

Third quarter report 2004



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All figures for previous periods presented below are pro forma accounting figures for total operations in the DnB NOR Group. As from 31 March 2004, Elcon Finans is no longer consolidated in the group accounts. Unless otherwise specified, comparable figures for previous periods have not been adjusted.

Pre-tax operating profits before losses stood at NOK 7 012 million for the January through September period in 2004, up from NOK 6 516 million for total operations in DnB and Gjensidige NOR in the year-earlier period. Pre-tax operating profits increased from NOK 4 930 million to NOK 6 966 million. After taxes, profits came to NOK 5 085 million for the first nine months of 2004, a 33.5 per cent rise from NOK 3 808 million in the year-earlier period. Corresponding figures for return on equity before goodwill amortisation were 16.5 and 13.7 per cent respectively, while earnings per share stood at NOK 4.21 and NOK 3.28 before goodwill amortisation.

Pre-tax operating profits before losses for the third quarter of 2004 were NOK 2 353 million. The corresponding figure for the two former groups was NOK 2 244 million for the third quarter of 2003. Pre-tax operating profits increased from NOK 1 885 million in 2003 to NOK 2 498 million in the third quarter of 2004, while profits after taxes rose from NOK 1 384 million to NOK 1 823 million. Thus, return on equity before goodwill amortisation increased from 14.5 to 16.8 per cent and earnings per share from NOK 1.18 to NOK 1.49 before goodwill amortisation.

At end-September 2004, total combined assets in the DnB NOR Group were NOK 1 222 billion, up from NOK 1 182 billion a year earlier. The core capital ratio, including 50 per cent of profits for the year to date, was 7.3 per cent at end-September 2004 and 6.6 per cent a year earlier. Excluding interim profits, the corresponding ratios were 6.9 and 6.2 per cent respectively.

Integration effort in the Group has shown healthy progress, and cost synergies have been realised according to plan. The process of moving and reprofiling branch offices and establishing joint customer solutions is well under way. In the third quarter, one of the bank's main agreements for the purchase of IT services was renegotiated. The contract will ensure the realisation of IT-related synergies.

Market activity has been maintained at a high level. DnB NOR focuses efforts on the most profitable segments and products. Retail customers in DnB NOR have achieved better terms through a broader range of customer loyalty programmes and the harmonisation of price structures from the former DnB and Gjensidige NOR. These adjustments will give DnB NOR a sound basis for maintaining and strengthening its position in the retail market. In the corporate market, DnB NOR intends to improve customer contact by delegating considerable credit approval authority to the bank's local and regional account officers. The bank has expanded customer contact through special arrangements in the form of meetings, seminars and courses for representatives from various sectors.

Net interest income

Net interest income declined by NOK 201 million from the third quarter of 2003. Adjusted for the sale of Elcon, however, there was an underlying increase in net interest income of NOK 28 million. An increase of NOK 40 billion in average lending to customers combined with a NOK 13 billion rise in deposits pushed up net interest income by NOK 240 million. Narrower interest spreads brought down net interest income by NOK 167 million. Lending spreads contracted by an average 0.12 percentage points from the third quarter of 2003, while deposit spreads expanded by 0.03 percentage points. Lower average interest rate levels reduced the net funding effect of equity, share investments and fixed assets by NOK 84 million. However, new guarantee fund rules ensured a NOK 59 million rise in net interest income in the third quarter compared with the previous year. At end-September 2004, interest rates on NOK 73 billion of the total deposit volume were below 0.25 per cent per annum.

The table below specifies changes in net interest income between the two quarters.

Changes in net interest income

| <i>Amounts in NOK million</i> | 3rd quarter | | 3rd quarter |
|---|-------------|--------|-------------|
| | 2004 | Change | 2003 |
| Net interest income | 3 308 | (201) | 3 509 |
| Elcon | - | (229) | 229 |
| Net adjusted interest income | 3 308 | 28 | 3 280 |
| Of which: | | | |
| Lending and deposit volumes | | 240 | |
| Lending and deposit spreads | | (167) | |
| Net funding effect of equity, share investments and fixed assets | | (84) | |
| Contributions to the banks' guarantee funds | | 59 | |
| Other | | (20) | |

Net other operating income

Net other operating income amounted to NOK 2 024 million in the third quarter of 2004, up NOK 7 million from the year-earlier period.

The full takeover of operations in the companies Gjensidige NOR Driftspartner and Gjensidige NOR Markedsstøtte from January 2004 gave a NOK 60 million increase in income in the group accounts compared with the year-earlier period. Driftspartner and Markedsstøtte were previously joint ventures with Gjensidige NOR Forsikring. The above income stems from services provided under cooperation agreements. See further description of corresponding effects under operating expenses. After adjustments for Elcon, Driftspartner and Markedsstøtte, net other operating income declined by NOK 38 million relative to income for comparable operations in the corresponding period of 2003.

In consequence of, among other things, lower volatility for the Norwegian krone and a narrow interest rate differential between NOK and other currencies, total income from traditional financial services declined by NOK 77 million compared with the year-earlier period. The Group's share of profits from life insurance operations was up NOK 109 million in the third quarter of 2004. Trading income on foreign exchange and interest rate instruments in DnB NOR Markets rose by NOK 15 million from the corresponding period in 2003. Equity-related income declined by NOK 106 million due to lower recorded gains on the Group's shareholdings. At end-September 2004, unrealised gains on securities not recorded in the group accounts totalled NOK 80 million.

The table below specifies changes in third-quarter net other operating income from 2003 to 2004.

Changes in net other operating income

| <i>Amounts in NOK million</i> | 3rd quarter | | 3rd quarter |
|--|-------------|--------|-------------|
| | 2004 | Change | 2003 |
| Net other operating income | 2 024 | 7 | 2 017 |
| Elcon | - | (15) | 15 |
| Driftspartner and Markedsstøtte | 60 | 60 | - |
| Net adjusted other operating income | 1 964 | (38) | 2 002 |
| Of which: | | | |
| Income from traditional financial services, adjusted | | (77) | |
| Share of profits in Life Insurance and Pensions | | 109 | |
| Trading income on foreign exchange and interest rate instruments, DnB NOR Markets | | 15 | |
| Equity-related income | | (106) | |
| Gains on the sale of fixed assets | | 21 | |

Operating expenses

Operating expenses totalled NOK 2 979 million in the July through September period in 2004, down NOK 303 million from the year-earlier period. Of this, NOK 125 million represented expenses incurred by Elcon. The takeover of total operations in Driftspartner and Markedsstøtte pushed up operating expenses by NOK 60 million in the third quarter of 2004 compared with the year-earlier

period. Other expenses were reduced by NOK 30 million. Ordinary operating expenses were brought down by NOK 208 million relative to expenses for comparable operations in the corresponding period of 2003.

Changes in operating expenses from the third quarter of 2003 are shown in the table below.

Changes in operating expenses

| <i>Amounts in NOK million</i> | 3rd quarter | | 3rd quarter |
|--|-------------|--------|-------------|
| | 2004 | Change | 2003 |
| Total operating expenses | 2 979 | (303) | 3 282 |
| Other expenses | 5 | (30) | 35 |
| Elcon | - | (125) | 125 |
| Driftspartner and Markedsstøtte | 60 | 60 | - |
| Total adjusted ordinary operating expenses | 2 914 | (208) | 3 122 |
| Of which: | | | |
| Wage settlements and pensions | | 53 | |
| External distribution | | 13 | |
| Merger synergies | | (178) | |
| Other streamlining measures | | (96) | |

Wage settlements and higher pension costs pushed up third-quarter expenses by NOK 53 million compared with the year-earlier period. Merger synergies of NOK 178 million were realised in the third quarter of 2004. The initiation of measures to restructure and streamline operations contributed to cost cuts relating to performance-based pay, postage, telecommunications, office supplies and marketing.

The ordinary cost/income ratio, i.e. ordinary expenses relative to income, was 53.5 per cent before goodwill amortisation in the third quarter of 2004, as against 56.1 per cent in 2003.

Staff cuts represented 143 full-time positions in the third quarter of 2004. The reductions will have an increasing impact on future cost developments.

Loan-loss provisions and non-performing commitments

Net reversals on previous losses on loans and guarantees of NOK 121 million were recorded in the third quarter of 2004, compared with net losses of NOK 356 million in the corresponding period of 2003. New losses and loan-loss provisions amounted to NOK 289 million, while reversals on previous losses and loan-loss provisions totalled NOK 410 million. The third quarter of 2003 saw new losses of NOK 540 million and reversals of NOK 185 million.

Prolonged low interest rate levels and close follow-ups helped hold the loan-loss level down in the retail market. In the corporate market, the low interest rates and weak Norwegian krone contributed to net reversals on losses and loan-loss provisions in the third quarter of 2004, while the Group recorded net losses in the year-earlier period.

Credit quality in the loan portfolio was maintained at roughly the same level as at end-June 2004. Thus, unspecified loan-loss provisions in the Group's balance sheet were not adjusted in the third quarter of 2004.

Non-performing commitments, after specified loan-loss provisions, were scaled back by NOK 1 121 million in the quarter, totalling NOK 4 929 million at end-September 2004. Non-performing and doubtful commitments, after specified loan-loss provisions, were down NOK 1 213 million to NOK 7 112 million.

Taxes

The DnB NOR Group's tax charge for the third quarter of 2004 was NOK 675 million, based on an anticipated average tax rate of 27 per cent of pre-tax operating profits.

Balance sheet and assets under management

At end-September 2004, total combined assets in the DnB NOR Group were NOK 1 222 billion, up from NOK 1 182 billion a year earlier. Total assets in the Group's balance sheet were NOK 719 billion. Net lending rose by NOK 32 billion in the January through September period adjusted for the sale of Elcon. Customer deposits rose to NOK 350 billion, from NOK 336 billion at end-December 2003. The ratio of deposits to lending was 62.1 per cent at end-September 2004, compared with 63.2 per cent at the end of 2003, adjusted for the sale of Elcon.

In addition to deposits recorded in the balance sheet, the DnB NOR Group managed customer savings in the form of mutual funds, insurance products etc. for a total of NOK 505 billion at end-September 2004, a rise of NOK 23 billion since the end of 2003.

Risk and capital adequacy

The estimated capital requirement increased by NOK 2.1 billion to NOK 32.1 billion during the third quarter, mainly as a result of higher risk relating to Vital and growth in credit volume. Calculations indicate that the DnB NOR Group was well capitalised relative to the Group's equity and core capital.

The table below shows developments in the risk-adjusted capital requirement.

| <i>Amounts in NOK million</i> | 30 Sept. 2004 | 30 June 2004 | 31 Dec. 2003 ¹⁾ | 31 Dec. 2003 |
|--|------------------|-----------------|-------------------------------|-----------------|
| Credit risk | 18 848 | 18 430 | 17 108 | 18 025 |
| Market risk | 1 783 | 1 562 | 1 626 | 1 631 |
| Liquidity risk | 630 | 780 | 700 | 1 107 |
| Ownership risk for Life | | | | |
| Insurance and Pensions | 10 242 | 8 048 | 8 498 | 8 498 |
| Operational risk | 5 400 | 5 400 | 5 540 | 5 640 |
| Risk-adjusted capital | | | | |
| - before diversification ²⁾ | 36 903 | 34 220 | 33 471 | 34 900 |
| - after diversification ²⁾ | 26 884 | 24 860 | 23 399 | 24 457 |
| Addition for variations in expected credit losses | 5 264 | 5 158 | 4 977 | 5 317 |
| Estimated capital requirement | 32 148 | 30 018 | 28 376 | 29 774 |

1) *Excluding Elcon.*

2) *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.*

The rise in housing loans remained strong in the third quarter of 2004. Activity was brisk in the shipping sector, and volumes continued to climb. Credit quality remained stable. The trend in loan losses and non-performing commitments confirms that both the Norwegian and the international economy were at a positive stage relative to credit risk at end-September 2004.

Estimated risk-adjusted capital for Vital was NOK 10.2 billion, up from NOK 8 billion at end-June 2004. The increase reflected a rise in equity investments and an increase in total assets. Unrealised gains on securities were up NOK 0.1 billion to NOK 2 billion. The proportion of share investments rose from 15 to 16 per cent, while investments in bonds and money market instruments declined by one percentage point to 17 and 18 per cent respectively.

There was a slight increase in market risk, which can be attributed to the Group's involvement in the refinancing of Pan Fish and investments in Venture and Private Equity Funds. Liquidity risk was somewhat reduced, and the Group stopped funding Elcon. There were no material changes in operational risk during the quarter.

Risk-weighted volume included in the calculation of the formal capital adequacy requirement rose by NOK 3 billion in the third

quarter, to NOK 592 billion. Including 50 per cent of profits, the DnB NOR Group's core capital ratio was 7.3 per cent, while the capital adequacy ratio was 10.4 per cent at end-September 2004. DnB NOR Bank ASA had a core capital ratio of 7.4 per cent and a capital adequacy ratio of 10.9 per cent at end-September 2004. Including 50 per cent of profits in the calculations would raise the ratios to 7.9 and 11.3 per cent respectively.

Changes in group structure

Sale of Elcon Finans

In the first quarter of 2004, DnB NOR Bank ASA entered into an agreement with Santander Consumer Finance on the sale of Elcon for a total of NOK 3 600 million. The sale provided a gain of NOK 977 million recorded in the first-quarter accounts. A concession for implementing the transaction was granted on 2 July 2004, and the sales price and financing items were settled in early August.

Sale of Gjensidige NOR Fondsforsikring

In May 2004, DnB NOR ASA signed an agreement with Forsikringsselskabet Danica on the sale of Gjensidige NOR Fondsforsikring AS. Danica is a subsidiary of Danske Bank. A concession for implementing the transaction was granted on 2 July 2004, and the sale was finalised in early August. NOK 35 million in gains on the sale was recorded in the third-quarter accounts.

Sale of Postbanken Eiendomsmegling

In June 2004, DnB NOR Bank ASA signed an agreement with Terra-Gruppen AS on the sale of the real estate brokerages Postbanken Eiendomsmegling AS and Aktiv Eiendomsmegling AS. The agreement was approved by the board of directors in Terra-Gruppen in August. The actual takeover will not take place until 3 January 2005. As DnB NOR will carry the risk for and maintain control over operations up till this date, the companies' profits for 2004 will be recorded in the accounts of the DnB NOR Group in the usual manner.

Changes in bank guarantee scheme

In June 2004, a decision was made to combine the Savings Banks' Guarantee Fund and the Commercial Banks' Guarantee Fund. Over a period of three years, savings banks will be fully exempt from fee payments. In addition, the proposal includes exemption from payment of fees on deposits over NOK 2 million.

For 2003, DnB NOR paid around NOK 500 million in guarantee fund fees. After the introduction of the new regulations, the fee for 2004 is estimated at around NOK 275 million, which is reflected in the accounts for the third quarter of 2004. The guarantee fund fee was reduced from NOK 111 million in the first quarter of 2004 to NOK 28 million in the second and NOK 70 million in the third quarter.

Implications of new international accounting rules

In consequence of a resolution by the EU, all listed companies are required to prepare accounts in accordance with IFRS – International Financial Reporting Standards (previously IAS) as from 1 January 2005. The main implications of the new accounting rules for DnB NOR relate to financial instruments, including loans and liabilities (IAS 39), the presentation and valuation of insurance operations, treatment of investments in subsidiaries (IAS 27), treatment of goodwill (IAS 36 and 38) and accounting method for pension commitments (IAS 19).

Non-performing and doubtful commitments must be written down to the discounted value of expected future cash flows. Write-downs should also be made on a portfolio basis for credit risk which cannot be linked to specific commitments. IAS 39 does not, however, allow unspecified loan-loss provisions.

During the initial stage from 2005 through 2006, the method

of accounting for insurance contracts is not expected to have any material impact on the DnB NOR Group's profit and loss and balance sheet items.

As insurance business is fundamentally different from operations in the rest of the Group, insurance operations are currently presented in the group accounts according to the equity method. However, the introduction of IFRS implies a consolidation requirement, though there are no specific regulations for the presentation of bankassurance groups. DnB NOR will give priority to preparing a presentation model which provides useful information about total operations in the Group for investors and the market, based on uniform principles.

IFRS implies a more extensive consolidation requirement for several investments in the DnB NOR Group. Still, this is not expected to have any significant impact on the Group's profit and loss accounts, balance sheets or capital adequacy.

Goodwill cannot be amortised according to IFRS, but impairment should be considered on each balance sheet date. During the first three quarters of 2004, goodwill amortisation totalling NOK 462 million was charged to the accounts. Such amortisation will not be included in the IFRS accounts.

IAS 19 requires that pension commitments be calculated on the basis of economic parameters on the balance sheet date. Current practice has allowed a more long-term view on interest rate developments when determining such parameters. The introduction of this standard will result in a reduction in equity when converting to IFRS, and greater profit fluctuations must be expected in DnB NOR's future accounts. It is expected that deviations in estimates not recorded in the accounts will be charged to equity when converting to IFRS.

The new regulations will require adjustments in systems and routines, especially with respect to the valuation of loans. The Group's project for adaptation to the new accounting principles is on schedule.

IAS 39 has not been formally approved by the EU, and the full implications of the regulations thus remain uncertain.

Based on DnB NOR's interpretation of the above IFRS regulations, only minor changes are expected in the Group's primary capital following the conversion, while profits will rise by an amount corresponding to the goodwill amortisation excluded from the accounts.

Integration project

The integration of DnB and Gjensidige NOR into a new and stronger financial services group is progressing according to plan. Merger plans include staff cuts of 1 630 full-time positions and cost synergies of NOK 1 760 million over a period of three years. As far as possible, redundancies will be handled through voluntary schemes. In 2004, DnB NOR will achieve cost synergies of NOK 528 million, which will be realised at a gradually increasing pace throughout the year.

Integration efforts made headway in the first nine months of 2004, realising synergies of around NOK 426 million. Additional synergies of NOK 93 million relating to the merger were achieved in 2003. In the third quarter, integration efforts were primarily focused on ensuring uniform customer service from the autumn of 2004. The process of combining and reprofiling branches and electronic channels was started, DnB NOR's customer loyalty programmes were launched, and key products and services were coordinated. By the end of the year, more than 70 branches will sport the new corporate image.

Business areas

The activities of DnB NOR are organised into five business areas in addition to staff and support units. As independent profit centres, the business areas carry responsibility for customer segments

served by the Group, as well as the products offered. Differentiated financial and non-financial requirements have been set for the business areas which in combination will help the DnB NOR Group reach its financial targets.

Corporate Banking

Corporate Banking recorded pre-tax profits before losses of NOK 3 488 million in the first three quarters of the year, as against NOK 3 594 million in the corresponding period of 2003. Adjusted for lower interest on allocated capital, profits showed a positive trend.

Ordinary net interest income was up NOK 280 million on the year-earlier period, primarily due to more accurate pricing of credit risk during the first three quarters of 2004.

Other income stood at NOK 1 521 million, down from NOK 1 599 million in the year-earlier period. There has been a high level of customer-related activity thus far in 2004. Due to low floating interest rates and the steep interest curve in Norway, demand for hedging products was down and income from foreign exchange and interest rate markets declined in the first nine months of 2004 compared with the year-earlier period. Income relating to leasing and factoring showed a positive trend. The harmonisation of prices and products for corporate customers in connection with the DnB NOR merger was completed in the third quarter.

Costs were reduced by a total of NOK 31 million in the first three quarters of 2004 relative to the year-earlier period. The business area was ahead of schedule in realising synergies relating to the DnB NOR merger.

The use of Internet services has climbed sharply and covers a significant part of customers' everyday banking needs. A new joint Internet portal for DnB NOR was launched in the beginning of September, which has been well received by customers.

The volume of loans and guarantees totalled NOK 292.9 billion as at 30 September, up NOK 0.5 billion since end-September 2003. Market shares for corporate lending showed a slightly negative trend.

As a result of good liquidity among customers in 2004, deposits rose by NOK 5.5 billion to NOK 163.5 billion compared with the year-earlier period. Market shares for deposits were marginally lower than in 2003.

The quality of the credit portfolio was sound and stable. There were net reversals of NOK 52 million on previous loan losses in the January through September period of 2004, reflecting reversals on loan-loss provisions for several commitments.

Volume trends during the remainder of the year will depend on the Norwegian business sector's willingness to invest and demand for credit. The volume of loans and guarantees is expected to increase somewhat through the rest of 2004.

Retail Banking

Retail Banking showed pre-tax operating profits before losses of NOK 2 521 million in the first three quarters of the year, an increase of NOK 528 million from the corresponding period a year earlier.

Hefty sales efforts resulted in a growth in lending of NOK 42 billion or 16 per cent compared with the year-earlier period. The increase in volume related mainly to well secured housing loans. Lending spreads were stable in the third quarter, representing 1.7 percentage points on average for the portfolio, including credit card activity. Deposit spreads averaged 0.8 percentage points.

Due to the strong lending growth, net interest income was up NOK 77 million compared with the corresponding period of 2003. The Group had a market share for bank lending to wage-earners of 38.6 per cent at end-August 2004, as against 38.4 per cent at end-June 2003.

Net other operating income totalled NOK 2 059 million, a rise of 8 per cent from the corresponding period in 2003. Commission

income from mutual funds and insurance products showed a particularly sound trend.

Operating expenses came to NOK 4 877 million, down NOK 301 million from the year-earlier period. The cost/income ratio in the first three quarters of the year was 65.7 per cent.

Net losses on loans were NOK 126 million for the nine-month period, which represents 0.05 per cent of annual lending.

As at 30 September 2004, there were 4 383 full-time positions in Retail Banking. The business area was ahead of schedule in realising synergies relating to the DnB NOR merger.

Efforts to establish a joint customer service concept, merge bank branches and present offices in the new DnB NOR design are well under way, and prices and products have been harmonised. The price adjustments are positive for customers, and the financial consequences for Retail Banking are better than the negative income synergies projected to result from the merger. Sales of the new customer loyalty programmes started in September, and during 2005 all existing programme customers should have received an offer presenting the new alternatives.

Two new mutual funds were launched in September, Global Selektiv I and DnB NOR Global Allokering, which have been well received in the market. During the autumn, a number of improvements in DnB NOR's range of mutual funds will be introduced. A new joint Internet portal for dnbnor.no was launched in September, and a new, joint telephone number, (+47) 915 04800, for all of DnB NOR's retail customers has been established. The telephone number for Postbanken's customers is (+47) 915 03800.

Lending growth is expected to show a continued positive trend, along with brisk growth for long-term savings alternatives, primarily mutual funds and insurance products. Growth in deposits is expected to be moderate as long as interest rates remain low. Sound advice, good information and relationship building will be key elements in sales efforts.

DnB NOR Markets

DnB NOR Markets achieved satisfactory profits in the first three quarters of 2004. Pre-tax operating profits were NOK 1 010 million, the same as in the year-earlier period. In general, markets were quieter than last year, with the exception of the equities market where activity was up. DnB NOR Markets strengthened its position as the largest equities brokerage firm on Oslo Børs (the Oslo stock exchange) in the third quarter. In the same period DnB NOR Markets introduced the first perpetual subordinated loan capital securities and credit derivative products for customers.

Income totalled NOK 1 824 million for the first three quarters of 2004, compared with NOK 1 897 million in the year-earlier period. Interest income on allocated capital was down NOK 43 million due to lower interest levels.

Income on customer business in foreign exchange and interest rate derivatives was NOK 648 million, down NOK 12 million compared with the corresponding period of 2003. Low floating interest rates and a steep interest curve brought down demand for interest rate hedging products.

Customer-related revenues on the sale of securities and other investment products were NOK 382 million in the period from January through September 2004, as against NOK 419 million in the year-earlier period. The benchmark index on Oslo Børs rose by 7.2 per cent in the third quarter, spurring increased activity within equities trading. DnB NOR Markets arranged several major equity transactions in the market. More resources were devoted to research on shipping companies. Income on the sale of capital-guaranteed products was lower in the first three quarters of 2004 than in the year-earlier period.

Earnings on corporate finance services totalled NOK 139 million in the first three quarters of 2004, down from NOK 146 million in the year-earlier period. Low credit demand from companies resulted

in reduced activity in the market for syndicated loans. DnB NOR Markets participated in raising capital for a new fund for private investment capital arranged by Norsk Vekst.

Income from the sale of custodial services totalled NOK 138 million for the January through September period, up from NOK 127 million in the corresponding period last year. Lower prices were offset by higher volumes.

Earnings from market making and other proprietary trading showed a healthy trend, totalling NOK 488 million in the first three quarters of the year, up NOK 16 million from the year-earlier period.

Costs were reduced by NOK 73 million, or 8.2 per cent. At end-September 2004, DnB NOR Markets had realised its target of cutting back staff by 100 full-time positions. Return on equity was 52.6 per cent, while the cost/income ratio stood at 44.8 per cent.

Life Insurance and Pensions

During the first nine months of 2004, Life Insurance and Pensions (Vital) strengthened its position as Norway's largest provider of pension savings and life insurance products, with total assets of NOK 172 billion at the end of the period. The business area recorded a sound rise in premium income and in the net inflow of transfers. Estimated profits from life insurance operations for allocation to policyholders were NOK 2 107 million, while allocations to the owner totalled NOK 646 million after taxes.

Performance within Life Insurance and Pensions reflected the upturn on Oslo Børs in the first three quarters of 2004. Pre-tax operating profits totalled NOK 792 million, compared with NOK 573 million in the year-earlier period. Vital Forsikring recorded profits after taxes of NOK 646 million, up from NOK 476 million in the first nine months of 2003. The recorded and value-adjusted returns on capital, excluding changes in unrealised gains on long-term securities, were 5.0 and 4.6 per cent respectively, compared with corresponding returns of 5.2 and 7.0 per cent for Vital Forsikring ASA in the year-earlier period.

Premium income recorded in the January through September period in 2004 totalled NOK 16.8 billion, an increase of 48 per cent from the corresponding period in 2003. Reserves totalling NOK 4.8 billion were transferred from other companies during the nine-month period, representing an increase of NOK 2.5 billion from 2003. The recorded net inflow of reserves was NOK 2.9 billion.

Vital Forsikring strengthened disability reserves by NOK 165 million in the first three quarters of the year.

The business area was on schedule in realising synergies in connection with the DnB NOR merger.

Vital Forsikring's solvency capital increased by NOK 3.1 billion in the January through September period, mainly reflecting interim profits and changes in unrealised gains on securities.

Life Insurance and Pensions has a leading position within the management of policyholders' funds, with a market share of 36.2 per cent as at 30 June 2004, up 1 percentage point from end-December 2003. Life Insurance and Pensions was also the largest provider of group pension schemes to companies in the private sector, with a market share of 45.3 per cent.

Non-life products not subject to profit sharing will be sold to Gjensidige NOR Forsikring in the fourth quarter of 2004.

In May 2004, the Ministry of Finance presented its recommendation 'Regarding the Act on amendments to the Act on Insurance Activity etc.' (proposition no. 74 2003-2004 to the Odelsting). The proposal represents a clearer distinction between policyholders' funds and the company's own funds as well as preset product prices. Life Insurance and Pensions is positive to the general direction set out by the proposed amendments, though within certain areas, they could represent challenges for the industry.

Life Insurance and Pensions anticipates continued growth in the market for pension savings. Based on the Norwegian government's

proposal regarding statutory occupational pensions, it is anticipated that an increasing number of companies will offer employees occupational pension schemes. Individual pension savings are expected to show a further rise.

Asset Management

Asset Management recorded satisfactory profits in the first three quarters of 2004. Pre-tax operating profits before losses were NOK 184 million, up from NOK 105 million in the year-earlier period. Total revenues amounted to NOK 694 million for the period. Commission income came to NOK 671 million, which was NOK 87 million higher than in the corresponding period of 2003.

Commission income from the retail market stood at NOK 265 million, while income from institutional clients totalled NOK 406 million.

Operating expenses for the first nine months of 2004 were NOK 509 million, NOK 17 million lower than for comparable operations in the corresponding period of 2003. The business area was ahead of schedule in realising cost synergies relating to the DnB NOR merger.

As at 30 September 2004, the business area had a total of NOK 489.9 billion under management, an increase of NOK 25.5 billion or 5.5 per cent since 31 December 2003. NOK 24.9 billion of the increase in assets under management stemmed from developments in equity prices and interest rates, while the weaker Norwegian krone gave a negative exchange effect of NOK 1.4 billion on international securities under management. The net inflow of new funds was NOK 2.0 billion. Assets under management for Norwegian clients rose by 10 per cent. For operations outside Norway, the increase in assets under management was 1.0 per cent, or 1.56 per cent measured in customers' local currencies. Investment funds from the retail market amounted to NOK 40.1 billion at end-September after a net outflow of funds of NOK 0.9 billion. The corresponding figures for institutional clients were NOK 449.8 billion and a positive net inflow of NOK 2.9 billion respectively.

The Norwegian savings market has shown a positive trend thus far in 2004. Nevertheless, competition for available funds necessitates further adaptation of products and services. Combining decision-making processes, work methods and resources from the two merged groups will provide additional cost synergies as planned. Customer interests will be further promoted through, for example, a broader range of services. At end-September 2004, the number of customer relationships exceeded 1.2 million. The strong upturn in the Norwegian stock market has helped ensure a sound rise in the value of Norwegian equity funds.

An agreement has been signed with Skandiabanken to take over their asset management operations, scheduled to come into effect in November 2004. The agreement involves discretionary management of assets for a total of SEK 2.5 billion for retail customers and small companies in Sweden.

Prospects for the rest of the year

The upturn in the Norwegian economy continued in the third quarter. The labour market has shown signs of improvement and activity is high within building and construction. Increased household demand has stimulated the willingness to invest within retail trade and the service sector. Strong growth in real wages is expected to keep demand at a high level. Manufacturing investment appears to be increasing and corporate credit demand has shown a moderate rise. Household demand remains high, though growth was somewhat lower in the third quarter.

The proposed Fiscal Budget for 2005 will have a neutral effect on economic activity. Inflation is expected to remain low for the rest of the year. It is assumed that Norges Bank (the central bank of Norway) will not raise key rates until the spring of 2005. The savings market is expected to see increasing demand for products with a higher risk profile that provide stronger returns than traditional bank savings.

DnB NOR's future performance will largely depend on economic developments in Norway as well as in the international arena. Further expansion in the economy is likely to stimulate credit growth and increase investment opportunities, which in turn will boost customer demand for savings products and other financial services.

Economic trends have been favourable in 2004, which has had a positive effect on credit risk in most customer segments. However, there is potential for further improvement in portfolio quality in some areas, and credit risk and risk pricing are not fully correlated in all areas.

In consequence of the favourable parameters for the business sector and low interest rate levels, loan losses are expected to remain relatively low during the rest of 2004, though developments in certain segments, especially fish farming and related operations, remain uncertain.

Though DnB NOR has a strong position in the Norwegian market in many areas, new income sources can still be found. By using our distribution network more effectively it will be possible to offer a greater number of the Group's financial services to an increasing number of customers. There is also scope for selective growth in many segments and geographic areas. Changes in parameters and market requirements also provide new income opportunities, especially within Life Insurance and Pensions.

Through further development of the organisation and market efforts, DnB NOR will realise the Group's core values: Team spirit, simplicity and value creation.

Oslo, 27 October 2004
The Board of Directors of DnB NOR ASA



Jannik Lindbæk
(vice-chairman)



Olav Hytta
(chairman)



Bjørn Sund
(vice-chairman)



Helge Leiro Baastad



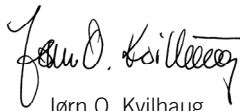
Sverre Finstad



Per Hoffmann



Berit Kjøll



Jørn O. Kvilhaug




Bent Pedersen



Ingjerd Skjeldrum



Anne Carine Tanum



Per Terje Vold



Svein Aaser
(group chief executive)

Profit and loss accounts

| <i>Amounts in NOK million</i> | Note | DnB NOR Group | | | | |
|--|----------|----------------------|----------------------------------|---------------------------|--|--------------------------------|
| | | 3rd quarter 2004 | Pro forma 3rd quarter 2003 | January-September 2004 | Pro forma January-September 2003 | Pro forma Full year 2003 |
| Interest income | 3 | 7 059 | 9 077 | 21 517 | 30 514 | 38 430 |
| Interest expenses | 3 | 3 751 | 5 568 | 11 617 | 20 023 | 24 641 |
| Net interest income and credit commissions | 3 | 3 308 | 3 509 | 9 900 | 10 490 | 13 789 |
| Dividends | | 18 | 27 | 121 | 165 | 212 |
| Net profit from Life Insurance and Pensions | 5 | 197 | 88 | 571 | 400 | 760 |
| Commissions and fees receivable | 4 | 1 652 | 1 623 | 5 023 | 4 602 | 6 335 |
| Commissions and fees payable | 4 | 510 | 521 | 1 556 | 1 479 | 2 056 |
| Net gain on foreign exchange and financial instruments | 4 | 344 | 496 | 1 192 | 1 355 | 1 847 |
| Sundry ordinary operating income | 4 | 294 | 298 | 1 058 | 875 | 1 181 |
| Gains on the sale of fixed assets | 2, 4 | 28 | 7 | 1 028 | 10 | 23 |
| Net other operating income | 4 | 2 024 | 2 017 | 7 437 | 5 928 | 8 302 |
| Salaries and other ordinary personnel expenses | 6 | 1 519 | 1 642 | 4 699 | 4 815 | 6 577 |
| Administrative expenses | 6 | 905 | 942 | 2 891 | 2 970 | 3 982 |
| Depreciation | 6 | 255 | 297 | 806 | 896 | 1 200 |
| Sundry ordinary operating expenses | 6 | 294 | 366 | 988 | 1 130 | 1 433 |
| Other expenses | 6 | 5 | 35 | 943 | 92 | 219 |
| Total operating expenses | 6 | 2 979 | 3 282 | 10 325 | 9 902 | 13 410 |
| Pre-tax operating profit before losses | | 2 353 | 2 244 | 7 012 | 6 516 | 8 681 |
| Net losses/(reversals) on loans etc. | 9, 10 | (121) | 356 | 97 | 1 615 | 1 891 |
| Net gain/(loss) on long-term securities | | 24 | (3) | 51 | 30 | 224 |
| Pre-tax operating profit | | 2 498 | 1 885 | 6 966 | 4 930 | 7 014 |
| Taxes | | 675 | 501 | 1 881 | 1 122 | 1 636 |
| Profit for the period | | 1 823 | 1 384 | 5 085 | 3 808 | 5 378 |
| Earnings per share | | 1.38 | 1.06 | 3.86 | 2.91 | 4.11 |
| Diluted earnings per share | | 1.37 | 1.05 | 3.84 | 2.90 | 4.10 |
| Average total assets | | 747 641 | 712 670 | 740 423 | 699 947 | 697 223 |

Balance sheets

| <i>Amounts in NOK million</i> | Note | DnB NOR Group | | |
|---|--------|----------------------|-----------------|-------------------------------|
| | | 30 Sept. 2004 | 31 Dec. 2003 | Pro forma 30 Sept. 2003 |
| Assets | | | | |
| Cash and deposits with central banks | | 12 802 | 8 570 | 17 103 |
| Lending to and deposits with credit institutions | | 24 346 | 28 331 | 31 771 |
| Gross lending to customers | 11, 12 | 569 843 | 565 546 | 555 591 |
| - Specified loan-loss provisions | | (3 701) | (4 329) | (5 035) |
| - Unspecified loan-loss provisions | | (3 534) | (3 714) | (3 753) |
| Net lending to customers | 11, 12 | 562 608 | 557 503 | 546 803 |
| Repossessed assets | | 580 | 576 | 873 |
| Commercial paper and bonds | | 65 365 | 59 398 | 60 172 |
| Shareholdings etc. | | 4 312 | 4 011 | 4 608 |
| Investments in Life Insurance and Pensions and associated companies | | 8 119 | 7 365 | 7 796 |
| Intangible assets | 13 | 6 004 | 6 484 | 7 591 |
| Fixed assets | | 4 194 | 4 475 | 4 572 |
| Other assets | | 25 341 | 23 643 | 21 268 |
| Prepayments and accrued income | | 5 072 | 5 321 | 4 830 |
| Total assets | | 718 744 | 705 677 | 707 388 |
| Liabilities and equity | | | | |
| Loans and deposits from credit institutions | | 63 501 | 78 497 | 82 451 |
| Deposits from customers | | 349 654 | 335 576 | 330 704 |
| Securities issued | | 192 310 | 181 649 | 175 920 |
| Other liabilities | | 31 018 | 35 305 | 36 368 |
| Accrued expenses and prepaid revenues | | 8 018 | 5 992 | 11 621 |
| Provisions for commitments | | 2 881 | 2 834 | 2 865 |
| Subordinated loan capital | | 23 718 | 23 709 | 23 989 |
| Paid-in capital | 14 | 24 868 | 24 443 | 24 443 |
| Retained earnings | 14 | 17 689 | 17 672 | 15 219 |
| Profit for the period | 14 | 5 085 | - | 3 808 |
| Total liabilities and equity | | 718 744 | 705 677 | 707 388 |
| Guarantee commitments | | 53 835 | 51 306 | 47 534 |

Key figures

| | DnB NOR Group | | | | |
|--|----------------------|----------------------------------|---------------------------|--|--------------------------------|
| | 3rd quarter 2004 | Pro forma 3rd quarter 2003 | January-September 2004 | Pro forma January-September 2003 | Pro forma Full year 2003 |
| Interest rate analysis | | | | | |
| 1. Combined average spread for lending and deposits (%) | 2.39 | 2.60 | 2.39 | 2.65 | 2.62 |
| 2. Spread for ordinary lending to customers (%) | 1.67 | 1.91 | 1.70 | 1.78 | 1.76 |
| 3. Spread for deposits from customers (%) | 0.72 | 0.69 | 0.69 | 0.88 | 0.87 |
| Rate of return/profitability | | | | | |
| 4. Net other operating income, per cent of total income | 38.0 | 36.5 | 39.5 | 36.1 | 37.6 |
| 5. Cost/income ratio (%) | 55.9 | 59.4 | 59.6 | 60.3 | 60.7 |
| 6. Ordinary cost/income ratio before goodwill amortisation (%) | 53.5 | 56.1 | 54.9 | 57.0 | 57.1 |
| 7. Cost/income ratio before goodwill amortisation (%) | 53.3 | 56.6 | 57.1 | 57.6 | 57.9 |
| 9. Return on equity (%) | 15.6 | 12.9 | 15.1 | 12.2 | 12.7 |
| 8. Return on equity before goodwill amortisation (%) | 16.8 | 14.5 | 16.5 | 13.7 | 14.3 |
| 10. Goodwill amortisation (NOK million) | 148 | 165 | 462 | 487 | 651 |
| 11. Average equity before dividend allocation (NOK million) | 46 757 | 42 800 | 44 942 | 41 479 | 42 206 |
| Financial strength | | | | | |
| 12. Core (Tier 1) capital ratio at end of period (%) | 6.9 | 6.2 | 6.9 | 6.2 | 6.8 |
| 13. Core (Tier 1) capital ratio incl. 50% of profit for the year to date (%) | 7.3 | 6.6 | 7.3 | 6.6 | - |
| 14. Capital adequacy ratio at end of period (%) | 10.0 | 9.4 | 10.0 | 9.4 | 9.8 |
| 15. Capital adequacy ratio at end of period incl. 50% of profit for the year to date (%) | 10.4 | 9.7 | 10.4 | 9.7 | - |
| 16. Core capital at end of period (NOK million) | 40 850 | 35 916 | 40 850 | 35 916 | 39 270 |
| 17. Total eligible primary capital at end of period (NOK million) | 59 137 | 54 002 | 59 137 | 54 002 | 56 499 |
| 18. Risk-weighted volume at end of period (NOK million) | 591 794 | 576 316 | 591 794 | 576 316 | 579 445 |
| Loan portfolio and loan-loss provisions | | | | | |
| 19. Loan-loss ratio, annualised (%) | (0.09) | 0.26 | 0.02 | 0.39 | 0.34 |
| 20. Non-performing and doubtful commitments, per cent of total lending | 1.26 | 1.62 | 1.26 | 1.62 | 1.50 |
| 21. Loan-loss provisions relative to total gross lending (%) | 1.27 | 1.58 | 1.27 | 1.58 | 1.42 |
| 22. Non-performing commitments at end of period (NOK million) | 4 929 | 6 822 | 4 929 | 6 822 | 6 531 |
| 23. Doubtful commitments at end of period (NOK million) | 2 183 | 2 276 | 2 183 | 2 276 | 1 870 |
| Liquidity | | | | | |
| 24. Ratio of customer deposits to net lending to customers at end of period (%) | 62.1 | 60.5 | 62.1 | 60.5 | 60.2 |
| Total assets owned or managed | | | | | |
| 25. Assets under management at end of period (NOK billion) | 517 | 475 | 517 | 475 | 496 |
| 26. Average total combined assets (NOK billion) | 1 231 | 1 173 | 1 223 | 1 152 | 1 120 |
| 27. Total combined assets at end of period (NOK billion) | 1 222 | 1 182 | 1 222 | 1 182 | 1 186 |
| 28. Customer savings at end of period (NOK billion) | 855 | 806 | 855 | 806 | 818 |
| Staff | | | | | |
| 29. Number of full-time positions at end of period | 10 115 | 11 180 | 10 115 | 11 180 | 11 044 |
| 30. - of which in Life Insurance and Pensions | 994 | 1 033 | 994 | 1 033 | 1 022 |
| The DnB NOR share | | | | | |
| 31. Number of shares at end of period (1 000) | 1 321 957 | 1 309 027 | 1 321 957 | 1 309 027 | 1 309 027 |
| 32. Average number of shares (1 000) | 1 321 957 | 1 309 027 | 1 317 525 | 1 309 027 | 1 309 027 |
| 33. Average number of shares - fully diluted (1 000) | 1 328 828 | 1 312 341 | 1 323 462 | 1 311 084 | 1 311 737 |
| 34. Earnings per share (NOK) | 1.38 | 1.06 | 3.86 | 2.91 | 4.11 |
| 35. Earnings per share before goodwill amortisation (NOK) | 1.49 | 1.18 | 4.21 | 3.28 | 4.61 |
| 36. Earnings per share - fully diluted (NOK) | 1.37 | 1.05 | 3.84 | 2.90 | 4.10 |
| 37. Equity per share (NOK) | 36.04 | 33.21 | 36.04 | 33.21 | 32.17 |
| 38. Share price at end of period (NOK) | 53.25 | 33.80 | 53.25 | 33.80 | 44.40 |
| 39. Price/book value | 1.48 | 1.02 | 1.48 | 1.02 | 1.38 |
| 40. Market capitalisation (NOK billion) | 70.4 | 44.2 | 70.4 | 44.2 | 58.1 |

Definitions

4. Gains on the sale of Elcon are not included in the calculation for the first three quarters of 2004.
8. Profit for the period as a percentage of average equity.
19. Net losses on loans (excluding guarantees) as a percentage of lending after the deduction of specified loan-loss provisions at end of period.
20. Non-performing and doubtful commitments after the deduction of specified loan-loss provisions relative to lending after the deduction of specified loan-loss provisions. Figures at end of period.
21. Accumulated specified and unspecified loan-loss provisions relative to gross lending at end of period.
34. Profit for the period divided by the average number of shares.
39. The last quoted share price on the Oslo Stock Exchange at end of period relative to the book value of equity at end of period.
40. Number of shares multiplied by the share price at end of period.

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 DnB NOR Group's accounting principles can be found in the annual report for 2003.

Note 2 – Changes in group structure

Sale of Elcon Finans AS

In the first quarter of 2004, DnB NOR Bank ASA entered into an agreement with Santander Consumer Finance on the sale of Elcon for a total of NOK 3 600 million. The sale provided a gain of NOK 977 million recorded in the first-quarter accounts. A concession for implementing the transaction was granted on 2 July 2004, and the sales price and financing items were settled in early August.

Note 18 presents restated figures for the past five quarters, excluding profit and loss and balance sheet items relating to Elcon from the group accounts.

Sale of Gjensidige NOR Fondsforsikring AS

In May 2004, DnB NOR ASA signed an agreement with Forsikringselskabet Danica on the sale of Gjensidige NOR Fondsforsikring AS. Danica is a subsidiary of Danske Bank. A concession for implementing the transaction was granted on 2 July 2004, and the sale was finalised in early August. The sale provided a gain of NOK 35 million in the third quarter accounts.

Sale of Postbanken Eiendomsmegling AS

In June 2004, DnB NOR Bank ASA signed an agreement with Terra-Gruppen AS on the sale of the real estate brokerages Postbanken Eiendomsmegling AS and Aktiv Eiendomsmegling AS. The agreement was approved by the board of directors in Terra-Gruppen in August. The actual takeover will not take place until 3 January 2005. As DnB NOR will carry the risk for and maintain control over operations up till this date, the companies' profits for 2004 will be recorded in the accounts of the DnB NOR Group in the usual manner.

Operations required sold – discontinuing operations

In the accounts for DnB NOR Group, operations in the companies required to be sold are included (see above). To facilitate analysis of operations in DnB NOR after the sales mentioned above, separate accounts for total operations in these companies have been prepared.

Operations in these companies will be included in DnB NOR's accounts until a binding sales agreement has been concluded and all substantial risk has been transferred to the purchaser. The accounts of the companies to be sold are shown below as they have been included in the DnB NOR Group's accounts. In note 16, Business areas, these companies are shown separately under the caption "Discontinuing operations". The figures in note 16 have been restated according to the Group's current principles for the distribution of costs and allocation of capital to the business areas. Operations in the 53 branch offices DnB NOR was required to sell are included in the business area accounts as the sale refers only to premises and equipment.

Note 2 – New group structure (continued)**Profit and loss accounts**

| <i>Amounts in NOK million</i> | 3rd quarter 2004 | Pro forma 3rd quarter 2003 | Discontinuing operations ¹⁾ | | |
|---|---------------------|----------------------------------|---|--------------------------------|--------------------------------|
| | | | Pro forma January-September 2004 | Pro forma September 2003 | Pro forma Full year 2003 |
| Net interest income and credit commissions | 9 | 248 | 260 | 696 | 934 |
| Net profit from Life Insurance and Pensions | 0 | 0 | 0 | 0 | 0 |
| Commissions and fees receivable | 0 | 20 | 17 | 59 | 81 |
| Commissions and fees payable | 0 | 21 | 25 | 41 | 61 |
| Net gain/(loss) on foreign exchange and financial instruments | 0 | 0 | (1) | 7 | 6 |
| Sundry ordinary operating income | 9 | 28 | 46 | 85 | 118 |
| Gains on the sale of fixed assets | 29 | 0 | 1 006 | 0 | 0 |
| Net other operating income | 39 | 28 | 1 044 | 110 | 144 |
| Salaries and other ordinary personnel expenses | 2 | 72 | 78 | 208 | 294 |
| Administrative expenses | 2 | 33 | 35 | 81 | 117 |
| Depreciation | 1 | 6 | 8 | 18 | 25 |
| Sundry ordinary operating expenses | 3 | 21 | 22 | 72 | 98 |
| Total operating expenses | 8 | 132 | 144 | 379 | 534 |
| Pre-tax operating profit before losses | 39 | 143 | 1 160 | 426 | 544 |
| Net losses on loans etc. | 0 | 47 | 23 | 131 | 173 |
| Pre-tax operating profit | 39 | 96 | 1 137 | 295 | 371 |
| Taxes | 11 | 27 | 307 | 82 | 107 |
| Profit for the period | 28 | 69 | 830 | 213 | 264 |

Balance sheets

| <i>Amounts in NOK million</i> | Discontinuing operations ¹⁾ | | |
|---|---|-----------------|-------------------------------|
| | 30 Sept. 2004 | 31 Dec. 2003 | Pro forma 30 Sept. 2003 |
| Assets | | | |
| Cash and deposits with central banks | 0 | 0 | 0 |
| Lending to and deposits with credit institutions | 20 | 392 | 273 |
| Gross lending to customers | 0 | 27 700 | 26 787 |
| - Specified loan-loss provisions | 0 | (114) | (119) |
| - Unspecified loan-loss provisions | 0 | (181) | (184) |
| Net lending to customers | 0 | 27 405 | 26 484 |
| Reposessed assets | 0 | 134 | 127 |
| Shareholdings etc. | 0 | 40 | 33 |
| Investments in Life Insurance and Pensions and associated companies | 0 | 0 | 0 |
| Intangible assets | 9 | 152 | 340 |
| Fixed assets | 2 | 23 | 20 |
| Other assets | 1 213 | 323 | 78 |
| Prepayments and accrued income | 0 | 92 | 197 |
| Total assets | 1 245 | 28 561 | 27 552 |
| Liabilities and equity | | | |
| Loans and deposits from credit institutions | 0 | 24 520 | 23 857 |
| Deposits from customers | 0 | 283 | 375 |
| Other liabilities | 2 | 771 | 324 |
| Accrued expenses and prepaid revenues | 307 | 180 | 189 |
| Provisions for commitments | 3 | 23 | 33 |
| Subordinated loan capital | 0 | 350 | 350 |
| Total liabilities | 311 | 26 127 | 25 128 |
| Total equity | 934 | 2 434 | 2 424 |
| Total liabilities and equity | 1 245 | 28 561 | 27 552 |

1) Includes the accounts of Elcon, Postbanken Eiendomsmegling and Gjensidige NOR Fondsforsikring as included in the accounts of the DnB NOR Group in addition to the capital gain recorded on the sale of Elcon and Gjensidige NOR Fondsforsikring. As at 30 September 2004, Elcon and Gjensidige NOR Fondsforsikring are no longer consolidated in the group accounts.

Note 3 – Net interest income and credit commissions

| <i>Amounts in NOK million</i> | DnB NOR Group | | | | |
|---|----------------------|----------------------------------|---------------------------|--------------------------------|--------------------------------|
| | 3rd quarter 2004 | Pro forma 3rd quarter 2003 | January-September 2004 | Pro forma September 2003 | Pro forma Full year 2003 |
| Interest on loans to and deposits with credit institutions | 423 | 573 | 1 425 | 2 251 | 2 773 |
| Interest and credit commissions on instalment loans | 4 817 | 6 439 | 14 727 | 21 563 | 26 944 |
| Interest and credit commissions on overdraft and working capital facilities | 633 | 735 | 1 923 | 2 469 | 3 141 |
| Interest and credit commissions on building loans | 67 | 97 | 194 | 339 | 419 |
| Leasing income | 125 | 390 | 589 | 1 286 | 1 599 |
| Factoring income | 14 | 39 | 63 | 127 | 185 |
| Front-end fees, etc. | 272 | 226 | 745 | 642 | 868 |
| Interest on other loans to customers | 78 | 59 | 184 | 93 | 181 |
| Total interest income on loans to customers | 6 006 | 7 983 | 18 426 | 26 518 | 33 336 |
| Interest on commercial paper and bonds | 522 | 519 | 1 516 | 1 701 | 2 222 |
| Other interest income | 108 | 2 | 149 | 43 | 98 |
| Total interest income | 7 059 | 9 077 | 21 517 | 30 514 | 38 430 |
| Interest on loans and deposits from credit institutions | 430 | 503 | 1 384 | 1 901 | 2 362 |
| Interest on demand deposits from customers | 790 | 1 823 | 2 547 | 7 187 | 8 373 |
| Interest on time deposits from customers | 53 | 74 | 149 | 318 | 373 |
| Interest on special-term deposits from customers | 220 | 591 | 760 | 2 479 | 2 824 |
| Total interest expenses on deposits from customers | 1 062 | 2 489 | 3 456 | 9 984 | 11 570 |
| Interest on securities issued | 1 154 | 1 150 | 3 223 | 3 671 | 4 796 |
| Interest on subordinated loan capital | 183 | 164 | 530 | 491 | 662 |
| Contribution to the banks' guarantee funds | 70 | 129 | 209 | 376 | 499 |
| Other interest expenses | 852 | 1 134 | 2 815 | 3 600 | 4 752 |
| Total interest expenses | 3 751 | 5 568 | 11 617 | 20 023 | 24 641 |
| Net interest income and credit commissions | 3 308 | 3 509 | 9 900 | 10 490 | 13 789 |

Last five quarters

| <i>Amounts in NOK million</i> | DnB NOR Group | | | | |
|---|----------------------|---------------------|---------------------|----------------------------------|----------------------------------|
| | 3rd quarter 2004 | 2nd quarter 2004 | 1st quarter 2004 | Pro forma 4th quarter 2003 | Pro forma 3rd quarter 2003 |
| Interest on loans to and deposits with credit institutions | 423 | 528 | 475 | 522 | 573 |
| Interest and credit commissions on instalment loans | 4 817 | 4 744 | 5 166 | 5 380 | 6 439 |
| Interest and credit commissions on overdraft and working capital facilities | 633 | 649 | 642 | 672 | 735 |
| Interest and credit commissions on building loans | 67 | 64 | 64 | 80 | 97 |
| Leasing income | 125 | 123 | 341 | 314 | 390 |
| Factoring income | 14 | 13 | 36 | 57 | 39 |
| Front-end fees, etc. | 272 | 242 | 231 | 227 | 226 |
| Interest on other loans to customers | 78 | 44 | 62 | 89 | 59 |
| Total interest income on loans to customers | 6 006 | 5 879 | 6 541 | 6 818 | 7 983 |
| Interest on commercial paper and bonds | 522 | 570 | 425 | 521 | 519 |
| Other interest income | 108 | 18 | 22 | 56 | 2 |
| Total interest income | 7 059 | 6 995 | 7 462 | 7 916 | 9 077 |
| Interest on loans and deposits from credit institutions | 430 | 432 | 521 | 461 | 503 |
| Interest on demand deposits from customers | 790 | 788 | 969 | 1 186 | 1 823 |
| Interest on time deposits from customers | 53 | 46 | 50 | 55 | 74 |
| Interest on special-term deposits from customers | 220 | 250 | 290 | 345 | 591 |
| Total interest expenses on deposits from customers | 1 062 | 1 085 | 1 308 | 1 586 | 2 489 |
| Interest on securities issued | 1 154 | 1 049 | 1 021 | 1 126 | 1 150 |
| Interest on subordinated loan capital | 183 | 171 | 175 | 171 | 164 |
| Contribution to the banks' guarantee funds | 70 | 28 | 111 | 123 | 129 |
| Other interest expenses | 852 | 936 | 1 027 | 1 152 | 1 134 |
| Total interest expenses | 3 751 | 3 702 | 4 164 | 4 618 | 5 568 |
| Net interest income and credit commissions | 3 308 | 3 293 | 3 298 | 3 299 | 3 509 |

Note 4 – Net other operating income

| <i>Amounts in NOK million</i> | DnB NOR Group | | | | |
|---|----------------------|----------------------------------|---------------------------|--------------------------------|--------------------------------|
| | 3rd quarter 2004 | Pro forma 3rd quarter 2003 | January-September 2004 | Pro forma September 2003 | Pro forma Full year 2003 |
| Dividends | 18 | 27 | 121 | 165 | 212 |
| Net profit from Life Insurance and Pensions | 197 | 88 | 571 | 400 | 760 |
| Money transfer fees receivable | 830 | 797 | 2 387 | 2 288 | 3 069 |
| Fees on asset management services | 279 | 267 | 870 | 710 | 986 |
| Fees on custodial services | 40 | 37 | 120 | 117 | 159 |
| Fees on securities broking | 100 | 96 | 376 | 284 | 453 |
| Guarantee commissions | 90 | 92 | 290 | 282 | 378 |
| Interbank fees | 44 | 52 | 138 | 159 | 214 |
| Credit broking commissions | 39 | 29 | 90 | 84 | 117 |
| Sales commissions on insurance products | 61 | 62 | 214 | 156 | 226 |
| Sundry commissions and fees receivable on banking services | 168 | 190 | 536 | 522 | 734 |
| Total commissions and fees receivable | 1 652 | 1 623 | 5 023 | 4 602 | 6 335 |
| Money transfer fees payable | 289 | 282 | 864 | 856 | 1 166 |
| Interbank fees | 61 | 64 | 183 | 191 | 258 |
| Sundry commissions and fees payable on banking services | 160 | 176 | 509 | 431 | 632 |
| Total commissions and fees payable | 510 | 521 | 1 556 | 1 479 | 2 056 |
| Net gain/(loss) on short-term shareholdings | (3) | 81 | (3) | 77 | 163 |
| Net gain on commercial paper and bonds | 153 | 58 | 138 | 518 | 523 |
| Net gain on trading in foreign exchange and financial derivatives ¹⁾ | 474 | 456 | 2 304 | 1 215 | 1 494 |
| Net loss on other short-term interest instruments ¹⁾ | 281 | 99 | 1 247 | 455 | 333 |
| Net gain on foreign exchange and financial instruments | 344 | 496 | 1 192 | 1 355 | 1 847 |
| Operating income on real estate | 11 | 15 | 37 | 46 | 61 |
| Rental income ²⁾ | 23 | 12 | 114 | 46 | 63 |
| Fees on real estate broking | 145 | 161 | 463 | 435 | 595 |
| Share of profit in associated companies | 43 | 41 | 183 | 138 | 159 |
| Remunerations | (3) | 2 | (3) | 10 | 21 |
| Miscellaneous operating income ²⁾ | 74 | 67 | 263 | 199 | 282 |
| Total sundry ordinary operating income | 294 | 298 | 1 058 | 875 | 1 181 |
| Gains on the sale of fixed assets ³⁾ | 28 | 7 | 1 028 | 10 | 23 |
| Net other operating income | 2 024 | 2 017 | 7 437 | 5 928 | 8 302 |

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

2) Total external income from operations in Gjensidige NOR Driftspartner and Gjensidige NOR Markedsstøtte are included in these items as from the first quarter of 2004, representing NOK 60 million per quarter.

3) Of which NOK 977 million represented gains on the sale of Elcon in the first quarter of 2004 and NOK 35 million gains on the sale of Gjensidige NOR Fondsforsikring in the third quarter of 2004.

Note 4 – Net other operating income (continued)

| Last five quarters | DnB NOR Group | | | | |
|---|----------------------|---------------------|---------------------|----------------------------------|----------------------------------|
| | 3rd quarter 2004 | 2nd quarter 2004 | 1st quarter 2004 | Pro forma 4th quarter 2003 | Pro forma 3rd quarter 2003 |
| <i>Amounts in NOK million</i> | | | | | |
| Dividends | 18 | 89 | 14 | 47 | 27 |
| Net profit from Life Insurance and Pensions | 197 | 197 | 178 | 360 | 88 |
| Money transfer fees receivable | 830 | 810 | 747 | 780 | 797 |
| Fees on asset management services | 279 | 296 | 295 | 276 | 267 |
| Fees on custodial services | 40 | 39 | 41 | 42 | 37 |
| Fees on securities broking | 100 | 132 | 144 | 169 | 96 |
| Guarantee commissions | 90 | 104 | 96 | 96 | 92 |
| Interbank fees | 44 | 46 | 48 | 55 | 52 |
| Credit broking commissions | 39 | 28 | 23 | 33 | 29 |
| Sales commissions on insurance products | 61 | 63 | 89 | 70 | 62 |
| Sundry commissions and fees receivable on banking services | 168 | 165 | 203 | 212 | 190 |
| Total commissions and fees receivable | 1 652 | 1 683 | 1 687 | 1 733 | 1 623 |
| Money transfer fees payable | 289 | 295 | 280 | 310 | 282 |
| Interbank fees | 61 | 62 | 60 | 66 | 64 |
| Sundry commissions and fees payable on banking services | 160 | 166 | 183 | 200 | 176 |
| Total commissions and fees payable | 510 | 523 | 523 | 577 | 521 |
| Net gain/(loss) on short-term shareholdings | (3) | (20) | 20 | 86 | 81 |
| Net gain on commercial paper and bonds | 153 | (256) | 242 | 4 | 58 |
| Net gain on trading in foreign exchange and financial derivatives ¹⁾ | 474 | 1 524 | 306 | 280 | 456 |
| Net gain/(loss) on other short-term interest instruments ¹⁾ | (281) | (852) | (114) | 121 | (99) |
| Net gain on foreign exchange and financial instruments | 344 | 395 | 453 | 492 | 496 |
| Operating income on real estate | 11 | 9 | 17 | 15 | 15 |
| Rental income ²⁾ | 23 | 41 | 50 | 16 | 12 |
| Fees on real estate broking | 145 | 172 | 146 | 160 | 161 |
| Share of profit in associated companies | 43 | 81 | 58 | 20 | 41 |
| Remunerations | (3) | (1) | 1 | 11 | 2 |
| Miscellaneous operating income ²⁾ | 74 | 71 | 118 | 83 | 67 |
| Total sundry ordinary operating income | 294 | 373 | 390 | 306 | 298 |
| Gains on the sale of fixed assets ³⁾ | 28 | 20 | 979 | 13 | 7 |
| Net other operating income | 2 024 | 2 235 | 3 178 | 2 374 | 2 017 |

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

2) Total external income from operations in Gjensidige NOR Driftspartner and Gjensidige NOR Markedsstøtte are included in these items as from the first quarter of 2004, representing NOK 60 million per quarter.

3) Of which NOK 977 million represented gains on the sale of Elcon in the first quarter of 2004 and NOK 35 million gains on the sale of Gjensidige NOR Fondsforsikring in the third quarter of 2004.

Note 5 – Life Insurance and Pensions

Net profit from Life Insurance and Pensions

The business area Life Insurance and Pensions in DnB NOR comprises Vital Forsikring ASA including subsidiaries and the sister company Vital Link AS. Gjensidige NOR Fondsforsikring AS is not included in the figures. The company was sold to Forsikringsselskabet Danica in May 2004. Engaged in life and unit linked insurance, the business area applies accounting standards which in certain respects deviate from the principles used for the Group's other operations. 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. The item "Net profit from Life Insurance and Pensions" in the group accounts represents the DnB NOR Group's share of profits from the business area less goodwill amortisation. Columns showing figures for Life insurance refer to operations in Vital Forsikring ASA including subsidiaries. Columns showing figures for Life Insurance and Pensions refer to the life insurance company and unit linked operations in Vital Link.

Profit and loss accounts ¹⁾

| <i>Amounts in NOK million</i> | Life insurance | | | | |
|--|-----------------------|----------------------------------|--|--------------------------------|--------------------------------|
| | 3rd quarter 2004 | Pro forma 3rd quarter 2003 | Pro forma January-September 2004 | Pro forma September 2003 | Pro forma Full year 2003 |
| Premium income for own account | 3 694 | 2 394 | 14 401 | 9 749 | 14 047 |
| Income from financial assets | 8 629 | 2 915 | 17 467 | 17 163 | 22 864 |
| Other insurance-related income | 8 | 18 | 65 | 47 | 122 |
| Insurance settlements for own account | 2 405 | 2 959 | 7 388 | 8 271 | 10 876 |
| Increase in insurance provisions etc. | 2 403 | 689 | 10 575 | 4 962 | 8 107 |
| Insurance-related operating expenses | 290 | 295 | 905 | 882 | 1 215 |
| Expenses related to financial assets | 6 572 | 710 | 10 542 | 8 139 | 9 784 |
| Other insurance-related expenses | 17 | 58 | 79 | 106 | 165 |
| Transferred from/(to) securities adjustment reserve | (104) | (830) | 482 | (2 612) | (2 448) |
| Result of technical profit and loss accounts before special provisions | 539 | (214) | 2 925 | 1 987 | 4 438 |
| Transferred to additional allocations | 0 | 0 | 0 | 0 | 896 |
| Funds transferred to policyholders | 280 | (364) | 2 107 | 1 336 | 2 254 |
| Result of technical profit and loss accounts for life insurance operations | 259 | 149 | 818 | 651 | 1 288 |
| Other expenses | 24 | 12 | 75 | 117 | 148 |
| Result of ordinary operations ²⁾ | 235 | 137 | 743 | 535 | 1 140 |
| Taxes | 11 | 27 | 97 | 59 | 236 |
| Profit for the period | 224 | 111 | 646 | 476 | 904 |

Adjustments in the DnB NOR Group's accounts when accounting for Life Insurance and Pensions

| <i>Amounts in NOK million</i> | DnB NOR Group | | | | |
|--|----------------------|----------------------------------|--|--------------------------------|--------------------------------|
| | 3rd quarter 2004 | Pro forma 3rd quarter 2003 | Pro forma January-September 2004 | Pro forma September 2003 | Pro forma Full year 2003 |
| Profit for the period from life insurance operations | 224 | 111 | 646 | 476 | 904 |
| - Goodwill amortisation ³⁾ | 25 | 25 | 76 | 76 | 101 |
| Net profit from life insurance operations | 199 | 85 | 570 | 400 | 803 |
| Net profit/(loss) from unit linked activities | (2) | 2 | 1 | 0 | (42) |
| Net profit from Life Insurance and Pensions | 197 | 88 | 571 | 400 | 760 |

Balance sheets ¹⁾

| <i>Amounts in NOK million</i> | Life insurance | | |
|---|-----------------------|------------------------------|-------------------------------|
| | 30 Sept. 2004 | Pro forma 31 Dec. 2003 | Pro forma 30 Sept. 2003 |
| Financial assets | 148 407 | 140 243 | 138 556 |
| Accounts receivable | 4 702 | 2 175 | 1 710 |
| Other assets | 7 029 | 5 283 | 2 101 |
| Prepaid expenses and accrued income | 2 768 | 2 467 | 2 615 |
| Total assets | 162 906 | 150 168 | 144 982 |
| Paid-in capital | 2 343 | 2 343 | 2 343 |
| Retained earnings | 4 159 | 3 512 | 3 989 |
| Subordinated and perpetual subordinated loan capital securities | 2 496 | 2 663 | 2 877 |
| Securities adjustment reserve | 1 966 | 2 448 | 2 612 |
| Insurance provisions | 147 599 | 135 135 | 130 217 |
| Provisions for commitments | 865 | 756 | 35 |
| Liabilities | 1 575 | 2 792 | 2 637 |
| Accrued expenses and prepaid income | 1 903 | 519 | 272 |
| Total equity and liabilities | 162 906 | 150 168 | 144 982 |
| Market value above acquisition cost of bonds held to maturity | 3 692 | 2 842 | 2 436 |

Note 5 – Life Insurance and Pensions (continued)

1) The profit and loss accounts and balance sheets for life insurance operations have been prepared in conformity with general accounting principles and regulations for the annual accounts of insurance companies issued by Kredittilsynet.

2) Breakdown of profit and loss accounts

| Amounts in NOK million | Life insurance | | | | |
|---|---------------------|----------------------------------|--|-------------------|--------------------------------|
| | 3rd quarter 2004 | Pro forma 3rd quarter 2003 | Pro forma January-September 2004 | Pro forma 2003 | Pro forma full year 2003 |
| Administration result | (31) | (47) | (100) | (132) | (190) |
| Interest result | 577 | 132 | 3 335 | 2 671 | 5 472 |
| Risk result before additional provisions for disability | 31 | (43) | (103) | 21 | (92) |
| Total | 577 | 42 | 3 132 | 2 559 | 5 190 |
| Transferred to security reserve | (4) | 2 | 3 | 7 | 17 |
| Additional provisions for disability *) | 42 | 188 | 165 | 566 | 811 |
| Result from other activities/other provisions | (24) | (78) | (114) | (116) | (72) |
| Profits for distribution **) | 515 | (226) | 2 850 | 1 870 | 4 290 |
| Transferred to additional allocations | 0 | 0 | 0 | 0 | 896 |
| Funds transferred to policyholders | 280 | (364) | 2 107 | 1 336 | 2 254 |
| Result of ordinary operations | 235 | 137 | 743 | 535 | 1 140 |

*) Life Insurance and Pensions plans to strengthen disability provisions by NOK 220 million in 2004, of which NOK 165 million was charged to the risk result for the first three quarters.

| | | | | | |
|---|------|-------|-------|-------|-------|
| ***) Specification of profits for distribution | 515 | (226) | 2 850 | 1 870 | 4 290 |
| Of which profit for operations subject to profit sharing | 539 | (145) | 2 964 | 1 984 | 4 350 |
| - funds transferred to policyholders | 280 | (364) | 2 107 | 1 336 | 2 254 |
| - funds transferred to additional allocations | 0 | 0 | 0 | 0 | 896 |
| - profits for allocation to the owner and taxes | 259 | 219 | 857 | 648 | 1 200 |
| Of which profit from operations not subject to profit sharing | (24) | (81) | (114) | (114) | (61) |

Profits for allocation to the owner and taxes for life insurance 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.

3) Goodwill is amortised over 10 years.

Key figures

| Per cent | Life Insurance and Pensions | | | | |
|---|-----------------------------|----------------------------------|--|-------------------|--------------------------------|
| | 3rd quarter 2004 | Pro forma 3rd quarter 2003 | Pro forma January-September 2004 | Pro forma 2003 | Pro forma Full year 2003 |
| Recorded return ¹⁾ | 1.3 | 1.0 | 5.0 | 4.7 | 7.9 |
| Value-adjusted return excl. unrealised gains on long-term securities ^{1) 2)} | 5.1 | 6.5 | 6.1 | 8.8 | 9.7 |
| Value-adjusted return incl. unrealised gains on long-term securities ^{1) 2)} | 6.9 | 5.6 | 6.8 | 10.2 | 11.0 |
| Return on equity after taxes ^{2) 3)} | 8.6 | 6.2 | 10.1 | 8.3 | 11.9 |
| Expenses in per cent of policyholders' funds ^{1) 2) 4)} | 0.87 | 0.93 | 0.91 | 0.94 | 1.01 |
| Capital adequacy ratio ^{1) 5)} | 12.7 | 13.8 | 12.7 | 13.8 | 13.8 |
| Core capital ratio ^{1) 5)} | 9.1 | 9.2 | 9.1 | 9.2 | 9.6 |
| Policyholders' funds, life insurance operations (NOK billion) ^{5) 6)} | 149 | 132 | 149 | 132 | 137 |
| Asset under management, unit linked operations (NOK billion) ⁵⁾ | 9 | 6 | 9 | 6 | 7 |
| Solvency margin capital in per cent of solvency capital requirement ^{1) 5) 7)} | 137 | 147 | 137 | 147 | 152 |

1) Life insurance operations.

2) Figures are annualised.

3) Calculated on the basis of allocated risk capital.

4) Expenses charged to the administration result.

5) Figures at end of period.

6) Policyholders' funds include insurance provisions and 75 per cent of the securities adjustment reserve.

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

Note 5 – Life Insurance and Pensions (continued)

Solvency capital

The solvency capital consists of profit for the period, the securities adjustment reserve, additional allocations, the security reserve, equity, subordinated loan capital and perpetual subordinated loan capital securities and unrealised gains on long-term securities. All these elements, with the exception of part of the security reserve, can be used to meet the guaranteed rate of return on policyholders' funds.

| <i>Amounts in NOK million</i> | Life insurance | | |
|--|-----------------------|------------------------------|-------------------------------|
| | 30 Sept. 2004 | Pro forma 31 Dec. 2003 | Pro forma 30 Sept. 2003 |
| Profit for the period | 2 850 | 0 | 1 870 |
| Securities adjustment reserve | 1 966 | 2 448 | 2 612 |
| Additional allocations | 2 053 | 2 049 | 1 141 |
| Security reserve | 200 | 197 | 187 |
| Equity | 5 856 | 5 856 | 5 856 |
| Subordinated loan capital and perpetual subordinated loan capital securities | 2 496 | 2 663 | 2 877 |
| Unrealised gains on long-term securities | 3 692 | 2 842 | 2 436 |
| Total solvency capital | 19 112 | 16 055 | 16 979 |
| Guaranteed return on policyholders' funds | 4 001 | 4 966 | 3 643 |

Note 6 – Operating expenses

| <i>Amounts in NOK million</i> | DnB NOR Group | | | | |
|--|----------------------|----------------------------------|---------------------------|--|--------------------------------|
| | 3rd quarter 2004 | Pro forma 3rd quarter 2003 | January-September 2004 | Pro forma January-September 2003 | Pro forma Full year 2003 |
| Ordinary salaries ¹⁾ | 1 114 | 1 222 | 3 432 | 3 575 | 4 836 |
| Employer's national insurance contributions | 165 | 186 | 553 | 563 | 712 |
| Pension expenses | 166 | 152 | 510 | 436 | 666 |
| Social expenses | 75 | 81 | 204 | 240 | 363 |
| Total salaries and other ordinary personnel expenses | 1 519 | 1 642 | 4 699 | 4 815 | 6 577 |
| Fees | 126 | 88 | 379 | 364 | 526 |
| EDP expenses | 331 | 362 | 1 046 | 1 067 | 1 361 |
| Postage, telecommunications and office supplies ¹⁾ | 139 | 165 | 480 | 511 | 671 |
| Marketing and public relations | 83 | 100 | 284 | 336 | 451 |
| Travel expenses | 39 | 39 | 131 | 137 | 194 |
| Reimbursement to Norway Post for transactions executed | 145 | 141 | 414 | 383 | 563 |
| Training expenses | 7 | 10 | 32 | 37 | 46 |
| Sundry administrative expenses | 35 | 37 | 124 | 135 | 169 |
| Total administrative expenses | 905 | 942 | 2 891 | 2 970 | 3 982 |
| Goodwill amortisation | 123 | 139 | 386 | 410 | 550 |
| Other depreciation | 132 | 158 | 420 | 486 | 649 |
| Total depreciation | 255 | 297 | 806 | 896 | 1 200 |
| Operating expenses on properties and premises ¹⁾ | 227 | 227 | 708 | 691 | 878 |
| Operating expenses on machinery, vehicles and office equipment | 15 | 22 | 53 | 65 | 103 |
| Miscellaneous ordinary operating expenses | 52 | 117 | 227 | 374 | 453 |
| Total sundry ordinary operating expenses | 294 | 366 | 988 | 1 130 | 1 433 |
| Allocations to employee funds | 0 | 21 | 0 | 29 | 114 |
| Restructuring expenses | 0 | 8 | 930 | 24 | 38 |
| Losses on the sale of fixed assets | 1 | 2 | 8 | 23 | 28 |
| Write-downs on rental contracts and fixed assets | 5 | 4 | 4 | 16 | 40 |
| Total other expenses | 5 | 35 | 943 | 92 | 219 |
| Total operating expenses | 2 979 | 3 282 | 10 325 | 9 902 | 13 410 |

1) Total expenses from operations in Gjensidige NOR Driftspartner and Gjensidige NOR Markedsstøtte are included in these line items as from the first quarter of 2004, representing NOK 60 million per quarter.

Note 6 – Operating expenses (continued)

| <i>Amounts in NOK million</i> | DnB NOR Group | | | | |
|--|----------------------|---------------------|---------------------|----------------------------------|----------------------------------|
| | 3rd quarter 2004 | 2nd quarter 2004 | 1st quarter 2004 | Pro forma 4th quarter 2003 | Pro forma 3rd quarter 2003 |
| Ordinary salaries ¹⁾ | 1 114 | 1 100 | 1 218 | 1 261 | 1 222 |
| Employer's national insurance contributions | 165 | 184 | 205 | 149 | 186 |
| Pension expenses | 166 | 162 | 182 | 230 | 152 |
| Social expenses | 75 | 56 | 74 | 122 | 81 |
| Total salaries and other ordinary personnel expenses | 1 519 | 1 501 | 1 679 | 1 762 | 1 642 |
| Fees | 126 | 118 | 136 | 162 | 88 |
| EDP expenses | 331 | 357 | 358 | 294 | 362 |
| Postage, telecommunications and office supplies ¹⁾ | 139 | 152 | 188 | 160 | 165 |
| Marketing and public relations | 83 | 99 | 102 | 115 | 100 |
| Travel expenses | 39 | 50 | 42 | 57 | 39 |
| Reimbursement to Norway Post for transactions executed | 145 | 144 | 125 | 180 | 141 |
| Training expenses | 7 | 13 | 13 | 9 | 10 |
| Sundry administrative expenses | 35 | 49 | 40 | 34 | 37 |
| Total administrative expenses | 905 | 981 | 1 004 | 1 012 | 942 |
| Goodwill amortisation | 123 | 123 | 140 | 140 | 139 |
| Other depreciation | 132 | 138 | 150 | 163 | 158 |
| Total depreciation | 255 | 261 | 290 | 304 | 297 |
| Operating expenses on properties and premises ¹⁾ | 227 | 225 | 256 | 187 | 227 |
| Operating expenses on machinery, vehicles and office equipment | 15 | 15 | 22 | 37 | 22 |
| Miscellaneous ordinary operating expenses | 52 | 79 | 97 | 79 | 117 |
| Total sundry ordinary operating expenses | 294 | 319 | 374 | 303 | 366 |
| Allocations to employee funds | 0 | 0 | 0 | 85 | 21 |
| Restructuring expenses | 0 | 0 | 930 | 13 | 8 |
| Losses on the sale of fixed assets | 1 | 6 | 1 | 5 | 2 |
| Write-downs on rental contracts and fixed assets | 5 | 0 | 0 | 24 | 4 |
| Total other expenses | 5 | 6 | 931 | 127 | 35 |
| Total operating expenses | 2 979 | 3 068 | 4 278 | 3 508 | 3 282 |

1) Total expenses from operations in Gjensidige NOR Driftspartner and Gjensidige NOR Markedsstøtte are included in these line items as from the first quarter of 2004, representing NOK 60 million per quarter.

Note 7 – Restructuring provisions

| <i>Amounts in NOK million</i> | DnB NOR Group | | | |
|--------------------------------|----------------------|--|---------------------------------|-----------------|
| | 30 Sept. 2004 | January-September Accrued expenses | New provisions ¹⁾ | 31 Dec. 2003 |
| DnB NOR merger ²⁾ | 1 179 | 607 ²⁾ | 930 | 856 |
| Other restructuring provisions | 73 | 24 | 0 | 97 |
| Total | 1 252 | 631 ³⁾ | 930 | 953 |
| *) Of which: | | 216 | | |
| IT | | 216 | | |
| Staff cuts | | 358 | | |
| Other | | 33 | | |

1) In March 2004, the Board of Directors of DnB NOR ASA approved a restructuring plan for the integration of DnB NOR. The figure represents 50 per cent of total restructuring provisions in the DnB NOR merger.

2) Including restructuring expenses of NOK 11.3 million accrued by Vital. The group effect is calculated on the assumption that 35 per cent of expenses are reflected in profit to the owner.

3) In addition, a total of NOK 74 million was utilised in 2003 concerning the DnB NOR merger.

Note 8 – Number of employees/full-time positions ^{1) 2)}

| | DnB NOR Group | | | | |
|--|----------------------|----------------------------------|---------------------------|--|--------------------------------|
| | 3rd quarter 2004 | Pro forma 3rd quarter 2003 | January-September 2004 | Pro forma January-September 2003 | Pro forma Full year 2003 |
| Number of employees at end of period | 10 509 | 11 793 | 10 509 | 11 793 | 11 678 |
| Number of employees calculated on a full-time basis at end of period | 10 115 | 11 180 | 10 115 | 11 180 | 11 044 |
| Average number of employees | 10 602 | 11 824 | 10 972 | 12 036 | 11 950 |
| Average number of employees calculated on a full-time basis | 10 177 | 11 236 | 10 515 | 11 386 | 11 341 |

- 1) The full-year pro forma 2003 figures include 456 full-time positions in Elcon, Gjensidige NOR Fondsforsikring and Postbanken Eiendomsmedling. These subsidiaries have been sold or sales contracts have been agreed upon during the first half of 2004.
- 2) Elcon was sold on 30 March 2004, representing 464 employees, corresponding to 441 full-time positions. Gjensidige NOR Fondsforsikring was sold during the second quarter of 2004, representing eight full-time positions. 209 full-time-positions from the former joint venture companies Gjensidige NOR Driftspartner and Gjensidige NOR Markedsstøtte are included as from 1 January 2004.

Note 9 – Net losses/(reversals) on loans and guarantees

| <i>Amounts in NOK million</i> | DnB NOR Group | | | | |
|---|----------------------|----------------------------------|---------------------------|--|--------------------------------|
| | 3rd quarter 2004 | Pro forma 3rd quarter 2003 | January-September 2004 | Pro forma January-September 2003 | Pro forma Full year 2003 |
| Specification of net losses | | | | | |
| Write-offs ^{a)} | 74 | 113 | 359 | 518 | 725 |
| Increase in/(reversals on) specified loan-loss provisions ^{b)} | (27) | (7) | 254 | 244 | 288 |
| New specified loan-loss provisions ^{c)} | 243 | 434 | 501 | 1 365 | 1 657 |
| Total new specified provisions | 289 | 540 | 1 114 | 2 127 | 2 671 |
| Reassessed specified provisions ^{d)} | 339 | 116 | 800 | 309 | 509 |
| Total specified provisions | (50) | 424 | 314 | 1 818 | 2 162 |
| Recoveries on commitments previously written off ^{e)} | 71 | 69 | 217 | 208 | 276 |
| Increase in unspecified provisions during the period ^{f)} | 0 | 1 | 0 | 5 | 5 |
| Net losses/(reversals) on loans and guarantees ¹⁾ | (121) | 356 | 97 | 1 615 | 1 891 |
| Specification of changes | | | | | |
| Increase in/(reversals on) specified provisions ^{b) and c) minus d) and g)} | (389) | 245 | (716) | 880 | 773 |
| + Change in unspecified provisions ^{f)} | 0 | 1 | 0 | 5 | 5 |
| + Write-offs covered by specified provisions made in previous years ^{g)} | 265 | 66 | 671 | 420 | 664 |
| + Write-offs not covered by specified provisions made in previous years ^{a)} | 74 | 113 | 359 | 519 | 725 |
| - Recoveries on commitments previously written off ^{e)} | 71 | 69 | 217 | 208 | 276 |
| Net losses/(reversals) on loans and guarantees ¹⁾ | (121) | 356 | 97 | 1 615 | 1 891 |

- 1) Of which net losses/(reversals) on guarantees (4) 17 (6) 18 (7)
- a)-g) Show connections between the items.

Note 10 – Net losses/(reversals) on loans and guarantees for principal sectors

| <i>Amounts in NOK million</i> | DnB NOR Group | | | | |
|---|----------------------|----------------------------------|---------------------------|--|--------------------------------|
| | 3rd quarter 2004 | Pro forma 3rd quarter 2003 | January-September 2004 | Pro forma January-September 2003 | Pro forma Full year 2003 |
| Retail customers | 62 | 116 | 133 | 269 | 271 |
| International shipping | (14) | (1) | (39) | (33) | (60) |
| Real estate | (4) | 12 | (13) | 70 | 67 |
| Manufacturing | (231) | 91 | (165) | 274 | 342 |
| Services and management | 7 | 80 | (227) | 350 | 319 |
| Trade | 30 | 27 | 56 | 95 | 141 |
| Oil and gas | (30) | 5 | (34) | (1) | (3) |
| Transportation and communication | 5 | 21 | 23 | 49 | 69 |
| Building and construction | 7 | 31 | 53 | 63 | 156 |
| Power and water supply | 0 | 0 | 0 | 0 | 0 |
| Fishing | 20 | (56) | 134 | 105 | 128 |
| Other sectors | 25 | 29 | 176 | 369 | 450 |
| Total customers | (123) | 355 | 97 | 1 610 | 1 881 |
| Credit institutions | 2 | 0 | 0 | 0 | 5 |
| Increase in unspecified provisions | 0 | 1 | 0 | 5 | 5 |
| Total net losses/(reversals) on loans and guarantees | (121) | 356 | 97 | 1 615 | 1 891 |

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 11 – Lending to principal sectors ¹⁾

| <i>Amounts in NOK million</i> | DnB NOR Group | | |
|-----------------------------------|----------------------|-----------------|-------------------------------|
| | 30 Sept. 2004 | 31 Dec. 2003 | Pro forma 30 Sept. 2003 |
| Retail customers | 322 095 | 301 579 | 285 909 |
| International shipping | 32 626 | 31 167 | 30 848 |
| Real estate | 82 018 | 82 155 | 84 875 |
| Manufacturing | 22 408 | 24 758 | 25 730 |
| Services and management | 31 089 | 36 613 | 36 249 |
| Trade | 22 113 | 23 849 | 24 026 |
| Oil and gas | 3 649 | 4 238 | 4 509 |
| Transportation and communication | 12 901 | 14 026 | 14 759 |
| Building and construction | 6 061 | 8 428 | 8 266 |
| Power and water supply | 4 933 | 6 276 | 6 236 |
| Fishing | 9 318 | 10 440 | 10 549 |
| Hotels and restaurants | 3 925 | 4 113 | 4 211 |
| Agriculture and forestry | 4 284 | 4 749 | 4 340 |
| Central and local government | 1 775 | 2 094 | 2 378 |
| Other sectors | 6 948 | 6 731 | 7 671 |
| Total lending to customers | 566 142 | 561 217 | 550 556 |

1) *Loans after specified provisions.*

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 12 – Non-performing and doubtful commitments

| | Retail customers | | | Corporate customers | | | DnB NOR Group Total | | |
|--|------------------|--------------|-------------------------|---------------------|--------------|-------------------------|---------------------|--------------|-------------------------|
| | 30 Sept. 2004 | 31 Dec. 2003 | Pro forma 30 Sept. 2003 | 30 Sept. 2004 | 31 Dec. 2003 | Pro forma 30 Sept. 2003 | 30 Sept. 2004 | 31 Dec. 2003 | Pro forma 30 Sept. 2003 |
| <i>Amounts in NOK million</i> | | | | | | | | | |
| Non-performing commitments | | | | | | | | | |
| Before specified provisions | 2 735 | 3 064 | 2 873 | 5 162 | 6 989 | 8 070 | 7 897 | 10 053 | 10 943 |
| After specified provisions ¹⁾ | 1 927 | 2 143 | 1 931 | 3 002 | 4 388 | 4 891 | 4 929 | 6 531 | 6 822 |
| Doubtful commitments | | | | | | | | | |
| Before specified provisions | 982 | 436 | 526 | 2 144 | 2 366 | 2 762 | 3 126 | 2 802 | 3 288 |
| After specified provisions ¹⁾ | 696 | 317 | 405 | 1 487 | 1 553 | 1 871 | 2 183 | 1 870 | 2 276 |

1) Includes provisions for losses on lending to credit institutions.

Note 13 – Intangible assets

| | DnB NOR Group Pro forma | | |
|--------------------------------|-------------------------|--------------|---------------|
| | 30 Sept. 2004 | 31 Dec. 2003 | 30 Sept. 2003 |
| <i>Amounts in NOK million</i> | | | |
| Goodwill | 4 962 | 5 601 | 5 719 |
| Systems development | 95 | 172 | 167 |
| Postbanken brand name | 53 | 62 | 65 |
| Deferred tax assets | 893 | 642 | 1 627 |
| Other intangible assets | 1 | 7 | 14 |
| Total intangible assets | 6 004 | 6 484 | 7 591 |

Note 14 – Equity

| | DnB NOR Group Pro forma | | |
|---|-------------------------|----------------|-----------------|
| | Jan.-Sept. 2004 | Full year 2003 | Jan.-Sept. 2003 |
| <i>Amounts in NOK million</i> | | | |
| Shareholders' equity as at 1 January | 42 115 | 26 117 | 39 685 |
| Minority interests in Netaxept | | | (2) |
| Minority interests in DnB Absolute Return Investment AB | 2 | | 2 |
| Share issue ¹⁾ | 424 | | |
| Merger between DnB and Gjensidige NOR | | | |
| Share issue | | 13 647 | |
| Issue costs after taxes | | 144 | |
| Profit in Gjensidige NOR | | 2 564 | |
| First-year goodwill amortisation | | 135 | |
| Profit for the period | 5 085 | 3 017 | 3 808 |
| Dividends | | 2 919 | |
| Exchange rate movements | 15 | (32) | (23) |
| Shareholders' equity at end of period | 47 642 | 42 115 | 43 470 |

1) In accordance with the current subscription rights programme, employees subscribed for 12 929 907 shares at NOK 32.83 per share in the first quarter of 2004.

Note 15 – Capital adequacy

| <i>Amounts in NOK million</i> | DnB NOR Group | | |
|---|----------------------|-----------------|-------------------------------|
| | 30 Sept. 2004 | 31 Dec. 2003 | Pro forma 30 Sept. 2003 |
| Share capital | 13 220 | 13 090 | 13 090 |
| Other equity | 29 337 | 29 025 | 26 572 |
| Total equity | 42 557 | 42 115 | 39 662 |
| Perpetual subordinated loan capital securities ^{1) 2)} | 5 859 | 5 476 | 5 570 |
| Reductions | | | |
| Pension funds above pension commitments | (1 322) | (1 354) | (1 169) |
| Goodwill | (5 085) | (5 728) | (5 836) |
| Deferred tax assets | (912) | (808) | (1 889) |
| Other intangible assets etc. | (247) | (431) | (422) |
| Core capital | 40 850 | 39 270 | 35 916 |
| Perpetual subordinated loan capital ^{1) 2)} | 5 829 | 6 154 | 6 441 |
| Term subordinated loan capital ²⁾ | 12 748 | 11 945 | 12 875 |
| Net supplementary capital | 18 577 | 18 099 | 19 316 |
| Deductions | 291 | 870 | 1 230 |
| Total eligible primary capital ³⁾ | 59 137 | 56 499 | 54 002 |
| Total risk-weighted volume | 591 794 | 579 445 | 576 316 |
| Core capital ratio (per cent) | 6.9 | 6.8 | 6.2 |
| Capital ratio (per cent) | 10.0 | 9.8 | 9.4 |
| Including 50 per cent of profit for the period | | | |
| Core capital ratio (per cent) | 7.3 | - | 6.6 |
| Capital ratio (per cent) | 10.4 | - | 9.7 |

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 717 million in subordinated loan capital in life insurance operations and associated companies, in addition to subordinated loan capital in the Group's balance sheet.

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

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

Note 16 – Business areas ¹⁾

| <i>Amounts in NOK million</i> | DnB NOR Group | | | | | | | | | | | |
|--------------------------------|----------------------|--------|----------------------------|-------|--------------------|-------|---|---------|--|-------|---------------------------------|---------|
| | Net interest income | | Net other operating income | | Operating expenses | | Pre-tax operating profit/(loss) before losses | | Net losses on loans and long-term securities | | Pre-tax operating profit/(loss) | |
| | Jan.-Sept. | | Jan.-Sept. | | Jan.-Sept. | | Jan.-Sept. | | Jan.-Sept. | | Jan.-Sept. | |
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| Corporate Banking | 4 384 | 4 443 | 1 521 | 1 599 | 2 416 | 2 448 | 3 488 | 3 594 | (52) | 1 233 | 3 540 | 2 361 |
| Retail Banking | 5 339 | 5 262 | 2 059 | 1 910 | 4 877 | 5 178 | 2 521 | 1 994 | 113 | 207 | 2 408 | 1 787 |
| DnB NOR Markets | 212 | 404 | 1 611 | 1 493 | 816 | 889 | 1 007 | 1 008 | (3) | (1) | 1 010 | 1 010 |
| Life Insurance and Pensions | 0 | 0 | 792 | 573 | 0 | 0 | 792 | 573 | 0 | 0 | 792 | 573 |
| Asset Management | 11 | 37 | 683 | 595 | 509 | 527 | 184 | 105 | 0 | 0 | 184 | 105 |
| Discontinuing operations | 258 | 614 | 1 044 | 110 | 144 | 379 | 1 158 | 344 | 23 | 131 | 1 135 | 213 |
| Other operations ³⁾ | (304) | (269) | (273) | (351) | 1 563 | 482 | (2 139) | (1 102) | (35) | 16 | (2 105) | (1 117) |
| DnB NOR Group | 9 900 | 10 490 | 7 437 | 5 928 | 10 325 | 9 902 | 7 012 | 6 516 | 45 | 1 586 | 6 966 | 4 930 |

Profit and loss accounts, third quarter ²⁾

| <i>Amounts in NOK million</i> | DnB NOR Group | | | | | | | | | | | |
|-------------------------------|----------------------|-------|----------------------------|-------|--------------------|-------|---|-------|--|------|---------------------------------|-------|
| | Net interest income | | Net other operating income | | Operating expenses | | Pre-tax operating profit/(loss) before losses | | Net losses on loans and long-term securities | | Pre-tax operating profit/(loss) | |
| | 3rd quarter | | 3rd quarter | | 3rd quarter | | 3rd quarter | | 3rd quarter | | 3rd quarter | |
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| Corporate Banking | 1 528 | 1 496 | 456 | 517 | 784 | 811 | 1 200 | 1 203 | (175) | 214 | 1 375 | 989 |
| Retail Banking | 1 824 | 1 773 | 686 | 689 | 1 591 | 1 737 | 919 | 726 | 54 | 81 | 865 | 644 |
| DnB NOR Markets | 77 | 118 | 484 | 460 | 245 | 286 | 317 | 292 | (0) | (0) | 317 | 292 |
| Life Insurance and Pensions | 0 | 0 | 254 | 148 | 0 | 0 | 254 | 148 | 0 | 0 | 254 | 148 |
| Asset Management | 8 | 8 | 237 | 211 | 156 | 177 | 89 | 41 | 0 | 0 | 89 | 41 |
| Discontinuing operations | 8 | 227 | 39 | 28 | 8 | 132 | 39 | 123 | 0 | 47 | 39 | 76 |
| Other operations | (138) | (114) | (131) | (36) | 196 | 138 | (464) | (288) | (24) | 17 | (440) | (305) |
| DnB NOR Group | 3 308 | 3 509 | 2 024 | 2 017 | 2 979 | 3 282 | 2 353 | 2 244 | (145) | 359 | 2 498 | 1 885 |

Note 16 – Business areas ¹⁾ (continued)**Main balance sheet items, average balances ²⁾****DnB NOR Group**

| Amounts in NOK billion | Interest on allocated capital (NOK million) | | Allocated capital ⁴⁾ | | BIS capital ⁵⁾ | | Net lending to customers | | Customer deposits | | Assets under management ⁶⁾ | |
|--------------------------------|---|-------|---------------------------------|-------------|---------------------------|-------------|--------------------------|--------------|-------------------|--------------|---------------------------------------|--------------|
| | Jan.-Sept. | | Jan.-Sept. | | Jan.-Sept. | | Jan.-Sept. | | Jan.-Sept. | | Jan.-Sept. | |
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| Corporate Banking | 297.0 | 636.2 | 19.0 | 17.6 | 19.1 | 18.6 | 246.2 | 249.0 | 163.5 | 158.0 | | |
| Retail Banking | 117.9 | 244.3 | 7.5 | 6.7 | 11.3 | 9.9 | 297.3 | 255.6 | 185.7 | 180.3 | | |
| DnB NOR Markets | 28.9 | 72.3 | 1.8 | 2.0 | 1.8 | 1.7 | 1.4 | 1.6 | 9.3 | 10.0 | | |
| Life Insurance and Pensions | 139.8 | 285.9 | 8.9 | 7.9 | 4.2 | 4.0 | | | | | 152.6 | 134.7 |
| Asset Management | 15.3 | 30.8 | 1.0 | 0.9 | - | - | | | | | 482.6 | 425.7 |
| Discontinuing operations | | | | | | | 9.4 | 24.9 | 0.2 | 0.4 | | |
| Other operations ³⁾ | | | 6.7 | 6.4 | | | 1.8 | 1.1 | (10.2) | (12.3) | (138.6) | (117.8) |
| DnB NOR Group | | | 44.9 | 41.5 | 41.4 | 40.3 | 556.2 | 532.1 | 348.5 | 336.5 | 496.6 | 442.6 |

Key figures

| Per cent | Cost/income ratio excl. goodwill amortisation | | Ratio of deposits to lending | | Return on equity | | Return on equity (BIS) | | Full-time positions | |
|-----------------------------|---|-------------|------------------------------|-------------|------------------|-------------|------------------------|-------------|---------------------|---------------|
| | Jan.-Sept. | | Jan.-Sept. | | Jan.-Sept. | | Jan.-Sept. | | 30 Sept. | 31 Dec. |
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| Corporate Banking | 40.8 | 40.4 | 66.4 | 63.5 | 17.9 | 12.9 | 17.9 | 12.4 | 1 837 | 1 951 |
| Retail Banking | 65.7 | 71.9 | 62.4 | 70.5 | 30.7 | 25.5 | 21.0 | 18.5 | 4 383 | 4 660 |
| DnB NOR Markets | 44.8 | 46.9 | | | 52.6 | 48.6 | 55.4 | 57.2 | 530 | 610 |
| Life Insurance and Pensions | | | | | 10.1 | 8.3 | 19.2 | 12.4 | 994 | 1 022 |
| Asset Management | | | 73.4 | 83.4 | | | - | - | 313 | 359 |
| Discontinuing operations | | | | | | | | | 7 | 456 |
| Other operations | | | | | | | | | 2 050 ⁷⁾ | 1 986 |
| DnB NOR Group | 54.9 | 57.0 | 62.7 | 63.2 | 15.1 | 12.2 | 16.3 | 11.9 | 10 115 | 11 044 |

1) Figures for 2003 are pro forma.

2) Figures for the business areas are based on internal management reporting. The figures have been restated in accordance with the Group's current principles for allocating costs and capital between business areas. The management principles applied have been coordinated, thus the figures are not comparable with figures for previous periods for either DnB or Gjensidige NOR. In the first three quarters of 2004, the allocation of certain items between the business areas was reconsidered. Historical figures have been adjusted correspondingly.

3) Other operations:

| Amounts in NOK million | Net interest income | | Net other operating income | | Operating expenses | | Pre-tax operating profit/(loss) before losses | | Net losses on loans and long-term securities | | Pre-tax operating profit/(loss) | |
|------------------------|---------------------|--------------|----------------------------|--------------|--------------------|------------|---|----------------|--|-----------|---------------------------------|----------------|
| | Jan.-Sept. | | Jan.-Sept. | | Jan.-Sept. | | Jan.-Sept. | | Jan.-Sept. | | Jan.-Sept. | |
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| Group Centre *) | (316) | (312) | 543 | 461 | 1 752 | 670 | (1 525) | (521) | (41) | 14 | (1 484) | (535) |
| Double entries | 9 | (1) | (455) | (478) | 0 | 2 | (447) | (481) | 0 | 0 | (447) | (481) |
| Eliminations | 4 | 44 | (361) | (334) | (190) | (190) | (167) | (100) | 6 | 2 | (174) | (101) |
| Total | (304) | (269) | (273) | (351) | 1 563 | 482 | (2 139) | (1 102) | (35) | 16 | (2 105) | (1 117) |

*) Total external income and expenses from operations in Gjensidige NOR Driftspartner and Gjensidige NOR Markedsstøtte are included in these items as from the first quarter of 2004, representing NOK 60 million per quarter.

Eliminations refer mainly to internal deliveries between the support units Human Resources and Group Services, IT and Payment Services and the business areas. Further, inter-company transactions and possible gains and losses on transactions between companies in the Group are eliminated. The elimination of double entries 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.

| Group Centre - pre-tax operating profit/(loss) in NOK million | Jan.-Sept. | |
|--|----------------|--------------|
| | 2004 | 2003 |
| Restructuring provisions, DnB NOR merger | | (930) |
| Goodwill amortisation | | (439) |
| Ownership-related expenses (costs relating to shareholders, investor relations, strategic planning etc.) | | (106) |
| Income on equity investments | | 92 |
| Income on unallocated capital | | 104 |
| Other | | (205) |
| Pre-tax operating profit/(loss) | (1 484) | (535) |

4) The figures include the average capital requirement for the period. The allocation of capital is based on DnB NOR's internal management model, which includes credit, market, insurance, liquidity and operational risk for each business area. In addition, capital is maintained to comply with statutory requirements, cover uncertainty in risk estimates and serve as a buffer to meet future needs.

5) BIS capital is estimated at 7 per cent of average risk-weighted volume for the business areas.

6) The "other operations" line includes assets managed by Asset Management on behalf of Life Insurance and Pensions, representing NOK 138.5 billion in the first three quarters of 2004 and NOK 117.4 billion in the first three quarters of 2003.

7) 209 full-time positions in the former joint venture companies Gjensidige NOR Driftspartner and Gjensidige NOR Markedsstøtte are included as from 1 January 2004.

Note 17 – Profit and balance sheet trends

| Profit and loss accounts | DnB NOR Group | | | | |
|--|---------------|--------------|--------------|--------------|--------------|
| | 3rd quarter | 2nd quarter | 1st quarter | Pro forma | Pro forma |
| <i>Amounts in NOK million</i> | 2004 | 2004 | 2004 | 4th quarter | 3rd quarter |
| | | | | 2003 | 2003 |
| Net interest income and credit commissions | 3 308 | 3 293 | 3 298 | 3 299 | 3 509 |
| Dividends | 18 | 89 | 14 | 47 | 27 |
| Net profit from Life Insurance and Pensions | 197 | 197 | 178 | 360 | 88 |
| Commissions and fees receivable | 1 652 | 1 683 | 1 687 | 1 733 | 1 623 |
| Commissions and fees payable | 510 | 523 | 523 | 577 | 521 |
| Net gain on foreign exchange and financial instruments | 344 | 395 | 453 | 492 | 496 |
| Sundry ordinary operating income | 294 | 373 | 390 | 306 | 298 |
| Gains on the sale of fixed assets | 28 | 20 | 979 | 13 | 7 |
| Net other operating income | 2 024 | 2 235 | 3 178 | 2 374 | 2 017 |
| Salaries and other ordinary personnel expenses | 1 519 | 1 501 | 1 679 | 1 762 | 1 642 |
| Administrative expenses | 905 | 981 | 1 004 | 1 012 | 942 |
| Depreciation | 255 | 261 | 290 | 304 | 297 |
| Sundry ordinary operating expenses | 294 | 319 | 374 | 303 | 366 |
| Other expenses | 5 | 6 | 931 | 127 | 35 |
| Total operating expenses | 2 979 | 3 068 | 4 278 | 3 508 | 3 282 |
| Pre-tax operating profit before losses | 2 353 | 2 460 | 2 199 | 2 165 | 2 244 |
| Net losses/(reversals) on loans etc. | (121) | 82 | 135 | 276 | 356 |
| Net gain/(loss) on long-term securities | 24 | 13 | 15 | 195 | (3) |
| Pre-tax operating profit | 2 498 | 2 390 | 2 078 | 2 083 | 1 885 |
| Taxes | 675 | 645 | 561 | 513 | 501 |
| Profit for the period | 1 823 | 1 745 | 1 517 | 1 570 | 1 384 |
| Earnings per share | 1.38 | 1.32 | 1.16 | 1.20 | 1.06 |
| Diluted earnings per share | 1.37 | 1.31 | 1.15 | 1.19 | 1.05 |
| Average total assets | 747 641 | 745 941 | 727 687 | 689 051 | 712 670 |

Balance sheets

| Balance sheets | DnB NOR Group | | | | |
|---|----------------|----------------|--------------------|----------------|----------------|
| | 30 Sept. | 30 June | 31 March | 31 Dec. | Pro forma |
| <i>Amounts in NOK million</i> | 2004 | 2004 | 2004 ¹⁾ | 2003 | 30 Sept. |
| | | | | | 2003 |
| Assets | | | | | |
| Cash and deposits with central banks | 12 802 | 5 496 | 3 284 | 8 570 | 17 103 |
| Lending to and deposits with credit institutions | 24 346 | 65 725 | 60 336 | 28 331 | 31 771 |
| Net lending to customers | 562 608 | 554 117 | 544 165 | 557 503 | 546 803 |
| Reposessed assets | 580 | 414 | 460 | 576 | 873 |
| Commercial paper and bonds | 65 365 | 68 248 | 60 147 | 59 398 | 60 172 |
| Shareholdings etc. | 4 312 | 4 220 | 4 000 | 4 011 | 4 608 |
| Investments in Life Insurance and Pensions and associated companies | 8 119 | 7 861 | 7 722 | 7 365 | 7 796 |
| Other assets | 40 611 | 32 808 | 41 498 | 39 923 | 38 261 |
| Total assets | 718 744 | 738 889 | 721 611 | 705 677 | 707 388 |
| Liabilities and equity | | | | | |
| Loans and deposits from credit institutions | 63 501 | 98 964 | 75 509 | 78 497 | 82 451 |
| Deposits from customers | 349 654 | 351 733 | 341 469 | 335 576 | 330 704 |
| Securities issued | 192 310 | 192 101 | 192 386 | 181 649 | 175 920 |
| Other liabilities | 41 918 | 25 927 | 43 827 | 44 132 | 50 854 |
| Subordinated loan capital | 23 718 | 24 293 | 24 283 | 23 709 | 23 989 |
| Equity | 47 642 | 45 872 | 44 138 | 42 115 | 43 470 |
| Total liabilities and equity | 718 744 | 738 889 | 721 611 | 705 677 | 707 388 |

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

Note 18 – Profit and balance sheet trends excluding Elcon

| Profit and loss accounts | DnB NOR Group | | | | |
|--|---------------|--------------|--------------|--------------|--------------|
| | 3rd quarter | 2nd quarter | 1st quarter | Pro forma | Pro forma |
| <i>Amounts in NOK million</i> | 2004 | 2004 | 2004 | 4th quarter | 3rd quarter |
| | | | | 2003 | 2003 |
| Net interest income and credit commissions | 3 308 | 3 293 | 3 061 | 3 096 | 3 280 |
| Dividends | 18 | 89 | 14 | 47 | 27 |
| Net profit from Life Insurance and Pensions | 197 | 197 | 178 | 360 | 88 |
| Commissions and fees receivable | 1 652 | 1 683 | 1 670 | 1 716 | 1 609 |
| Commissions and fees payable | 510 | 523 | 498 | 561 | 507 |
| Net gain on foreign exchange and financial instruments | 344 | 395 | 455 | 493 | 495 |
| Sundry ordinary operating income | 294 | 373 | 381 | 296 | 283 |
| Gains on the sale of fixed assets | 28 | 20 | 979 | 13 | 7 |
| Net other operating income | 2 024 | 2 235 | 3 178 | 2 364 | 2 002 |
| Salaries and other ordinary personnel expenses | 1 519 | 1 501 | 1 606 | 1 679 | 1 570 |
| Administrative expenses | 905 | 981 | 980 | 1 006 | 916 |
| Depreciation | 255 | 261 | 279 | 293 | 287 |
| Sundry ordinary operating expenses | 294 | 319 | 362 | 284 | 350 |
| Other expenses | 5 | 6 | 931 | 127 | 35 |
| Total operating expenses | 2 979 | 3 068 | 4 157 | 3 388 | 3 157 |
| Pre-tax operating profit before losses | 2 353 | 2 460 | 2 082 | 2 072 | 2 125 |
| Net losses/(reversals) on loans etc. | (121) | 82 | 103 | 234 | 309 |
| Net gain/(loss) on long-term securities | 24 | 13 | 15 | 195 | (3) |
| Pre-tax operating profit | 2 498 | 2 390 | 1 993 | 2 032 | 1 813 |
| Taxes | 675 | 645 | 535 | 469 | 479 |
| Profit for the period | 1 823 | 1 745 | 1 458 | 1 563 | 1 333 |
| Earnings per share | 1.38 | 1.32 | 1.11 | 1.19 | 1.02 |
| Diluted earnings per share | 1.37 | 1.31 | 1.11 | 1.19 | 1.02 |
| Average total assets | 747 641 | 745 941 | 727 687 | 687 955 | 711 709 |

Balance sheets

| Balance sheets | DnB NOR Group | | | | |
|---|----------------|----------------|----------------|----------------|----------------|
| | 30 Sept. | 30 June | 31 March | 31 Dec. | Pro forma |
| <i>Amounts in NOK million</i> | 2004 | 2004 | 2004 | 2003 | 30 Sept. |
| | | | | | 2003 |
| Assets | | | | | |
| Cash and deposits with central banks | 12 802 | 5 496 | 3 284 | 8 570 | 17 103 |
| Lending to and deposits with credit institutions | 24 346 | 65 725 | 60 336 | 53 065 | 55 892 |
| Net lending to customers | 562 608 | 554 117 | 544 383 | 530 295 | 520 522 |
| Repossessed assets | 580 | 414 | 620 | 601 | 906 |
| Commercial paper and bonds | 65 365 | 68 248 | 60 147 | 59 398 | 60 172 |
| Shareholdings etc. | 4 312 | 4 220 | 4 000 | 4 005 | 4 582 |
| Investments in Life Insurance and Pensions and associated companies | 8 119 | 7 861 | 7 722 | 7 365 | 7 796 |
| Other assets | 40 611 | 32 808 | 41 126 | 41 282 | 39 453 |
| Total assets | 718 744 | 738 889 | 721 617 | 704 581 | 706 426 |
| Liabilities and equity | | | | | |
| Loans and deposits from credit institutions | 63 501 | 98 964 | 75 509 | 78 672 | 82 543 |
| Deposits from customers | 349 654 | 351 733 | 341 469 | 335 293 | 330 329 |
| Securities issued | 192 310 | 192 101 | 192 386 | 181 649 | 175 920 |
| Other liabilities | 41 918 | 25 927 | 43 892 | 43 144 | 50 312 |
| Subordinated loan capital | 23 718 | 24 293 | 24 283 | 23 709 | 23 989 |
| Equity | 47 642 | 45 872 | 44 078 | 42 115 | 43 333 |
| Total liabilities and equity | 718 744 | 738 889 | 721 617 | 704 581 | 706 426 |

Profit and loss accounts DnB NOR ASA

| <i>Amounts in NOK million</i> | 3rd quarter 2004 | 3rd quarter 2003 | January-September 2004 | January-September 2003 | Full year 2003 |
|--|---------------------|---------------------|---------------------------|---------------------------|-------------------|
| Interest income | 35 | 39 | 69 | 138 | 169 |
| Interest expenses | 44 | 56 | 182 | 219 | 276 |
| Net interest income and credit commissions | (9) | (16) | (113) | (81) | (107) |
| Dividends from group companies/group contributions | 0 | 0 | 0 | 0 | 3 629 |
| Commissions and fees payable | 2 | 10 | 7 | 27 | 4 |
| Net other operating income | (2) | (10) | (7) | (27) | 3 625 |
| Salaries and other ordinary personnel expenses | 1 | 1 | 22 | 2 | 19 |
| Administrative expenses | 26 | 19 | 80 | 57 | 63 |
| Sundry ordinary operating expenses | 2 | 3 | 4 | 5 | 7 |
| Other expenses | 0 | 0 | 7 | 0 | 0 |
| Total operating expenses | 29 | 23 | 113 | 64 | 89 |
| Pre-tax operating profit/(loss) before losses | (40) | (49) | (234) | (171) | 3 429 |
| Net gain on long-term securities | 13 | 0 | 13 | 0 | 0 |
| Pre-tax operating profit/(loss) | (26) | (49) | (220) | (171) | 3 429 |
| Taxes/(tax revenues) | (7) | (14) | (62) | (48) | 311 |
| Profit/(loss) for the period | (19) | (35) | (159) | (123) | 3 118 |

Balance sheets DnB NOR ASA

| <i>Amounts in NOK million</i> | 30 Sept. 2004 | 31 Dec. 2003 | 30 Sept. 2003 |
|--|------------------|-----------------|------------------|
| Assets | | | |
| Deposits with DnB NOR Bank ASA | 3 921 | 1 423 | 2 900 |
| Lending to other group companies | 2 061 | 1 825 | 1 801 |
| Investments in group companies | 45 975 | 46 121 | 28 569 |
| Other receivables due from group companies | 359 | 6 103 | 48 |
| Other assets | 55 | 30 | 10 |
| Total assets | 52 371 | 55 502 | 33 328 |
| Liabilities and equity | | | |
| Loans from DnB NOR Bank ASA | 6 153 | 6 370 | 3 690 |
| Loans from other group companies | 1 882 | 2 420 | 1 859 |
| Other liabilities and provisions | 277 | 2 919 | 350 |
| Paid-in capital | 13 220 | 13 090 | 7 696 |
| Retained earnings | 30 998 | 30 703 | 19 856 |
| Profit/(loss) for the period | (159) | - | (123) |
| Total liabilities and equity | 52 371 | 55 502 | 33 328 |

