2007		2006	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Net interest income - ordinary operations	7 658	6 594	7 015	7 216	206	251	17	(4)	1 101	689	1 869	544
Interest on allocated capital	1 537	814	641	433	189	93	90	49	154	68	(2 610)	(1 459)
Net interest income	9 195	7 408	7 655	7 649	395	344	107	45	1 255	757	(741)	(915)
Net other operating income	3 026	2 750	3 106	3 100	2 894	3 563	4 567	3 848	631	310	(491)	(367)
Total income	12 220	10 158	10 762	10 749	3 289	3 907	4 674	3 893	1 886	1 067	(1 232)	(1 281)
Operating expenses ¹⁾	4 156	3 704	6 322	6 076	1 517	1 537	2 316	1 973	1 310	728	828	410
Pre-tax operating profit before write-downs	8 064	6 454	4 439	4 673	1 772	2 370	2 357	1 920	576	339	(2 060)	(1 691)
Net gains on fixed and intangible assets	19	134	44	9	(1)	0	0	0	14	9	2 404	212
Write-downs on loans and guarantees	76	(43)	266	111	22	0	0	0	121	74	(266)	(400)
Pre-tax operating profit	8 006	6 632	4 218	4 571	1 748	2 370	2 357	1 920	469	274	611	(1 079)
<i>*) Of which group overhead</i>	<i>127</i>	<i>95</i>	<i>57</i>	<i>49</i>	<i>25</i>	<i>21</i>	<i>31</i>	<i>28</i>	<i>0</i>	<i>0</i>	<i>(240)</i>	<i>(193)</i>

Note 3 – Business areas (continued)

1) Other operations/ eliminations:

Amounts in NOK million	Elimination of double entries		Other eliminations		Group Centre *)		Total other operations/ eliminations	
	4th quarter		4th quarter		4th quarter		4th quarter	
	2007	2006	2007	2006	2007	2006	2007	2006
Net interest income - ordinary operations	(2)	(2)	(36)	(29)	609	257	571	225
Interest on allocated capital			0	0	(817)	(454)	(817)	(454)
Net interest income	(2)	(2)	(36)	(29)	(208)	(198)	(245)	(229)
Net other operating income	(474)	(409)	(42)	(67)	294	350	(222)	(127)
Total income	(476)	(412)	(78)	(96)	86	152	(468)	(356)
Operating expenses			(61)	(96)	626	296	565	200
Pre-tax operating profit before write-downs	(476)	(412)	(17)	0	(540)	(144)	(1 033)	(556)
Net gains on fixed and intangible assets			17	0	1 522	59	1 539	59
Write-downs on loans and guarantees			0	0	(190)	17	(190)	17
Pre-tax operating profit	(476)	(412)	0	0	1 171	(102)	696	(513)

The eliminations refer mainly to internal services from support units to business areas and between business areas. Further, intra-group transactions and gains and losses on transactions between companies in the Group are eliminated. The elimination of double entries primarily concerns net profits on customer business carried out in cooperation between DnB NOR Markets and other business areas and taken to income in both areas.

The Group Centre includes Operations, HR (Human Resources), IT, Group Finance and Risk Management, Corporate Communications, Corporate Centre, investments in IT infrastructure and shareholder-related expenses. In addition, the Group Centre includes that part of the Group's equity that is not allocated to the business areas.

*) Group Centre - pre-tax operating profit in NOK million	4th quarter	
	2007	2006
Net gains on fixed and intangible assets	1 522	59
Unallocated write-downs on loans and guarantees	228	21
Income on equities	47	162
Portfolio hedging, Treasury	1	(87)
Ownership-related expenses (costs relating to shareholders, investor relations, strategic planning etc.)	(48)	(46)
Unallocated income	(51)	14
Funding costs on goodwill	(64)	(43)
Allocation to employees	(305)	(22)
Other	(157)	(159)
Pre-tax operating profit	1 171	(102)

Main average balance sheet items

Amounts in NOK billion	Corporate Banking and Payment Services		Retail Banking		DnB NOR Markets		Life and Asset Management		DnB NOR		DnB NOR Group Other operations/ eliminations	
	4th quarter		4th quarter		4th quarter		4th quarter		4th quarter		4th quarter	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Net lending to customers ¹⁾	449.8	382.9	439.2	404.3	15.2	9.3			56.6	37.2	(4.6)	3.9
Deposits from customers ¹⁾	301.3	257.1	222.6	211.0	23.1	11.4			20.8	11.9	(12.8)	(12.9)
Assets under management ²⁾							591.9	581.2				

Key figures

Per cent	Corporate Banking and Payment Services		Retail Banking		DnB NOR Markets		Life and Asset Management		DnB NOR		DnB NOR Group Other operations	
	4th quarter		4th quarter		4th quarter		4th quarter		4th quarter		4th quarter	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Cost/income ratio	34.4	37.1	56.1	59.5	49.8	37.0	55.3	51.8	71.9	73.6		
Ratio of deposits to lending ¹⁾	67.0	67.2	50.7	52.2					36.6	32.1		
Return on capital, annualised ^{3) 4)}	18.6	18.4	26.6	22.1	30.3	64.4	67.1	44.9	8.8	5.7		
RORAC, annualised ^{4) 5)}	19.6	18.6	47.4	44.6	41.6	105.6	82.3	54.2	8.0	5.3		
Number of full-time positions as at 31 December ^{6) 7)}	2 316	2 635	3 853	4 080	612	562	1 130	1 115	3 236	1 989	2 308	1 444

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

2) Assets under management include total assets in Vital.

3) Return on capital is calculated on the basis of allocated capital. Allocated capital for Corporate Banking and Payment Services, Retail Banking, DnB NOR Markets and DnB NOR is calculated as 6.5 per cent of risk-weighted volume. Recorded equity is used for Life and Asset Management.

4) Estimated return on capital is based on profit after tax. A tax rate of 28 per cent is applied for Corporate Banking and Payment Services, Retail Banking, DnB NOR Markets and DnB NOR Asset Management. The expected tax rate for DnB NOR is 20 per cent for 2007 and 15 per cent for 2006 while accounted taxes are applied for Vital.

5) RORAC (Return On Risk-Adjusted Capital) is defined as profits for the period relative to risk-adjusted capital requirement.

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

7) An increase of 240 full-time positions in Retail Banking resulting from the acquisition of Svensk Fastighetsförmedling AB and SalusAnsvar AB in 2007.

Note 4 – Life and Asset Management

The business area Life and Asset Management in DnB NOR comprises Vital Forsikring ASA and DnB NOR Kapitalforvaltning Holding AS, both with subsidiaries. The tables below marked "Life and Asset Management" show selected income statement items and key figures for the whole area.

Vital Forsikring ASA including subsidiaries, hereinafter referred to as "Vital", is fully consolidated in the DnB NOR Group's accounts. Vital's lines of business are life insurance and pension savings. Profit sharing between policyholders and the owner in life insurance companies is based on special accounting regulations for such operations stipulated by the Norwegian Ministry of Finance. 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. Vital Link AS and Vital Forsikring ASA merged in February 2007 with accounting effect from 1 January 2007. The tables below marked "Vital" describe the income statement and balance sheet for Vital as included in the DnB NOR Group's accounts.

Income statement

Amounts in NOK million	Life and Asset Management			
	4th quarter 2007	4th quarter 2006	Full year 2007	Full year 2006
Total income	1 245	1 009	4 674	3 893
Total operating expenses	689	523	2 316	1 973
Pre-tax operating profit	556	486	2 357	1 920
Taxes	(1 438)	(723)	(1 942)	(634)
Profit after taxes	1 994	1 209	4 299	2 554

Key figures

	Life and Asset Management			
	4th quarter 2007	4th quarter 2006	Full year 2007	Full year 2006
Total combined assets at end of period (NOK billion)	593	591	593	591
Return on equity, annualised (%) ¹⁾	67.1	44.9	38.1	24.6
RORAC, annualised (%) ²⁾	82.3	54.1	44.0	25.9
Cost/income ratio (%)	55.3	51.8	49.6	50.7
Number of full-time positions at end of period	1 130	1 115	1 130	1 115

1) Calculated based on recorded equity.

2) RORAC (Return On Risk-Adjusted Capital) is defined as profits for the period relative to risk-adjusted capital requirement.

Income statement ¹⁾

Amounts in NOK million	Vital			Vital
	4th quarter 2007	4th quarter 2006	Full year 2007	Full year 2006
Total interest income				
Total interest expenses				
Net interest income				
Commissions and fees receivable etc.	443	498	1 810	1 836
Commissions and fees payable etc.	125	172	560	673
Net gains on financial instruments at fair value				
Net gains on assets in Vital	3 802	6 033	23 824	16 117
Guaranteed returns and allocations to policyholders in Vital	1 117	5 731	17 005	14 584
Premium income etc. included in the risk result in Vital	703	1 191	4 249	4 314
Insurance claims etc. included in the risk result in Vital	2 778	1 146	8 907	4 324
Net realised gains on investment securities (AFS)				
Profit from companies accounted for by the equity method				
Other income				
Net other operating income	929	674	3 411	2 686
Total income	929	674	3 411	2 686
Salaries and other personnel expenses	216	197	766	690
Other expenses	201	123	595	487
Depreciation and write-downs of fixed and intangible assets	89	19	164	77
Total operating expenses	505	338	1 525	1 254
Net gains on fixed and intangible assets				
Write-downs on loans and guarantees				
Pre-tax operating profit	424	336	1 886	1 431
Taxes	(1 475)	(765)	(2 074)	(771)
Profit from discontinuing operations after taxes				
Profit for the period ²⁾	1 899	1 101	3 960	2 202

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

Note 4 – Life and Asset Management (continued)

2) Breakdown of income statement

<i>Amounts in NOK million</i>	Vital			
	<i>4th quarter 2007</i>	<i>4th quarter 2006</i>	<i>Full year 2007</i>	<i>Full year 2006</i>
<i>Interest result</i>	2 048	2 990	15 546	7 094
<i>Risk result</i>	(2 075)	46	(4 658)	(10)
<i>Administration result</i>	(186)	(12)	(275)	(91)
<i>Transferred from security reserve</i>	(33)	(4)	(43)	(5)
<i>Profit for distribution within Vital ^{*)}</i>	(246)	3 020	10 570	6 987
<i>Transferred to additional allocations</i>	3 000	2 740	3 000	2 740
<i>Funds transferred to policyholders</i>	(3 710)	(51)	5 661	2 838
<i>- Impairment of goodwill</i>	39	0	22	0
<i>+ Reversal of goodwill amortisation</i>	0	5	0	22
<i>Pre-tax operating profit in Vital</i>	424	336	1 886	1 431
<i>Taxes</i>	(1 475)	(765)	(2 074)	(771)
<i>Profit for the period in Vital</i>	1 899	1 101	3 960	2 202

**) Specification of profits for distribution:*

<i>Profit for operations subject to profit sharing</i>	(3 200)	295	7 705	4 267
<i>- funds transferred to policyholders</i>	(3 710)	(51)	5 661	2 838
<i>- funds transferred to additional allocations</i>	3 000	2 740	3 000	2 740
<i>- profits for allocation to the owner and taxes</i>	510	346	2 044	1 429
<i>Profit from operations not subject to profit sharing</i>	(47)	(16)	(136)	(20)

Profits for allocation to the owner and taxes for operations subject to profit sharing include:

- 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.*
- margin on policyholders' funds.*
- margin on effective risk premium adjusted for survival risk on contracts providing sufficient profits.*

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

Note 4 – Life and Asset Management (continued)

Balance sheets ¹⁾

	31 Dec. 2007	Vital 31 Dec. 2006
<i>Amounts in NOK million</i>		
Assets		
Cash and deposits with central banks		
Lending to and deposits with credit institutions	12 152	7 185
Lending to customers		
Commercial paper and bonds	63 060	57 838
Shareholdings	39 362	47 291
Financial assets, customers bearing the risk	19 868	18 840
Financial derivatives	1 488	1 654
Commercial paper and bonds, held to maturity	59 641	62 444
Investment property	32 908	25 668
Investments in associated companies	19	16
Intangible assets	184	294
Deferred tax assets	1 164	185
Fixed assets	46	75
Discontinuing operations		
Other assets	2 688	2 161
Total assets	232 579	223 650
Liabilities and equity		
Loans and deposits from credit institutions		
Deposits from customers		
Financial derivatives	1 010	1 166
Securities issued		
Insurance liabilities, customers bearing the risk	19 868	18 840
Liabilities to life insurance policyholders	191 626	188 096
Payable taxes		
Deferred taxes		
Other liabilities	6 030	3 259
Discontinuing operations		
Provisions	154	124
Subordinated loan capital	2 500	2 556
Total liabilities	221 188	214 040
Minority interests		
Revaluation reserve		
Share capital	1 321	1 310
Other reserves and retained earnings	10 070	8 300
Total equity	11 391	9 610
Total liabilities and equity	232 579	223 650

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

Note 4 – Life and Asset Management (continued)

Key figures

<i>Per cent</i>	Vital			
	4th quarter 2007	4th quarter 2006	Full year 2007	Full year 2006
Recorded return, excluding unrealised gains on financial instruments ¹⁾	1.8	2.6	11.8	7.5
Value-adjusted return, excluding changes in unrealised gains on commercial paper and bonds, held to maturity ¹⁾	0.9	3.6	9.5	8.1
Value-adjusted return, including changes in unrealised gains on commercial paper and bonds, held to maturity, and unrealised gains on current assets ¹⁾	0.9	2.8	8.8	6.4
Expenses in per cent of insurance provisions ²⁾	1.21	1.04	1.02	1.00
Capital adequacy ratio at the end of the period ^{3) 4)}	9.7	9.8	9.7	9.8
Core capital ratio at the end of the period ^{3) 4)}	7.6	7.4	7.6	7.4
Policyholders funds from products with guaranteed returns, at the end of the period (NOK billion)	192	188	192	188
Policyholders funds from products with a choice of investment profile, at the end of the period (NOK billion)	20	19	20	19
Solvency margin capital in per cent of requirement, at the end of the period ^{3) 4) 5)}	199	164	199	164

1) Refers to operations from products with guaranteed returns.

2) Figures are annualised.

3) Kredittilsynet (the Financial Supervisory Authority of Norway) and the Ministry of Finance have not adapted capital adequacy or solvency margin capital regulations to IFRS.

4) Operations from products with a choice of investment profile are included from 1 January 2007.

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

Note 5 – Net interest income

<i>Amounts in NOK million</i>	DnB NOR Group			
	4th quarter 2007	4th quarter 2006	Full year 2007	Full year 2006
Interest on loans to and deposits with credit institutions	1 018	1 070	4 898	2 904
Interest on loans to customers	14 811	9 950	50 382	34 630
Interest on impaired commitments	34	31	129	124
Interest on commercial paper and bonds	1 590	1 354	5 912	3 934
Front-end fees etc.	106	42	445	281
Other interest income	(16)	109	(20)	508
Total interest income	17 543	12 556	61 746	42 381
Interest on loans and deposits from credit institutions	1 815	1 409	6 790	4 610
Interest on demand deposits from customers	5 437	3 022	18 140	9 892
Interest on securities issued	4 383	3 969	16 322	12 194
Interest on subordinated loan capital	509	450	2 001	1 466
Other interest expenses	399	(269)	627	(1 069)
Total interest expenses	12 543	8 581	43 880	27 092
Net interest income	5 000	3 975	17 866	15 289

Note 6 – Net other operating income

<i>Amounts in NOK million</i>	DnB NOR Group			
	4th quarter 2007	4th quarter 2006	Full year 2007	Full year 2006
Money transfer fees receivable	743	707	2 804	2 852
Fees on asset management services	538	357	1 466	1 325
Fees on custodial services	108	97	415	370
Fees on securities broking	100	87	400	427
Corporate finance	295	184	791	548
Interbank fees	33	33	127	148
Credit broking commissions	73	92	338	290
Sales commissions on insurance products	488	558	2 000	2 000
Sundry commissions and fees receivable on banking services	109	256	1 134	1 003
Total commissions and fees receivable etc.	2 486	2 371	9 476	8 963
Money transfer fees payable	271	219	995	936
Commissions payable on fund management services	99	41	211	128
Fees on custodial services payable	30	24	135	119
Interbank fees	50	49	194	219
Credit broking commissions	5	10	55	34
Commissions payable on the sale of insurance products	57	61	242	236
Sundry commissions and fees payable on banking services	105	179	560	582
Total commissions and fees payable etc.	616	583	2 392	2 253
Net gains on financial instruments at fair value	700	1 150	3 185	3 610
Net gains on assets in Vital	3 856	6 022	23 883	16 131
Guaranteed returns and allocations to policyholders in Vital	1 117	5 731	17 005	14 584
Premium income etc. included in the risk result in Vital	703	1 191	4 249	4 314
Insurance claims etc. included in the risk result in Vital	2 778	1 146	8 907	4 324
Net realised gains on investment securities (AFS)	0	0	0	0
Profit from companies accounted for by the equity method	(10)	24	9	171
Income from owned/leased premises	23	29	98	108
Fees on real estate broking	212	194	782	746
Net unrealised gains on investment property	0	0	(2)	0
Miscellaneous operating income	85	100	356	322
Total other income	320	323	1 234	1 176
Net other operating income	3 545	3 622	13 732	13 204

Note 7 – Net gains on financial instruments at fair value

<i>Amounts in NOK million</i>	DnB NOR Group			
	4th quarter 2007	4th quarter 2006	Full year 2007	Full year 2006
Dividends	32	3	188	109
Net gains on foreign exchange and financial derivatives	876	1 158	2 782	3 441
Net gains on financial derivatives, hedging	365	(137)	56	(560)
Net gains on fixed rate loans	132	(477)	(283)	(1 247)
Net gains on financial guarantees	132	96	465	341
Net gains on commercial paper and bonds	(344)	(240)	(1 233)	(504)
Net gains on shareholdings	106	201	515	558
Net gains on other financial assets	(11)	(23)	(11)	(8)
Net gains on financial liabilities, hedged items	(412)	157	(29)	555
Net gains on financial liabilities, other	(444)	369	62	784
Net interest on interest rate positions	268	44	674	141
Net gains on financial instruments at fair value	700	1 150	3 185	3 610

Note 8 – Operating expenses

<i>Amounts in NOK million</i>	DnB NOR Group			
	4th quarter 2007	4th quarter 2006	Full year 2007	Full year 2006
Ordinary salaries	1 752	1 559	6 470	5 814
Employer's national insurance contributions	233	223	908	818
Pension expenses ¹⁾	294	233	1 117	913
Allocation to employees ²⁾	476	164	476	164
Restructuring expenses ³⁾	14	53	48	58
Other personnel expenses	107	115	395	421
Total salaries and other personnel expenses	2 875	2 346	9 413	8 189
Fees	252	247	895	781
EDP expenses	421	413	1 596	1 493
Postage and telecommunications	110	97	425	410
Office supplies	35	33	123	113
Marketing and public relations	169	177	662	599
Travel expenses	88	76	264	232
Reimbursement to Norway Post for transactions executed	59	36	221	269
Training expenses	24	30	82	77
Operating expenses on properties and premises	295	199	915	855
Operating expenses on machinery, vehicles and office equipment	35	38	139	121
Other operating expenses	211	105	683	573
Other expenses	1 699	1 452	6 005	5 523
Depreciation and write-downs of fixed and intangible assets	335	196	1 032	715
Total operating expenses	4 908	3 994	16 450	14 427

- 1) With effect from 31 December 2006, the Group changed the assumption concerning life expectancy in connection with the calculation of pension commitments. This has affected pension expenses for 2007.
- 2) Allocations to employees in 2007 were in the form of bonuses totalling NOK 181 million, including employer's national insurance contributions. In addition, provisions of NOK 295 million were made relating to the winding up of the employee investment funds.
- 3) Personnel-related restructuring expenses in 2006 have been reclassified from other operating expenses.

Note 9 – Number of employees/full-time positions

	DnB NOR Group			
	4th quarter 2007 ¹⁾	4th quarter 2006	Full year 2007 ¹⁾	Full year 2006
Number of employees at end of period	13 817	12 187	13 817	12 187
- of which number of employees abroad	4 339	2 647	4 339	2 647
Number of employees calculated on a full-time basis at end of period	13 455	11 824	13 455	11 824
- of which number of employees calculated on a full-time basis abroad	4 290	2 618	4 290	2 618
Average number of employees	13 673	12 127	13 144	11 993
Average number of employees calculated on a full-time basis	13 281	11 752	12 751	11 616

- 1) Staff in SalusAnsvær, which was acquired on 31 December 2007, represented 235 employees/218 full-time positions.

Note 10 – Net gains on fixed and intangible assets

<i>Amounts in NOK million</i>	DnB NOR Group			
	4th quarter 2007	4th quarter 2006	Full year 2007	Full year 2006
Aker Brygge, Oslo			865	
Other property	1 470	9	1 470	213
Other	123	57	146	152
Net gains on fixed and intangible assets	1 593	66	2 481	365

Note 11 – Write-downs on loans and guarantees

<i>Amounts in NOK million</i>	DnB NOR Group			
	4th quarter 2007	4th quarter 2006	Full year 2007	Full year 2006
Write-offs	76	78	230	227
New individual write-downs	238	147	850	692
Total new individual write-downs	314	225	1 080	919
Reassessed individual write-downs	90	127	308	371
Total individual write-downs	224	98	772	548
Recoveries on commitments previously written off	76	93	350	388
Change in group write-downs on loans	(189)	(21)	(202)	(418)
Write-downs on loans and guarantees ¹⁾	(41)	(16)	220	(258)
Write-offs covered by individual write-downs made in previous years	163	241	663	699
<i>1) Of which individual write-downs on guarantees</i>	<i>(1)</i>	<i>(2)</i>	<i>22</i>	<i>(13)</i>

Note 12 – Lending to customers

<i>Amounts in NOK million</i>	DnB NOR Group	
	31 Dec. 2007	31 Dec. 2006
Lending to customers, nominal amount	803 808	692 207
Individual write-downs	1 953	1 820
Lending to customers, after individual write-downs	801 855	690 387
+ Accrued interest and amortisation	2 752	2 046
– Individual write-downs of accrued interest and amortisation	388	399
– Group write-downs	712	892
Lending to customers, at amortised cost	803 507	691 141
Lending to customers, nominal amount	166 190	136 271
+ Accrued interest	1 247	681
+ Adjustment to fair value	(440)	(147)
Lending to customers, at fair value	166 997	136 805
Lending to customers	970 504	827 947

Note 13 – Net lending to principal sectors ¹⁾

<i>Amounts in NOK million</i>	DnB NOR Group	
	31 Dec. 2007	31 Dec. 2006
Retail customers	456 066	417 594
International shipping	90 982	74 184
Real estate	148 545	116 207
Manufacturing	55 345	36 676
Services and management	76 407	64 536
Trade	38 539	32 066
Oil and gas	17 938	12 720
Transportation and communication	20 237	16 698
Building and construction	12 450	11 223
Power and water supply	9 902	7 304
Fishing	11 219	10 069
Hotels and restaurants	3 753	3 544
Agriculture and forestry	6 856	7 533
Central and local government	9 007	7 394
Other sectors	10 798	8 910
Total customers, nominal amount after individual write-downs	968 044	826 658
– Group write-downs, customers	712	892
+ Other adjustments	3 172	2 181
Lending to customers	970 504	827 947
Credit institutions, nominal amount after individual write-downs	64 437	70 381
– Group write-downs, credit institutions	0	0
+ Other adjustments	(58)	710
Lending to and deposits with credit institutions	64 379	71 091

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

Note 14 – Net non-performing and impaired commitments for principal sectors ¹⁾

<i>Amounts in NOK million</i>	DnB NOR Group	
	31 Dec. 2007	31 Dec. 2006
Retail customers	2 237	1 888
International shipping	32	0
Real estate	317	384
Manufacturing	364	532
Services	381	306
Trade	164	152
Oil and gas	1	1
Transportation and communication	193	132
Building and construction	208	119
Power and water supply	0	0
Fishing	88	86
Hotels and restaurants	68	71
Agriculture and forestry	92	119
Central and local government	0	0
Other sectors	29	10
Total customers	4 174	3 800
Credit institutions	0	0
Total	4 174	3 800

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

Note 15 – Intangible assets

<i>Amounts in NOK million</i>	DnB NOR Group	
	31 Dec. 2007	31 Dec. 2006
Goodwill ¹⁾	6 660	5 823
Postbanken brand name	51	51
Systems development	653	520
Other intangible assets ¹⁾	379	77
Total intangible assets	7 742	6 471

1) As at 31 Desember 2007 the figures for SalusAnsvær are based on preliminary acquisition analyses.

Note 16 – Securities issued and subordinated loan capital

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

<i>Amounts in NOK million</i>	DnB NOR Group	
	31 Dec. 2007	31 Dec. 2006
Commercial paper issued, nominal amount	97 806	68 216
Bond debt, nominal amount	272 575	257 379
Adjustments	1 403	1 211
Total securities issued	371 784	326 806

<i>Amounts in NOK million</i>	Balance sheet		Matured/ redeemed	Exchange rate movements	Changes in adjustments	DnB NOR Group	
	31 Dec. 2007	Issued 2007				Balance sheet 31 Dec. 2006	
Commercial paper issued, nominal amount	97 806	97 806	68 216	0	0	68 216	
Bond debt, nominal amount	272 575	79 448	50 637	(13 615)	0	257 379	
Adjustments	1 403	0	0	0	192	1 211	
Total securities issued	371 784	177 253	118 853	(13 615)	192	326 806	

<i>Amounts in NOK million</i>	Balance sheet		Matured/ redeemed	Exchange rate movements	Net change in recorded costs and adjustments	DnB NOR Group	
	31 Dec. 2007	Issued 2007				Balance sheet 31 Dec. 2006	
Term subordinated loan capital, nominal amount	17 578	1 778	3 917	(1 050)	2	20 764	
Perpetual subordinated loan capital, nominal amount	6 747	0	100	(895)	0	7 741	
Perpetual subordinated loan capital securities, nominal amount ¹⁾	8 746	3 805	0	(423)	5	5 360	
Adjustments	155	0	0	0	43	113	
Total subordinated loan capital and perpetual subordinated loan capital securities	33 226	5 584	4 017	(2 368)	50	33 977	

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

Note 17 – Capital adequacy

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

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

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

Primary capital	DnB NOR Group	
	31 Dec. 2007	31 Dec. 2006 ¹⁾
<i>Amounts in NOK million</i>		
Share capital	13 327	13 341
Other equity	62 649	44 492
Total equity	75 976	57 833
Perpetual subordinated loan capital securities ^{2) 3)}	8 962	5 603
Deductions		
Pension funds above pension commitments	(171)	(182)
Goodwill	(6 689)	(4 454)
Deferred tax assets	(215)	(671)
Other intangible assets	(1 093)	(884)
Dividends payable	(5 997)	-
Unrealised gains on fixed assets	(30)	-
50 per cent of investments in other financial institutions	(2)	-
50 per cent of expected losses exceeding actual losses, IRB portfolios	(399)	-
Other	(164)	-
Additions		
Portion of unrecognised actuarial gains/losses, pension costs ⁴⁾	1 214	1 810
Core capital	71 392	59 054
Perpetual subordinated loan capital	6 747	7 602
Perpetual subordinated loan capital securities ^{2) 3)}	0	0
Term subordinated loan capital ³⁾	17 917	20 969
Deductions		
50 per cent of investments in other financial institutions	(2)	0
50 per cent of expected losses exceeding actual losses, IRB portfolios	(399)	-
Additions		
45 per cent of unrealised gains on fixed assets	18	-
Supplementary capital	24 281	28 571
Total eligible primary capital ⁵⁾	95 673	87 625

Minimum capital requirement	DnB NOR Group	
	31 Dec. 2007	
<i>Amounts in NOK million</i>		
Credit risk, IRB ⁶⁾		8 389
Of which:		
Retail commitments secured by residential property		2 751
Corporate commitments, small and medium sized companies		5 638
Claims calculated according to Basel I, transitional rules ⁷⁾		60 213
Total minimum capital requirement, credit risk		68 602
Position risk		3 079
Settlement risk		0
Foreign exchange risk		226
Total minimum capital requirement, market risk		3 305
Operational risk		3 262
Deduction		(358)
Total capital requirements according to Basel II		74 811
Additions due to transitional rules (maximum 5 per cent reduction in relation to Basel I) ⁸⁾		4 505
Total minimum capital requirement		79 316

Note 17 – Capital adequacy (continued)

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

Capital adequacy	Reported	Basel II	DnB NOR Group	
	31 Dec. 2007 ⁸⁾	31 Dec. 2007	Basel I 31 Dec. 2007	31 Dec. 2006 ¹⁾
Risk-weighted volume (NOK million) ⁵⁾	991 455	935 140	1 037 747	880 292
Core capital ratio (%)	7.2	7.6	6.9	6.7
Capital ratio (%)	9.6	10.2	9.3	10.0

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

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

3) As at 31 December 2007 calculations of capital adequacy include a total of NOK 668 million in subordinated loan capital in associated companies, in addition to subordinated loan capital in the Group's balance sheet.

4) Upon implementation of NRS 6A (IAS 19) in 2005, unrecognised actuarial gains/losses for pension commitments were charged to equity in the accounts. The Ministry of Finance has established a transitional rule whereby two-fifths of the amount recorded against equity can be included in capital adequacy calculations as at 31 December 2007. This effect will be reduced by one-fifth yearly up until and including 2008.

5) Primary capital and nominal amounts used in calculating risk-weighted volume deviate from figures in the DnB NOR Group's accounts, as associated companies which are assessed in the accounts according to the equity method, are assessed according to the gross method in capital adequacy calculations.

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

7) The minimum primary capital requirement for portfolios not mentioned in footnote 6 is 8 per cent of risk-weighted volume calculated according to Basel I regulations.

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

Basel II implementation

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

Basel II

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

Pillar 1 Approach used in capital adequacy calculations

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

Use of the foundation IRB approach implies that the bank's own classification systems are used for capital adequacy purposes. The IRB system is defined as the models, work processes, decision-making processes, control mechanisms, IT systems and internal guidelines and routines used to classify and quantify credit risk.

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

Credit risk

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

Note 17 – Capital adequacy (continued)

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

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

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

Operational risk

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

DnB NOR Bank ASA reported according to the standardised approach in 2007 and will consider a shift to the Advanced Measurement Approach at a later date.

Market risk

Overall, market risk represents a moderate share of the Group's total risk. Market risk in Vital is included under ownership risk in DnB NOR ASA. In 2007, DnB NOR reported market risk according to the standardised approach.

Further progress

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

	2008	2009	2010
A	Basel II, IRB approach <ul style="list-style-type: none"> Loans to retail customers in DnB NOR Bank ASA and Boligkreditt excluding Postbanken, loans secured by residential property Small and medium sized corporate customers in the Regional Division East and the Regional Division Coast (foundation approach) 	Basel II, IRB approach <ul style="list-style-type: none"> Item A reported according to Basel II in 2008 Classified under item C in 2008 and subject to parallel reporting until IRB approval has been given, when IRB reporting will be initiated. 	Basel II, IRB approach <ul style="list-style-type: none"> Item A reported according to Basel II in 2009 Classified under item C in 2008 and subject to parallel reporting until IRB approval has been given, then IRB reporting will be initiated.
B	Basel II standardised approach <ul style="list-style-type: none"> All other credit risk exposure except item A 	Basel II standardised approach <ul style="list-style-type: none"> All other credit risk exposure except item A 	Basel II standardised approach <ul style="list-style-type: none"> All other credit risk exposure except item A
C	Parallel reporting of Until approval has been given from Kredittilsynet: <ul style="list-style-type: none"> Small and medium sized corporate customers in the Regional Division East and the Regional Division Coast (advanced approach) Loans to retail customers in Postbanken secured by residential property Retail exposures in DnB NOR Kort Other retail exposures in DnB NOR Bank ASA New portfolio: <ul style="list-style-type: none"> DnB NOR Finans ASA (advanced approach) Banks and financial customers (advanced approach) DnB NOR Markets: trading portfolio (advanced approach) Large corporate customers in Norway (advanced approach) 	Parallel reporting of <ul style="list-style-type: none"> International entities excluding DnB NOR (advanced approach) Nordlandsbanken ASA (advanced approach) 	

Note 17 – Capital adequacy (continued)

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

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

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

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

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

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

Pillar 3 Requirements concerning the disclosure of financial information

Pillar 3 presents requirements concerning the disclosure of financial information on the Internet. The information must cover DnB NOR's adaptation to and compliance with the new capital adequacy regulations.

Note 18 – Off-balance sheet transactions and contingencies

Off-balance sheet transactions and additional information	DnB NOR Group	
	31 Dec. 2007	31 Dec. 2006
<i>Amounts in NOK million</i>		
Unutilised ordinary credit lines	307 303	245 827
Documentary credit commitments	19 693	15 705
Other commitments	1 082	447
Total commitments	328 078	261 979
Performance guarantees	23 304	21 702
Payment guarantees	21 753	18 010
Loan guarantees ¹⁾	13 044	6 302
Guarantees for taxes etc.	4 948	3 948
Other guarantee commitments	4 799	4 791
Total guarantee commitments ²⁾	67 848	54 753
Support agreements	1 933	5 267
Total guarantee commitments etc. ^{*)}	69 781	60 020
*) Of which:		
Counter-guaranteed by financial institutions	8	1 584
Securities	92 668	75 931
are pledged as security for: Loans ³⁾	92 556	75 816
Other activities	112	115

1) DnB NOR carries loans in its balance sheet that subject to legal agreement have been transferred to Eksportfinans and for which DnB NOR has issued guarantees. According to the agreement, DnB NOR still carries interest rate risk and credit risk for the transferred portfolio. Customer loans in the portfolio totalling NOK 9 673 million were recorded in the balance sheet as at 31 December 2007.

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

3) NOK 92 556 million in securities as at 31 December 2007 has been pledged as collateral for credit facilities with Norges Bank (the Norwegian central bank). According to regulations, these loans must be fully collateralised by a mortgage on interest-bearing securities and/or the bank's deposits with Norges Bank. As at 31 December 2007, DnB NOR Group had borrowings of NOK 15 729 million from Norges Bank.

Contingencies

Due to its extensive operations in Norway and abroad, the DnB NOR Group will regularly be party to a number of legal actions. None of the current disputes are expected to have any material impact on the Group's financial position.

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

Lloyd's Underwriters has announced an action for damages against Vital Skade AS, maintaining that the company has been wrongfully involved in an insurance claim of up to NOK 200 million by Vital Skade. The claim is contested.

Heidelberger Cement Pensjonskasse/Norcem AS has filed a complaint with the court of conciliation against Vital Forsikring, with a claim for damages of up to NOK 110 million. It is claimed that Vital Forsikring ASA gave incorrect advice in connection with a transfer of assets from a premium fund under the company's pension scheme. The claim is contested.

Note 19 – Profit and balance sheet trends

Income statement	DnB NOR Group				
	4th quarter 2007	3rd quarter 2007	2nd quarter 2007	1st quarter 2007	4th quarter 2006
<i>Amounts in NOK million</i>					
Total interest income	17 543	16 019	14 798	13 386	12 556
Total interest expenses	12 543	11 357	10 579	9 401	8 581
Net interest income	5 000	4 663	4 219	3 985	3 975
Commissions and fees receivable etc.	2 486	2 239	2 429	2 322	2 371
Commissions and fees payable etc.	616	628	562	587	583
Net gains on financial instruments at fair value	700	439	989	1 057	1 150
Net gains on assets in Vital	3 856	9 337	6 118	4 572	6 022
Guaranteed returns and allocations to policyholders in Vital	1 117	6 097	5 598	4 193	5 731
Premium income etc. included in the risk result in Vital	703	1 215	917	1 414	1 191
Insurance claims etc. included in the risk result in Vital	2 778	3 823	904	1 401	1 146
Net realised gains on investment securities (AFS)	0	0	0	0	0
Profit from companies accounted for by the equity method	(10)	(40)	21	37	24
Other income	320	285	323	306	323
Net other operating income	3 545	2 926	3 733	3 528	3 622
Total income	8 545	7 589	7 952	7 513	7 597
Salaries and other personnel expenses	2 875	2 203	2 207	2 129	2 346
Other expenses	1 699	1 437	1 453	1 416	1 452
Depreciation and write-downs of fixed and intangible assets	335	255	242	199	196
Total operating expenses	4 908	3 895	3 902	3 744	3 994
Net gains on fixed and intangible assets	1 593	874	9	5	66
Write-downs on loans and guarantees	(41)	70	140	51	(16)
Pre-tax operating profit	5 269	4 498	3 919	3 723	3 684
Taxes	193	826	512	856	291
Profit from discontinuing operations after taxes	0	0	0	0	0
Profit for the period	5 076	3 673	3 407	2 866	3 394
Earnings per share (NOK)	3.76	2.72	2.50	2.11	2.52

Note 19 – Profit and balance sheet trends (continued)

Balance sheet	DnB NOR Group				
	31 Dec. 2007	30 Sept. 2007	30 June 2007	31 March 2007	31 Dec. 2006
<i>Amounts in NOK million</i>					
Assets					
Cash and deposits with central banks	9 816	8 805	8 951	18 685	11 453
Lending to and deposits with credit institutions	64 379	92 759	127 298	109 713	71 091
Lending to customers	970 504	908 424	882 810	842 298	827 947
Commercial paper and bonds	177 602	156 581	157 273	165 668	172 040
Shareholdings	48 682	59 310	65 570	61 091	51 393
Financial assets, customers bearing the risk	19 868	19 325	19 105	18 867	18 840
Financial derivatives	65 933	69 585	61 024	58 006	57 999
Shareholdings, available for sale	0	0	0	0	0
Commercial paper and bonds, held to maturity	59 641	60 075	62 906	60 093	62 444
Investment property	33 078	32 530	26 662	25 846	25 816
Investments in associated companies	1 435	1 399	1 462	1 467	1 515
Intangible assets	7 742	7 224	7 196	6 393	6 471
Deferred tax assets	136	91	80	28	38
Fixed assets	3 496	3 313	5 245	5 590	5 478
Biological assets	0	0	0	0	0
Discontinuing operations	225	1 641	812	27	27
Other assets	11 382	9 489	10 668	9 888	7 691
Total assets	1 473 919	1 430 551	1 437 061	1 383 659	1 320 242
Liabilities and equity					
Loans and deposits from credit institutions	144 198	148 800	163 739	141 592	124 372
Deposits from customers	538 151	532 478	527 937	503 129	474 526
Financial derivatives	62 741	73 315	63 100	59 474	58 812
Securities issued	371 784	317 082	328 508	330 288	326 806
Insurance liabilities, customers bearing the risk	19 868	19 325	19 105	18 867	18 840
Liabilities to life insurance policyholders	191 626	194 841	191 452	189 715	188 096
Payable taxes	3 238	6 518	5 466	4 707	4 091
Deferred taxes	187	134	426	767	730
Other liabilities	27 717	30 041	31 239	23 951	18 812
Discontinuing operations	0	0	0	0	0
Provisions	5 207	4 571	4 503	4 582	4 768
Subordinated loan capital	33 226	32 759	34 152	37 432	33 977
Total liabilities	1 397 944	1 359 864	1 369 627	1 314 503	1 253 829
Minority interests	2 662	2 467	2 536	2 226	2 201
Revaluation reserve	0	0	0	0	0
Share capital	13 327	13 327	13 341	13 341	13 341
Other reserves and retained earnings	59 987	54 894	51 557	53 589	50 870
Total equity	75 976	70 687	67 434	69 156	66 413
Total liabilities and equity	1 473 919	1 430 551	1 437 061	1 383 659	1 320 242

DnB NOR ASA

Income statement

<i>Amounts in NOK million</i>	DnB NOR ASA			
	4th quarter 2007	4th quarter 2006	Full year 2007	Full year 2006
Total interest income	70	37	275	132
Total interest expenses	66	51	265	185
Net interest income	3	(14)	10	(53)
Commissions and fees payable etc.	1	1	6	6
Net gains on financial instruments at fair value	0	0	0	11
Other income ¹⁾	3 268	9 904	3 268	9 904
Net other operating income	3 267	9 903	3 262	9 909
Total income	3 270	9 889	3 272	9 856
Salaries and other personnel expenses	0	2	1	2
Other expenses	48	44	210	182
Total operating expenses	48	46	211	185
Pre-tax operating profit	3 222	9 843	3 061	9 672
Taxes	454	2 359	409	2 311
Profit for the period	2 767	7 483	2 652	7 360
Earnings per share (NOK) ²⁾	2.08	5.60	1.99	5.51
Earnings per share for discontinuing operations (NOK) ²⁾	0.00	0.00	0.00	0.00

1) Dividends from group companies/group contributions.

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

Balance sheet

<i>Amounts in NOK million</i>	DnB NOR ASA	
	31 Dec. 2007	31 Dec. 2006
Assets		
Deposits with DnB NOR Bank ASA	2 781	3 617
Lending to other group companies	230	225
Investments in group companies	51 642	48 642
Other receivables due from group companies	14 371	12 656
Other assets	0	0
Total assets	69 023	65 140
Liabilities and equity		
Loans from DnB NOR Bank ASA	5 632	5 719
Loans from other group companies	11 623	4 227
Other liabilities and provisions	6 609	6 582
Paid-in capital	24 994	25 275
Retained earnings	20 165	23 337
Total liabilities and equity	69 023	65 140

Note 1 – Transition to IFRS and accounting principles etc.

Transition to IFRS

DnB NOR ASA has as of 1 January 2007 prepared accounts according to the Norwegian Ministry of Finance's regulations on annual accounts, Section 1-5, on the use of IFRS (International Financial Reporting Standards), hereinafter called the Norwegian IFRS regulations. These regulations give permission to record provisions for dividends and group contributions in subsidiaries as income and record the Board of Directors' proposed dividends and group contributions as liabilities on the balance sheet date. According to IFRS, dividends should be classified as equity until approved by the general meeting. DnB NOR ASA is the parent company in the DnB NOR Group, which implemented IFRS in the consolidated accounts as of 1 January 2005. The DnB NOR Group's opening balance date was 1 January 2004.

Up until 31 December 2006, DnB NOR ASA prepared statutory accounts based on Norwegian accounting legislation, the accounting regulations issued by the Ministry of Finance and Norwegian generally accepted accounting principles, hereinafter referred to as NGAAP. Transition to IFRS did not entail changes in accounting principles other than certain reclassifications in income statement.

Changes in the income statement

- The line "Dividends from group companies/group contributions" is no longer included, and these items are presented under "Other income".
- The lines "Net gains on foreign exchange and financial instruments" and "Net gains on long-term securities" are no longer included, and these items are presented on the line "Net gains on financial instruments at fair value".

Accounting principles etc.

Changes in accounting principles

The effects of changes in accounting principles are recorded directly against equity.

Ownership interests in group companies

Subsidiaries are defined as companies in which DnB NOR ASA has control, directly or indirectly, through a long-term ownership interest and a holding of more than 50 per cent of the voting share capital or primary capital. DnB NOR ASA's subsidiaries are DnB NOR Bank ASA, Vital Forsikring ASA, DnB NOR Kapitalforvaltning Holding AS and Vital Skade AS. All subsidiaries are 100 per cent owned.

In the accounts of DnB NOR ASA, investments in subsidiaries are recorded at cost.

Transactions with group companies

Transactions with subsidiaries are conducted in accordance with general business conditions and principles whereby income, expenses, losses and gains are distributed as correctly as possible between the group companies.

Dividends and group contributions

Dividends and group contributions from group companies are recorded in the accounts in the same year as provisions are made in the relevant companies. Group contributions received are classified as dividends when considered to represent return on invested capital. Distributed dividends and group contributions are recorded as liabilities in accordance with the Board of Directors proposal on the balance sheet date.

Taxation

Taxes for the year comprise payable taxes for the financial year and changes in the value of deferred taxes and deferred tax assets.

Deferred taxes are calculated on the basis of differences between the profits stated in the accounts and the profits computed for tax purposes, which will be offset in the future. Evaluations are based on the balance sheet and tax position on the balance sheet date. Taxable and tax-deductible timing differences will be netted against each other within the same time interval. Deferred tax assets can be recognised as assets in the balance sheet when it is considered probable that the tax-deductible timing differences may be realised.

Information about the DnB NOR Group

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Johan Nic. Vold, vice-chairman
Per Hoffmann
Nina Britt Husebø
Jørn O. Kvilhaug
Bent Pedersen
Trine Sæther Romuld
Ingjerd Skjeldrum
Siri Pettersen Strandenes
Bjørn Sund
Anne Carine Tanum

Group management

Rune Bjerke Group chief executive
Tom Grøndahl Deputy CEO/Chief financial officer
Leif Teksum Group executive vice president, Corporate Banking and Payment Services
Åsmund Skår Group executive vice president, Retail Banking
Ottar Ertzeid Group executive vice president, DnB NOR Markets
Liv Fiksdahl Group executive vice president, Operations
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Financial calendar 2008

Preliminary results 2007	14 February
Annual General Meeting	30 April
Distribution of dividends	as of 2 May
First quarter	29 April
Second quarter	10 July
Third quarter	23 October

Other sources of information

Annual reports

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

Quarterly publications

Quarterly reports and supplementary information for investors and analysts are available on www.dnbnor.com. Separate quarterly reports are prepared for the DnB NOR Bank Group and Vital.

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

The quarterly report has been produced by Group Financial Reporting, Corporate Communications and Design team in DnB NOR.

