



First quarter report 2005

The accounts for DnB NOR Bank with subsidiaries, the banking group, are based on Norwegian generally accepted accounting principles and the accounting regulations for banks. For the time being, it is not permissible for unlisted Norwegian banks to prepare the accounts according to IFRS. DnB NOR Bank has taken the opportunity to postpone the implementation of new lending regulations till 1 January 2006.

The DnB NOR Bank Group ¹⁾, hereinafter called "the banking group", showed sound performance in the first quarter of the year, with a healthy rise in income (adjusted for discontinued operations), a reduction in expenses and low loan losses. Pre-tax operating profits before losses came to NOK 2 318 million, up NOK 49 million from the year-earlier period. Pre-tax operating profits increased from NOK 2 148 million to NOK 2 178 million. After taxes, profits came to NOK 1 590 million for the first three months of 2005, and NOK 1 568 million in the year-earlier period. Return on equity before goodwill amortisation was 17.2 per cent in the first quarter of 2005, and 17.8 per cent in the corresponding period in 2004. After goodwill amortisation, return on equity was 16.5 and 16.8 per cent respectively.

Total assets in the banking group's balance sheet were NOK 758 billion as at 31 March 2005 and NOK 721 billion a year earlier. Including 50 per cent of profits, the banking group's core capital ratio was 7.4 per cent, up from 7.3 per cent from the year-earlier period.

Integration efforts in the banking group showed healthy progress during the January through March period, and the realisation of synergies is in line with the original integration plan. Customer activity was maintained at a high level, and the healthy competitive climate in all markets provides incentive and motivation for the organisation. There was greater willingness to invest in the business sector and a slight rise in credit demand. In the retail market, credit demand remained brisk, especially with respect to well-secured housing loans. DnB NOR Markets maintained its leading market position in Norway and strengthened its position within corporate finance.

Net interest income

Net interest income totalled NOK 3 236 million in the first quarter of 2005, down NOK 142 million compared with the first quarter of 2004. Adjusted for discontinued operations there was an increase of NOK 96 million.

Growth in average lending and deposit volumes of NOK 39 billion and NOK 24 billion respectively from the first quarter of 2004 boosted net interest income by NOK 210 million. The combined

spread contracted by 0.04 percentage points compared with the year-earlier period, which reduced net interest income by NOK 43 million in the first quarter of 2005.

As the minimum equity requirement for the Norwegian Banks' Guarantee Fund has been fulfilled, the Fund's board of directors has decided not to impose levies in 2005. This resulted in a NOK 111 million rise in net interest income in the first quarter of 2005 compared with the year-earlier period.

Lower interest income on trading in balance sheet instruments gave a NOK 76 million decline in net interest income. However, the reduction must be viewed in light of the increase in income on foreign exchange and interest rate instruments.

The effect of one less interest day in 2005 than in the leap year 2004, along with particularly high income recorded in 2004 on previous interest reservations on a non-performing commitment, also had a negative impact on net interest income compared with the corresponding period in 2004.

Net other operating income

Net other operating income amounted to NOK 1 855 million in the first quarter of 2005. Adjusted for discontinued operations this was on level with the corresponding period of 2004.

A positive trend in equity prices on Oslo Børs and a high level of activity in the stock market boosted income on securities trading. There was also a rise in customer-related revenues on corporate finance services.

Brisk activity in foreign exchange markets due to volatile exchange rates ensured a sound level of customer-related income on currency hedging products. However, trading income was down somewhat from the high level in the first quarter of 2004.

Operating expenses

Operating expenses totalled NOK 2 773 million in the first quarter of 2005, down NOK 1 169 million from the year-earlier period. Adjusted for restructuring costs of NOK 805 million in the first quarter of 2004, expenses declined by NOK 364 million.

Personnel expenses were brought down NOK 130 million from the first quarter of 2004, and the number of full-time positions was reduced by 588. As a result of higher performance-based pay, there was an increase in personnel expenses in DnB NOR Markets.

The realisation of synergies was ahead of the original integration plan, and synergies resulting from the merger were NOK 221 million higher in the first quarter of 2005 than in the year-earlier period. Due to the merger, staff had been scaled back by 1 000 full-time positions by 31 March 2005, while synergy measures had an accumulated effect on cost levels of an estimated NOK 293 million in the first quarter of 2005.

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

Loan-loss provisions and non-performing commitments

Net losses on loans and guarantees were NOK 134 million in the first quarter of 2005, compared with NOK 135 million in the corresponding period of 2004. New losses and loan-loss provisions amounted to NOK 335 million, while reversals on previous losses and loan-loss provisions totalled NOK 201 million. The first quarter of 2004 saw new losses of NOK 595 million and reversals of NOK 460 million.

Due to low interest rate levels over the past two years, customers' financial position was strengthened during 2004. The positive trend continued in the first quarter of 2005, and losses remained at a low level.

There was brisk growth in lending to both the retail and corporate markets during the January through March period of 2005. Portfolio quality remained unchanged from end-December 2004.

Non-performing and doubtful commitments, after specified loan-loss provisions, totalled NOK 6 080 million at the end of the first quarter of 2005 and NOK 5 974 million at year-end.

The EU resolution to impose punitive duties on fish exported from Norway has increased uncertainty in the fish farming industry. This could have negative consequences for some of the banking groups's customers, but the impact remains unclear.

Taxes

The banking group's tax charge for the first quarter of 2005 was NOK 588 million, based on an anticipated average tax rate of 27 per cent of pre-tax operating profits.

Balance sheet

Total assets in the banking group's balance sheet were NOK 758 billion as at 31 March 2005 and NOK 721 billion a year earlier. Lending to customers rose by NOK 44 billion, with NOK 34 billion and NOK 10 billion referring to the retail and corporate markets respectively. The 11,5 per cent rise in lending to retail customers mainly represented residential mortgages. The growth in corporate lending primarily reflected currency loans.

The ratio of deposits to lending was maintained at a satisfactory level.

Risk and capital adequacy

Credit demand in the corporate market increased, especially in the shipping sector, which was characterised by brisk activity and a sound trend in volumes. Credit quality was stable. The trend in losses and non-performing commitments confirms that in the short term, the Norwegian and international economies are at a favourable stage relative to credit risk. There was healthy growth in housing loans, and housing prices rose 8 per cent over the past 12 months.

The banking group's overall market risk remained stable in the January through March period. Certain adjustments were made in the composition of the banking group's equity investments. There was high utilisation of limits for DnB NOR Markets' activity in arranging share issues and initial public offerings. The banking group enjoyed a favourable liquidity position. There were no significant changes in the level of operational risk during the quarter.

Risk-weighted volume included in the calculation of the formal capital adequacy requirement rose by NOK 21 billion in the first quarter, to NOK 550 billion. Including 50 per cent of profits, the banking group's core capital ratio was 7.4 per cent, while the capital adequacy ratio was 10.4 per cent at end-March 2005.

Including 50 per cent of profits DnB NOR Bank ASA had a core capital ratio of 7,6 per cent, and a capital adequacy ratio of 10,8 per cent.

Changes in group structure

Sale of Postbanken Eiendomsmegling

In June 2004, DnB NOR Bank ASA signed an agreement on the sale of the real estate brokerages Postbanken Eiendomsmegling AS and Aktiv Eiendomsmegling AS. The sale was part of the concession terms for the DnB NOR merger. The agreement was approved by the purchaser in August 2004. The actual takeover took place on 3 January 2005, and the sale generated gains of NOK 16 million recorded in the first quarter accounts.

Integration

Integration efforts will remain a key priority for the banking group in 2005 and are followed closely by the Board of Directors and group management. The integration is progressing according to plan. Merger plans included staff cuts of 1 425 full-time positions and cost savings of NOK 1 600 million. The synergies are scheduled to be realised over a period of three years, with full effect as from 2007.

Integration efforts made headway in 2004 and synergies of around NOK 652 million were realised. Additional synergies of NOK 83 million were achieved in 2003. In 2005, the banking group will continue efforts to meet the accumulated cost synergy target of NOK 960 million by year-end.

During the first quarter of 2005, synergies of NOK 293 million and staff reductions of 150 full-time positions were realised. Restructuring provisions relating to the merger total NOK 1 610 million. Around 50 per cent of restructuring provisions refer to planned staff cuts. The provisions otherwise cover the coordination of IT systems and moving of 53 bank branches into common premises. At end-March 2005, NOK 1 021 million of the provisions had been utilised.

At end-April 2005, 157 of the banking group's 193 bank branches sported the new DnB NOR design. By summer, the remaining branch offices will be either merged or reprofiled. By end-September 2005, all key customer and administrative systems will be integrated, with an aim to ensure uniform customer service in all bank branches.

Prospects for the rest of the year

Brisk growth is expected in the international economy in 2005, with the US and China at the forefront. In the euro area, however, the sluggish growth rate looks set to prevail.

Norway is enjoying increased production and greater optimism, with sound prospects for higher growth than in 2004. International demand will help ensure higher export growth. Oil prices are expected to remain high. Inflation is rising, albeit from a very low level. On account of the Norwegian exchange rate, Norges Bank (the central bank of Norway) is expected to implement only a marginal rise in benchmark rates towards the end of the year. Companies in the petroleum sector have announced a significant increase in their level of investment, which will provide a major impetus to the mainland economy during 2005. Due to rising employment and prolonged low interest rates, consumption growth and demand for housing are expected to continue high in the household sector. The large number of housing starts in 2004 should contribute to strong growth in housing investment again in 2005. The manufacturing industry is expected to increase investment in 2005. Low interest rate levels coupled with the Norwegian economic boom are expected to shift demand for savings products more towards equities, mutual funds and combined products than traditional bank savings.

The banking group is well prepared to meet the anticipated healthy trend in the Norwegian economy. As a significant part of the largest financial institution in an economy that is expected to show a more favourable trend than a number of competitor countries, the banking group will be well positioned for growth. In this connection,

the banking group's position in Northern Norway, e.g. through Nordlandsbanken, provides a sound strategic platform. Petroleum activity is expected to provide a strong impetus for growth in the region. There will be further potential for growth in segments and product areas where the banking group's expertise provides a competitive edge.

Over several years, DnB NOR Bank has been committed to improving credit quality and anticipates that prolonged low interest rate levels will ensure a continued low level of loan-losses and non-performing commitments in 2005.

In 2005, DnB NOR Bank will introduce various measures to ensure broad-based growth. Strengthening market shares in

profitable segments and areas where the banking group has a natural growth potential will be part of the strategy. There could be both organic and structural growth at local levels in areas where the banking group has competitive advantages.

The integration process will be monitored closely by the Board of Directors and group management in 2005, and the realisation of synergies will be given high priority. The banking group is making preparations for the transition to the new capital adequacy regulations, Basel II, expected to become effective as from 2008. Through the new regulations, the effects of sound risk management, systems and procedures will be reflected in a lower cost of capital.

Oslo, 2 May 2005

The Board of Directors of DnB NOR Bank ASA

Olav Hytta
(chairman)
(sig.)

Bent Pedersen
(vice-chairman)
(sig.)

Sten Sture Larre
(sig.)

Per Hoffmann
(sig.)

Torill Rambjør
(sig.)

Ingjerd Skjeldrum
(sig.)

Marit Wiig
(sig.)

Svein Aaser
(sig.)

Profit and loss accounts

		DnB NOR Bank ASA		
<i>Amounts in NOK million</i>	Note	1st quarter 2005	1st quarter 2004	Full year 2004
Interest income	3	6 366	6 646	25 908
Interest expenses	3	3 479	3 881	14 280
Net interest income and credit commissions		2 887	2 765	11 628
Dividends		10	105	979
Commissions and fees receivable		1 406	1 364	5 546
Commissions and fees payable		494	480	1 936
Net gains on foreign exchange and financial instruments		508	508	1 689
Sundry ordinary operating income		136	171	651
Gains on the sale of fixed assets		4	0	9
Net other operating income		1 570	1 668	6 937
Salaries and other ordinary personnel expenses		1 237	1 278	4 926
Administrative expenses		782	848	3 355
Depreciation		151	160	653
Sundry ordinary operating expenses		295	318	1 234
Other expenses		2	780	903
Total operating expenses		2 467	3 384	11 072
Pre-tax operating profit before losses		1 990	1 049	7 493
Net losses on loans etc.	4	112	82	79
Net gains on long-term securities		95	1 307	1 535
Pre-tax operating profit		1 973	2 274	8 950
Taxes		533	614	2 358
Profit for the period		1 441	1 660	6 592
Earnings per share		8.49	9.78	38.86
Average total assets		725 458	695 922	714 390

Balance sheets

		DnB NOR Bank ASA		
<i>Amounts in NOK million</i>	Note	31 March 2005	31 March 2004	31 Dec. 2004
Assets				
Cash and deposits with central banks		7 074	2 651	8 286
Lending to and deposits with credit institutions		80 071	96 498	54 947
Gross lending to customers	4	543 963	494 235	525 645
- Specified loan-loss provisions		(2 353)	(3 180)	(2 494)
- Unspecified loan-loss provisions		(3 230)	(3 230)	(3 230)
Net lending to customers	4	538 379	487 825	519 921
Repossessed assets		331	307	456
Commercial paper and bonds		69 349	61 768	64 615
Shareholdings etc.		4 490	3 360	4 213
Investments in associated companies		537	621	583
Investments in subsidiaries		5 579	6 324	5 597
Intangible assets		2 181	2 949	2 256
Fixed assets		2 534	2 531	2 467
Other assets		23 866	26 012	23 138
Prepayments and accrued income		4 599	5 216	4 909
Total assets		738 992	696 059	691 387
Liabilities and equity				
Loans and deposits from credit institutions		74 808	72 023	47 608
Deposits from customers		369 912	337 170	353 741
Securities issued		193 799	182 462	184 572
Other liabilities		32 435	36 817	40 337
Accrued expenses and prepaid revenues		5 360	6 197	4 318
Provisions for commitments		2 668	2 426	2 703
Subordinated loan capital		23 800	23 527	23 362
Share capital		16 964	16 964	16 964
Share premium reserve		7 745	7 745	7 745
Other equity		10 060	9 067	10 036
Profit for the period		1 441	1 660	-
Total liabilities and equity		738 992	696 059	691 387
Guarantee commitments		54 423	51 915	45 617

Profit and loss accounts

<i>Amounts in NOK million</i>	Note	DnB NOR Bank Group		
		1st quarter 2005	1st quarter 2004	Full year 2004
Interest income	3	6 948	7 533	28 803
Interest expenses	3	3 712	4 155	15 428
Net interest income and credit commissions		3 236	3 378	13 376
Dividends		30	13	143
Commissions and fees receivable		1 463	1 494	5 764
Commissions and fees payable		510	539	2 010
Net gains on foreign exchange and financial instruments		514	460	1 675
Sundry ordinary operating income		327	426	1 541
Net gains on the sale of fixed assets		31	979	1 298
Net other operating income		1 855	2 833	8 412
Salaries and other ordinary personnel expenses		1 434	1 564	5 792
Administrative expenses		853	959	3 678
Depreciation		194	245	839
Sundry ordinary operating expenses		291	369	1 282
Other expenses		2	806	952
Total operating expenses		2 773	3 942	12 544
Pre-tax operating profit before losses		2 318	2 269	9 244
Net losses on loans etc.	4	134	135	167
Net gains on long-term securities		(5)	15	106
Pre-tax operating profit		2 178	2 148	9 183
Taxes		588	580	2 397
Profit for the period		1 590	1 568	6 786
Earnings per share		9.37	9.24	40.00
Average total assets		746 656	723 007	739 328

Balance sheets

<i>Amounts in NOK million</i>	Note	DnB NOR Bank Group		
		31 March 2005	31 March 2004	31 Dec. 2004
Assets				
Cash and deposits with central banks		7 366	3 242	8 780
Lending to and deposits with credit institutions		43 804	60 139	21 604
Gross lending to customers	4	603 638	560 225	584 230
- Specified loan-loss provisions		(3 094)	(4 066)	(3 255)
- Unspecified loan-loss provisions		(3 534)	(3 534)	(3 534)
Net lending to customers	4	597 010	552 625	577 441
Repossessed assets		412	460	538
Commercial paper and bonds		68 352	60 147	62 986
Shareholdings etc.		4 873	3 928	4 611
Investments in associated companies		1 264	1 408	1 354
Intangible assets		2 540	3 493	2 637
Fixed assets		4 197	4 346	4 155
Other assets		23 361	24 906	22 943
Prepayments and accrued income		5 109	5 911	5 477
Total assets		758 288	720 603	712 526
Liabilities and equity				
Loans and deposits from credit institutions		77 175	75 520	48 950
Deposits from customers		375 533	344 010	360 240
Securities issued		199 575	192 386	192 410
Other liabilities		33 600	36 788	41 140
Accrued expenses and prepaid revenues		5 816	6 722	5 013
Provisions for commitments		2 927	2 680	2 994
Subordinated loan capital		24 308	24 283	24 040
Share capital		16 964	16 964	16 964
Share premium reserve		8 461	8 461	8 461
Other equity		12 338	11 221	12 313
Profit for the period		1 590	1 568	-
Total liabilities and equity		758 288	720 603	712 526
Guarantee commitments		55 168	53 238	46 194

Note 1 – Accounting principles

The quarterly accounts are based on Norwegian accounting legislation, the accounting regulations issued by Kredittilsynet (the Financial Supervisory Authority of Norway) and Norwegian generally accepted accounting principles. The quarterly accounts comply with NRS 11 – the Norwegian accounting standard for interim reporting. A more detailed description of the bank's accounting principles can be found in the annual report for 2004.

Kredittilsynet has issued regulations on the accounting treatment of loans and guarantees effective as of 1 January 2005. According to transitional provisions, however, only companies with shares listed on the stock exchange are required to comply with the new regulations as from this date. Other companies may postpone implementation by one year. DnB NOR Bank has chosen to defer implementation until 1 January 2006.

Note 2 – Changes in group structure

Sale of Postbanken Eiendomsmegling AS

In June 2004, DnB NOR Bank ASA signed an agreement on the sale of the real estate brokerages Postbanken Eiendomsmegling AS and Aktiv Eiendomsmegling AS. The sale was part of the concession terms for the DnB NOR merger. The agreement was approved by the purchaser in August 2004. The actual takeover took place on 3 January 2005, and the sale generated gains of NOK 16 million recorded in the first quarter accounts.

Operations required sold – discontinuing operations

The sale of Postbanken Eiendomsmegling was finalised in the first quarter of 2005 (see above) while the sale of Elcon Finans was implemented in the first quarter of 2004. In the accounts for DnB NOR Bank Group, operations in the companies required sold are included. To facilitate analysis of operations in the banking group after the sales mentioned above, separate accounts for total operations in these companies have been prepared.

The accounts of the companies required sold are shown below as they have been included in the DnB NOR Bank Group's accounts. Operations in the 53 branch offices DnB NOR Bank was required to sell are not included in the accounts of discontinuing operations as the sale refers only to premises and equipment.

Note 2 – New group structure (continued)

Profit and loss accounts	DnB NOR Bank Group		
	Discontinuing operations ¹⁾		
<i>Amounts in NOK million</i>	1st quarter 2005	1st quarter 2004	Full year 2004
Net interest income and credit commissions	0	250	257
Commissions and fees receivable	0	17	17
Commissions and fees payable	0	25	25
Net gain on foreign exchange and financial instruments	0	(1)	(1)
Sundry ordinary operating income	0	26	54
Gains on the sale of fixed assets	16	977	946
Net other operating income	16	993	991
Salaries and other ordinary personnel expenses	0	75	82
Administrative expenses	0	28	39
Depreciation	0	6	8
Sundry ordinary operating expenses	0	19	22
Total operating expenses	0	128	151
Pre-tax operating profit before losses	16	1 115	1 097
Net losses on loans etc.	0	23	23
Pre-tax operating profit	16	1 092	1 074
Taxes	0	329	290
Profit for the period	16	763	784

Balance sheets	Discontinuing operations ¹⁾		
	31 March 2005	31 March 2004	31 Dec. 2004
<i>Amounts in NOK million</i>			
Assets			
Lending to and deposits with credit institutions	0	28 714	33
Gross lending to customers	0	0	0
- Specified loan-loss provisions	0	0	0
- Unspecified loan-loss provisions	0	0	0
Net lending to customers	0	0	0
Repossessed assets	0	0	0
Shareholdings etc.	0	0	0
Intangible assets	0	11	9
Fixed assets	0	2	3
Other assets	0	88	1 140
Prepayments and accrued income	0	0	0
Total assets	0	28 815	1 185
Liabilities and equity			
Loans and deposits from credit institutions	0	27 515	0
Deposits from customers	0	500	0
Other liabilities	0	4	0
Accrued expenses and prepaid revenues	0	0	290
Provisions for commitments	0	2	7
Subordinated loan capital	0	0	0
Total liabilities	0	28 021	297
Share capital	0	20	0
Other equity	0	11	0
Profit for the period	0	763	888
Total equity	0	794	888
Total liabilities and equity	0	28 815	1 185

1) Includes the accounts of Postbanken Eiendomsmegling and Elcon as included in the accounts of the DnB NOR Bank Group in addition to the capital gains recorded on the sale of these operations.

Note 3 – Net interest income

<i>Amounts in NOK million</i>	DnB NOR Bank ASA		
	1st quarter 2005	1st quarter 2004	Full year 2004
Interest on loans to and deposits with credit institutions	487	705	2 407
Interest and credit commissions on instalment loans	4 362	4 471	17 367
Interest and credit commissions on overdraft and working capital facilities	611	615	2 473
Interest and credit commissions on building loans	73	64	268
Front-end fees, etc.	210	214	911
Interest on other loans to customers	19	53	206
Total interest income on loans to customers	5 275	5 417	21 226
Interest on commercial paper and bonds	512	486	2 031
Other interest income	92	38	244
Total interest income	6 366	6 646	25 908
Interest on loans and deposits from credit institutions	421	392	1 504
Interest on demand deposits from customers	744	954	3 335
Interest on time deposits from customers	168	48	196
Interest on special-term deposits from customers	257	287	1 014
Total interest expenses on deposits from customers	1 169	1 289	4 544
Interest on securities issued	1 296	892	4 033
Interest on subordinated loan capital	207	174	721
Levies to the banks' guarantee fund	0	105	244
Other interest expenses	385	1 030	3 233
Total interest expenses	3 479	3 881	14 280
Net interest income	2 887	2 765	11 628

<i>Amounts in NOK million</i>	DnB NOR Bank Group		
	1st quarter 2005	1st quarter 2004	Full year 2004
Interest on loans to and deposits with credit institutions	384	472	1 821
Interest and credit commissions on instalment loans	4 853	5 239	19 805
Interest and credit commissions on overdraft and working capital facilities	630	642	2 564
Interest and credit commissions on building loans	73	64	268
Leasing income	126	341	714
Factoring income	14	36	79
Front-end fees, etc.	223	231	1 001
Interest on other loans to customers	32	62	250
Total interest income on loans to customers	5 952	6 614	24 682
Interest on commercial paper and bonds	520	425	2 071
Other interest income	92	22	230
Total interest income	6 948	7 533	28 803
Interest on loans and deposits from credit institutions	481	495	1 794
Interest on demand deposits from customers	758	972	3 390
Interest on time deposits from customers	169	50	201
Interest on special-term deposits from customers	265	298	1 047
Total interest expenses on deposits from customers	1 192	1 319	4 638
Interest on securities issued	1 406	1 021	4 585
Interest on subordinated loan capital	208	175	725
Levies to the banks' guarantee fund	0	111	269
Other interest expenses	425	1 034	3 417
Total interest expenses	3 712	4 155	15 428
Net interest income	3 236	3 378	13 376

Note 4 – Net losses on loans and guarantees

<i>Amounts in NOK million</i>	DnB NOR Bank ASA		
	1st quarter 2005	1st quarter 2004	Full year 2004
Specification of net losses			
Write-offs ^{a)}	162	201	571
Increase in specified loan-loss provisions ^{b)}	38	114	250
New specified loan-loss provisions ^{c)}	98	160	361
Total new specified provisions	298	474	1 182
Reassessed specified provisions ^{d)}	128	343	828
Total specified provisions	170	131	354
Recoveries on commitments previously written off ^{e)}	58	49	275
Net losses on loans and guarantees	112	82	79
Specification of changes			
Increase in specified provisions ^{b) and c) minus d) and f)}	(67)	(146)	(801)
+ Write-offs covered by specified provisions made in previous years ^{f)}	75	77	584
+ Write-offs not covered by specified provisions made in previous years ^{a)}	162	201	571
- Recoveries on commitments previously written off ^{e)}	58	49	275
Net losses on loans and guarantees	112	82	79
<i>Of which net losses on guarantees</i>	25	(3)	7

<i>Amounts in NOK million</i>	DnB NOR Bank Group		
	1st quarter 2005	1st quarter 2004	Full year 2004
Specification of net losses			
Write-offs ^{a)}	168	216	507
Increase in specified loan-loss provisions ^{b)}	56	152	378
New specified loan-loss provisions ^{c)}	111	228	518
Total new specified provisions	335	595	1 403
Reassessed specified provisions ^{d)}	134	398	924
Total specified provisions	201	198	479
Recoveries on commitments previously written off ^{e)}	67	62	312
Net losses on loans and guarantees	134	135	167
Specification of changes			
Increase in specified provisions ^{b) and c) minus d) and f)}	(97)	(157)	(865)
+ Write-offs covered by specified provisions made in previous years ^{f)}	130	138	837
+ Write-offs not covered by specified provisions made in previous years ^{a)}	168	216	507
- Recoveries on commitments previously written off ^{e)}	67	62	312
Net losses on loans and guarantees	134	135	167
<i>Of which net losses on guarantees</i>	25	(3)	15

a)-f) Show connections between the items.

Note 5 – Non-performing and doubtful commitments

DnB NOR Bank ASA				DnB NOR Bank Group		
31 March 2004	31 Dec. 2004	31 March 2005	<i>Amounts in NOK million</i>	31 March 2005	31 Dec. 2004	31 March 2004
Non-performing commitments						
7 306	5 641	5 622	Before specified provisions	6 987	6 895	9 604
4 580	3 471	3 613	After specified provisions ¹⁾	4 432	4 196	6 293
Doubtful commitments						
1 988	1 512	1 425	Before specified provisions	2 327	2 460	2 964
1 423	1 091	963	After specified provisions ¹⁾	1 648	1 778	2 092

1) DnB NOR Bank ASA in 2004: Includes NOK 392 million in commitments taken over from Elcon in the first half of 2004.

Note 6 – Capital adequacy

DnB NOR Bank ASA				DnB NOR Bank Group		
31 March 2004	31 Dec. 2004	31 March 2005	<i>Amounts in NOK million</i>	31 March 2005	31 Dec. 2004	31 March 2004
16 964	16 964	16 964	Share capital	16 964	16 964	16 964
16 812	17 781	17 805	Other equity	20 799	20 774	19 683
33 776	34 745	34 769	Total equity	37 764	37 738	36 647
5 229	5 270	5 375	Perpetual subordinated loan capital securities ^{1) 2)}	5 611	5 531	5 611
Reductions						
(1 187)	(814)	(814)	Pension funds above pension commitments	(857)	(853)	(1 229)
(1 559)	(1 460)	(103)	Goodwill	(587)	(1 967)	(2 255)
(1 219)	(717)	(705)	Deferred tax assets	(634)	(646)	(1 096)
(171)	(78)	(1 373)	Other intangible assets	(1 382)	(88)	(182)
34 869	36 945	37 148	Core capital	39 915	39 715	37 496
6 676	5 528	5 738	Perpetual subordinated loan capital ^{1) 2)}	5 601	5 367	7 249
11 623	12 565	12 687	Term subordinated loan capital ²⁾	13 451	13 538	12 194
18 299	18 092	18 425	Net supplementary capital	19 053	18 905	19 443
2 178	2 514	2 511	Deductions	2 511	2 514	2 276
50 990	52 523	53 063	Total eligible primary capital ³⁾	56 457	56 105	54 663
466 051	480 291	498 652	Total risk-weighted volume	549 528	528 240	522 322
7.5	7.7	7.4	Core capital ratio (per cent)	7.3	7.5	7.2
10.9	10.9	10.6	Capital ratio (per cent)	10.3	10.6	10.5
Including 50 per cent of profit for the period:						
7.7	-	7.6	Core capital ratio (per cent)	7.4	-	7.3
11.1	-	10.8	Capital ratio (per cent)	10.4	-	10.6

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

2) Calculations of capital adequacy include a total of NOK 592 million in subordinated loan capital in associated companies, in addition to subordinated loan capital in the banking group's balance sheet.

3) Primary capital and nominal amounts used in calculating risk-weighted volume deviate from figures in the DnB NOR Bank Group's accounts as a different consolidation method ("pro rata consolidation") is used in calculating capital adequacy.

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

Note 7 – Profit and balance sheet trends

Profit and loss accounts	DnB NOR Bank ASA				
	1st quarter 2005	4th quarter 2004	3rd quarter 2004	2nd quarter 2004	1st quarter 2004
<i>Amounts in NOK million</i>					
Interest income	2 887	2 927	2 960	2 976	2 765
Dividends	10	774	15	86	105
Commissions and fees receivable	1 406	1 417	1 366	1 398	1 364
Commissions and fees payable	494	460	498	498	480
Net gains on foreign exchange and financial instruments	508	470	339	371	508
Sundry ordinary operating income	136	183	151	146	171
Net gains on the sale of fixed assets	4	7	18	(16)	0
Net other operating income	1 570	2 391	1 391	1 486	1 668
Salaries and other ordinary personnel expenses	1 237	1 208	1 232	1 209	1 278
Administrative expenses	782	869	790	848	848
Depreciation	151	188	151	154	160
Sundry ordinary operating expenses	295	339	282	295	318
Other expenses	2	105	12	6	780
Total operating expenses	2 467	2 709	2 468	2 511	3 384
Pre-tax operating profit before losses	1 990	2 609	1 883	1 952	1 049
Net losses on loans etc.	112	116	(178)	58	82
Net gains on long-term securities	95	224	67	(64)	1 307
Pre-tax operating profit	1 973	2 718	2 128	1 830	2 274
Taxes	533	675	575	494	614
Profit for the period	1 441	2 043	1 553	1 336	1 660
Earnings per share	8.49	12.04	9.16	7.88	9.78
Average total assets	725 458	718 653	721 631	721 354	695 922

Balance sheets

	DnB NOR Bank ASA				
	31 March 2005	31 Dec. 2004	30 Sept. 2004	30 June 2004	31 March 2004
<i>Amounts in NOK million</i>					
Assets					
Cash and deposits with central banks	7 074	8 286	12 397	4 771	2 651
Lending to and deposits with credit institutions	80 071	54 947	61 846	103 763	96 498
Net lending to customers	538 379	519 921	506 053	497 224	487 825
Repossessed assets	331	456	511	335	307
Commercial paper and bonds	69 349	64 615	67 153	70 119	61 768
Shareholdings etc.	4 490	4 213	3 694	3 567	3 360
Investments in associated companies	537	583	617	617	621
Investments in subsidiaries	5 579	5 597	5 752	5 748	6 324
Other assets	33 182	32 770	35 389	27 119	36 707
Total assets	738 992	691 387	693 411	713 262	696 059
Liabilities and equity					
Loans and deposits from credit institutions	74 808	47 608	61 202	96 599	72 023
Deposits from customers	369 912	353 741	347 603	349 254	337 170
Securities issued	193 799	184 572	183 511	183 217	182 462
Other liabilities	40 462	47 358	39 815	23 896	45 440
Subordinated loan capital	23 800	23 362	22 967	23 524	23 527
Equity	36 210	34 745	38 313	36 773	35 436
Total liabilities and equity	738 992	691 387	693 411	713 262	696 059

Note 7 – Profit and balance sheet trends (continued)

Profit and loss accounts	DnB NOR Bank Group				
	1st quarter 2005	4th quarter 2004	3rd quarter 2004	2nd quarter 2004	1st quarter 2004
<i>Amounts in NOK million</i>					
Interest income	3 236	3 337	3 322	3 339	3 378
Dividends	30	23	18	88	13
Commissions and fees receivable	1 463	1 491	1 416	1 362	1 494
Commissions and fees payable	510	491	504	475	539
Net gains on foreign exchange and financial instruments	514	486	342	388	460
Sundry ordinary operating income	327	370	331	414	426
Net gains on the sale of fixed assets	31	(6)	(40)	365	979
Net other operating income	1 855	1 872	1 563	2 143	2 833
Salaries and other ordinary personnel expenses	1 434	1 413	1 428	1 387	1 564
Administrative expenses	853	925	863	931	959
Depreciation	194	208	169	218	245
Sundry ordinary operating expenses	291	341	286	286	369
Other expenses	2	135	5	6	806
Total operating expenses	2 773	3 022	2 751	2 828	3 942
Pre-tax operating profit before losses	2 318	2 187	2 135	2 653	2 269
Net losses on loans etc.	134	70	(121)	82	135
Net gains on long-term securities	(5)	55	24	13	15
Pre-tax operating profit	2 178	2 172	2 280	2 584	2 148
Taxes	588	504	617	696	580
Profit for the period	1 590	1 668	1 663	1 887	1 568
Earnings per share	9.37	9.83	9.80	11.12	9.24
Average total assets	746 656	742 289	747 255	744 761	723 007

Balance sheets	DnB NOR Bank Group				
	31 March 2005	31 Dec. 2004	30 Sept. 2004	30 June 2004	31 March 2004 ¹⁾
<i>Amounts in NOK million</i>					
Assets					
Cash and deposits with central banks	7 366	8 780	12 802	5 496	3 242
Lending to and deposits with credit institutions	43 804	21 604	24 052	65 436	60 139
Net lending to customers	597 010	577 441	570 694	562 408	552 625
Repossessed assets	412	538	580	414	460
Commercial paper and bonds	68 352	62 986	65 365	68 248	60 147
Shareholdings etc.	4 873	4 611	4 176	4 085	3 928
Investments in associated companies	1 264	1 354	1 492	1 456	1 408
Other assets	35 206	35 212	38 304	30 131	38 656
Total assets	758 288	712 526	717 466	737 673	720 603
Liabilities and equity					
Loans and deposits from credit institutions	77 175	48 950	63 511	98 975	75 520
Deposits from customers	375 533	360 240	354 487	356 340	344 010
Securities issued	199 575	192 410	192 310	192 101	192 386
Other liabilities	42 343	49 147	41 728	25 866	46 190
Subordinated loan capital	24 308	24 040	23 718	24 293	24 283
Equity	39 354	37 738	41 712	40 099	38 215
Total liabilities and equity	758 288	712 526	717 466	737 673	720 603

1) As from 31 March 2004, Elcon was no longer consolidated in the group accounts.

