

DnB NOR Group results



Third quarter 2004



DnB NOR – steady progress

January - September:

- Ordinary income rose by over 2 per cent to NOK 16.1 billion (15.7)
- Pre-tax operating profits increased by a good 45 per cent to NOK 6.9 billion (4.7)
- Ordinary cost/income ratio brought down to 55 per cent (57.4) ¹⁾
- Return on equity: 16.3 per cent (13.3) ¹⁾
- Earnings per share: NOK 4.16 (3.16) ¹⁾

1) Before goodwill amortisation
(Operations in Elcon are not included in the figures)



Integration process on schedule

- Number of full-time positions scaled back by around 880
- Synergies of NOK 426 million realised thus far
- Restructuring of the branch network progresses according to plan
- Renegotiated IT contract ensures synergies
- 3 000 employees have relocated in a carefully planned process
- Most conditions set by the Norwegian Competition Authority have been fulfilled

New retail market services and products



- Joint customer loyalty programmes:
 - Fox & Pia
 - Intro
 - Student
 - Total
 - Total Pluss
 - Saga
 - Privatbank
- Harmonisation of prices ensures savings of NOK 200 million for customers
- Joint website and customer service phone:
 - dnbnor.no
 - (+47) 915 04800

egen bolig?

Våre rådgivere hjelper deg i gang

Ring 04800 www.dnbnor.no

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The advertisement shows a waitress in a white apron and red skirt serving a couple sitting on a bench. The text 'egen bolig?' is overlaid on the image. Below the image, it says 'Våre rådgivere hjelper deg i gang' and 'Ring 04800 www.dnbnor.no'. The DnBNOR logo is in the bottom right corner.

Proximity to corporate clients

- DnB NOR has the highest local credit approval authorisations
- Meeting places for the business sector, e.g.:
 - Cash Management Day
 - Shipping seminar
 - Conference on commercial real estate
 - Energy seminar
- Joint website and customer service phone:
 - dnbnor.no
 - (+47) 915 07700



Stor bank?

Ja, og stor nok til å være der du er

Verdens største banker har hovedkontor i USA, Frankrike, England og Japan. Nordens største banker har hovedkontor i Stockholm, København og Helsinki. Blant de 5 største bankene i Norden er DnB NOR den eneste med hovedkontor i Norge, og den eneste med bedriftskompetanse på 60 steder i landet vårt. DnB NORs største konkurransefortrinn er den relasjonen vi har til kundene våre.

Derfor kommer vi til å gjøre det vi kan for å holde på og forsterke relasjonen til din bedrift. Derfor satses vi bevisst på regional styring og kompetanse. Og derfor utvikler vi kontinuerlig produkter og tjenester tilpasset nærste bedrifters behov. Vil du snakke med oss? Kontakt en av våre rådgivere. Du finner oss på www.dnbnor.no/bedrift og via Bedriftsservice 07700.

DnB NOR

Vision: Vital makes the future simpler



- Joint products and customer service in the retail and corporate markets
- Same information and reporting of results to all clients
- Greater interest in defined-contribution pensions among businesses, but strongest growth in guaranteed-rate products in the retail market



Financial highlights - January through September



<i>Amounts in NOK million</i>	January - September		<i>January - September</i>	
	2004 ¹⁾	2003 ¹⁾	<i>2004</i>	<i>2003</i>
Pre-tax operating profit before losses	6 894	6 187	7 012	6 516
Pre-tax operating profit	6 881	4 733	6 966	4 930
Profit for the period	5 026	3 671	5 085	3 808
Ordinary cost/income ratio excl. goodwill (per cent)	55.0	57.4	54.9	57.0
Return on equity excl. goodwill (per cent)	16.3	13.3	16.5	13.7
Earnings per share excl. goodwill (NOK)	4.16	3.16	4.21	3.28
Earnings per share (NOK)	3.81	2.81	3.86	2.91
Total combined assets at end of period (NOK billion)	1 222	1 181	1 222	1 182
Core capital ratio at end of period (per cent) ²⁾	7.3	-	7.3	6.6

1) Excluding Elcon

2) Including 50 per cent of profits for the period

Pro forma accounting figures for 2003.

DnBNOR



Profit and loss accounts

<i>Amounts in NOK million</i>	3Q04	3Q03 ¹⁾	3Q03
Net interest income	3 308	3 280	3 509
Net other ordinary operating income	1 996	1 995	2 010
Ordinary operating expenses	2 974	3 123	3 248
Ordinary operating profit	2 330	2 152	2 271
Gains on the sale of fixed assets	28	7	7
Other expenses	5	35	35
Pre-tax operating profit before losses	2 353	2 125	2 244
Net losses/(reversals) on loans etc.	(121)	309	356
Net gain/(loss) on long-term securities	24	(3)	(3)
Pre-tax operating profit	2 498	1 813	1 885
Taxes	675	479	501
Profit for the period	1 823	1 333	1 384

1) Excluding Elcon

Pro forma accounting figures for 2003.

DnBNOR



Profit and loss accounts

<i>Amounts in NOK million</i>	3Q04	2Q04	1Q04	4Q03	3Q03	<i>January - September</i>	
						2004	2003
Net interest income	3 308	3 293	3 298	3 299	3 509	9 900	10 490
Net other ordinary operating income	1 996	2 214	2 199	2 361	2 010	6 409	5 918
Ordinary operating expenses	2 974	3 062	3 347	3 381	3 248	9 383	9 811
Ordinary operating profit	2 330	2 446	2 151	2 279	2 271	6 926	6 597
Gains on the sale of fixed assets	28	20	979	13	7	1 028	10
Other expenses	5	6	931	127	35	943	92
Pre-tax operating profit before losses	2 353	2 460	2 199	2 165	2 244	7 012	6 516
Net losses/(reversals) on loans etc.	(121)	82	135	276	356	97	1 615
Net gain/(loss) on long-term securities	24	13	15	195	(3)	51	30
Pre-tax operating profit	2 498	2 390	2 078	2 083	1 885	6 966	4 930
Taxes	675	645	561	513	501	1 881	1 122
Profit for the period	1 823	1 745	1 517	1 570	1 384	5 085	3 808

Pro forma accounting figures for 2003.

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Changes in net interest income

<i>Amounts in NOK million</i>	<i>3Q04</i>	<i>Change</i>	<i>3Q03</i>
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)	
Funding costs on equity, share investments and real estate		(84)	
Contribution to the banks' guarantee funds		59	
Other		(20)	

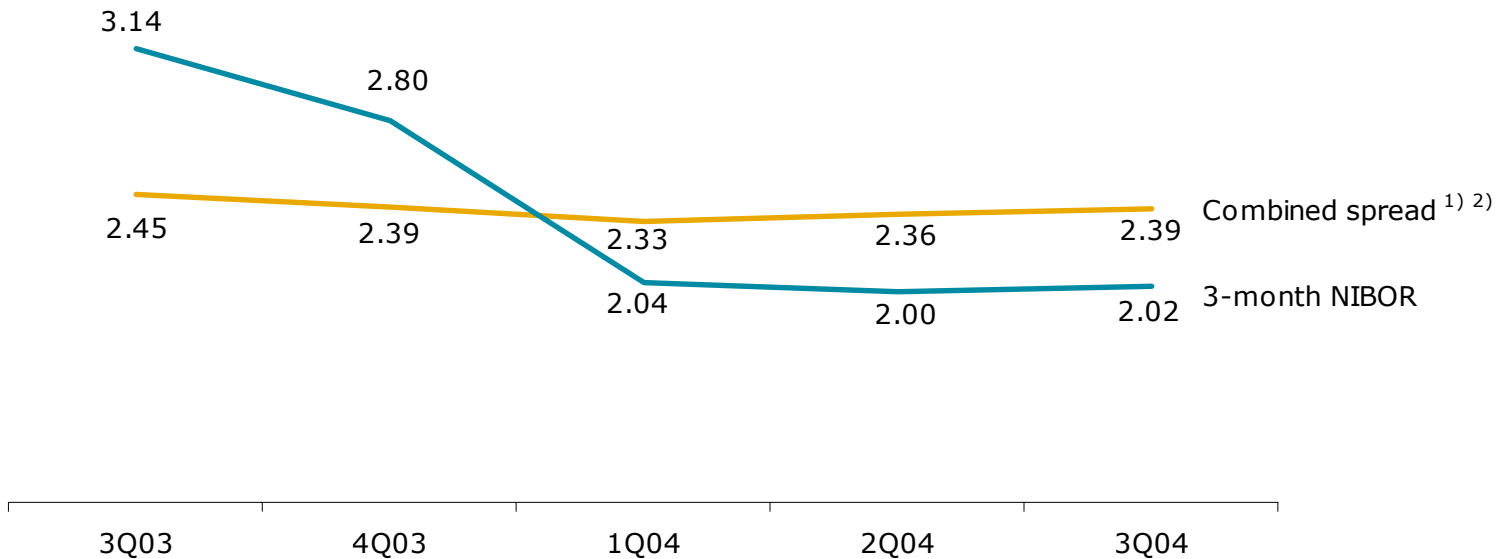
Pro forma accounting figures for 2003.

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Developments in average interest rate spreads



Per cent



1) Combined spread for lending and deposits

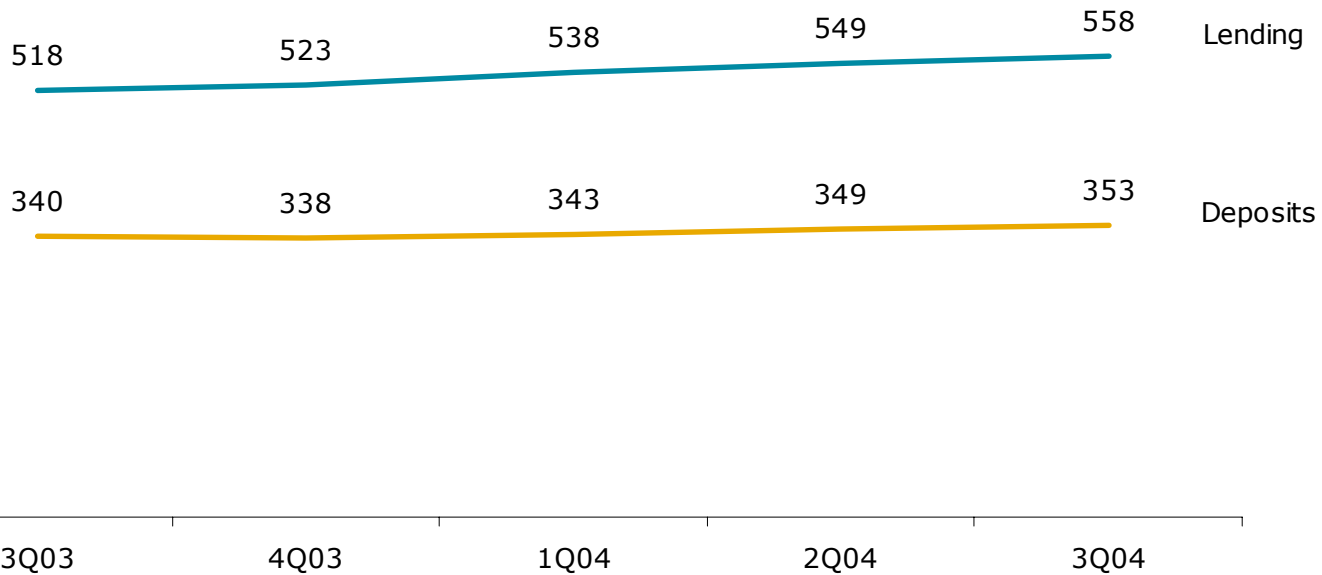
2) Excluding Elcon

Pro forma accounting figures for 2003.

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Developments in average volumes ¹⁾

NOK billion



1) Excluding Elcon

Pro forma accounting figures for 2003.

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Other operating income

<i>Amounts in NOK million</i>	3Q04	2Q04	1Q04	4Q03	3Q03	<i>January - September</i>	
						2004	2003
Income on traditional financial services	1 632	1 699	1 788	1 630	1 664	5 119	4 930
Net profit form Life Insurance and Pensions	197	197	178	360	88	571	400
Trading income on foreign exchange and interest rate instruments, DnB NOR Markets	110	168	160	105	94	438	208
Equity-related income	58	150	74	266	164	282	380
Net ordinary operating income	1 996	2 214	2 198	2 361	2 010	6 409	5 918
Gains on the sale of fixed assets	28	20	979	13	7	1 028	10
Net other operating income	2 024	2 235	3 178	2 374	2 017	7 437	5 928
Unrealised and unrecorded gains at end of period	80	106	175	102	42	80	42

Pro forma accounting figures for 2003.

DnBNOR



Changes in net other operating income

<i>Amounts in NOK million</i>	3Q04	Change	3Q03
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)	
Net profit from 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	

Pro forma accounting figures for 2003.

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Changes in total operating expenses

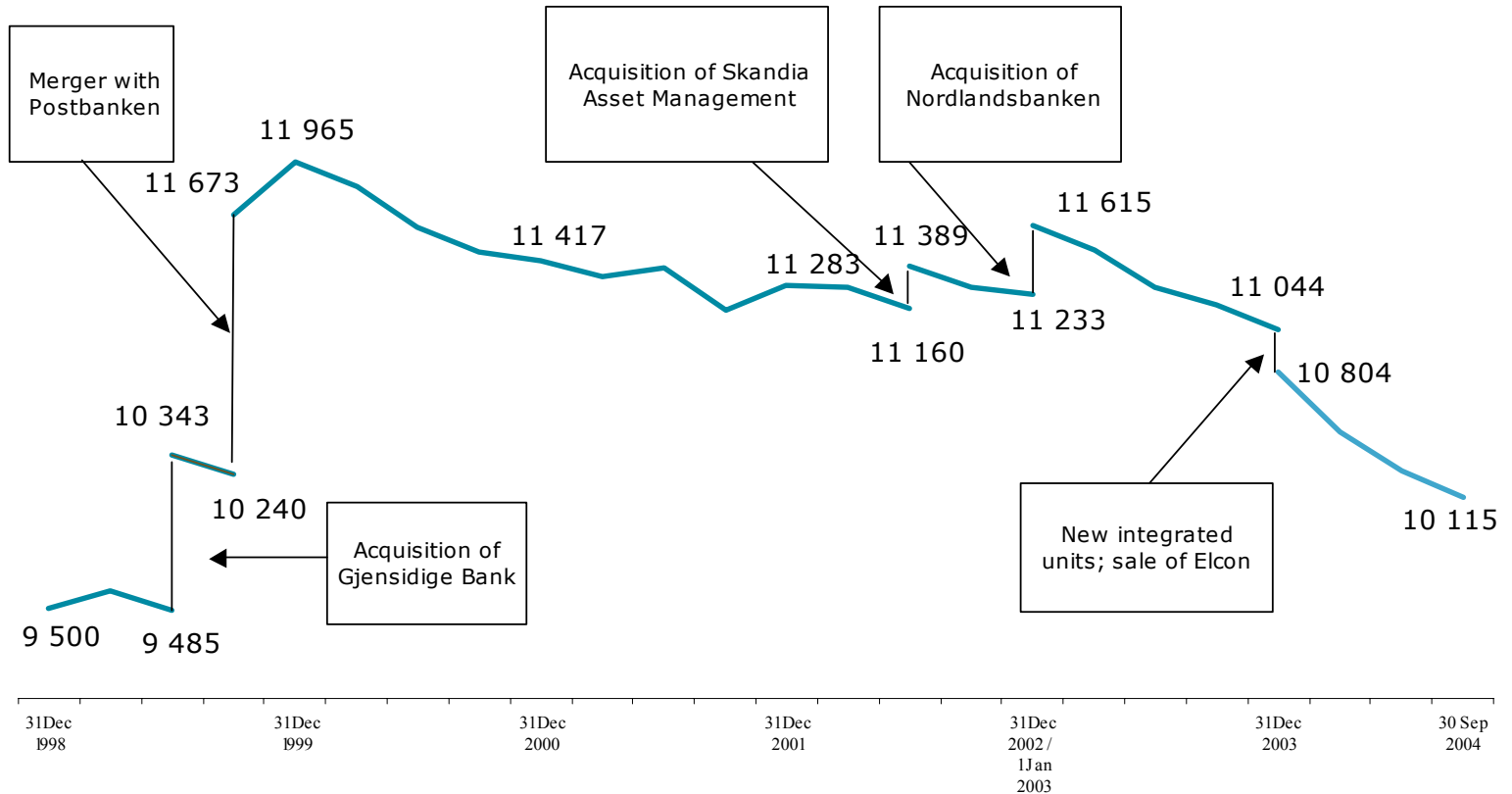
<i>Amounts in NOK million</i>	3Q04	Change	3Q03
Total operating expenses	2 979	(303)	3 282
Other expenses	5	(30)	35
Elcon	-	(125)	125
Driftspartner and Markedsstøtte	60	60	-
Total adjusted ordinary operating expenses	2 914	(208)	3 122
Of which:			
Wage settlements and pension expenses		53	
External distribution		13	
Merger synergies		(178)	} (274)
Streamlining of operations		(96)	

Pro forma accounting figures for 2003.

DnBNOR



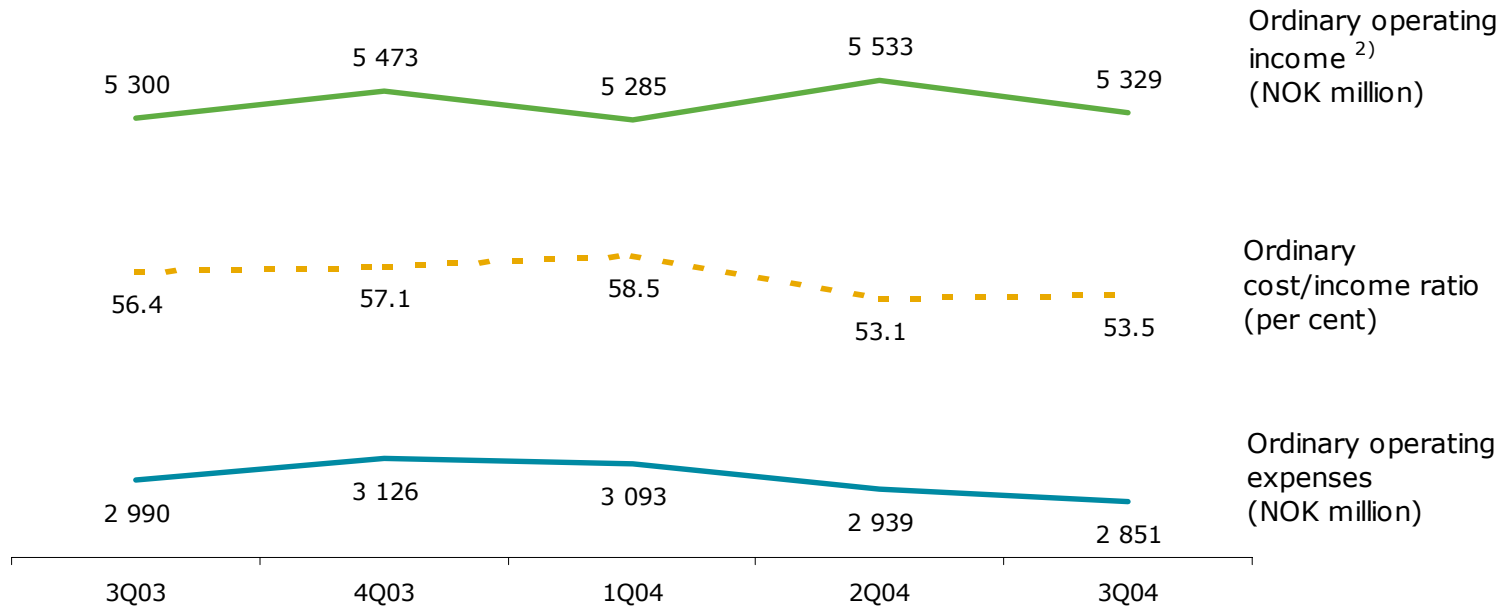
Full-time positions



Pro forma figures prior to 31 December 2003.

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Ordinary cost/income ratio before goodwill amortisation ¹⁾



1) Excluding Elcon

2) Excluding amortisation of goodwill on the investment in Vital

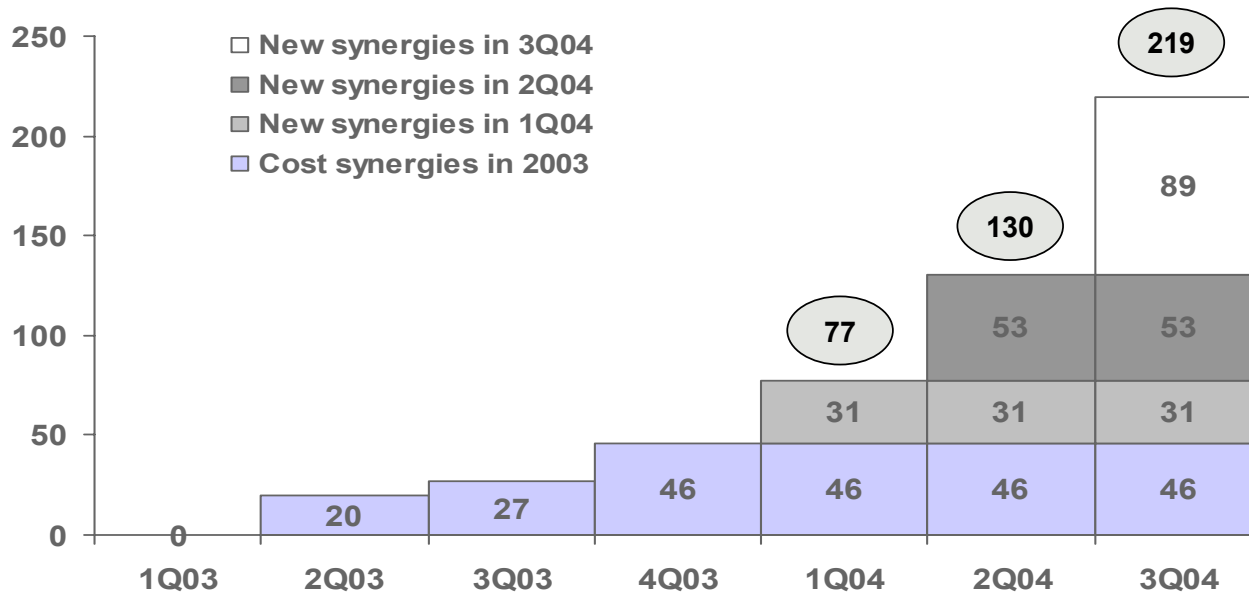
Pro forma accounting figures for 2003.

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Quarterly cost synergies

NOK million



**Effect on 2003 accounts:
NOK 93 million**

**Effect on 2004 accounts:
NOK 426 million**



Net losses on loans and guarantees

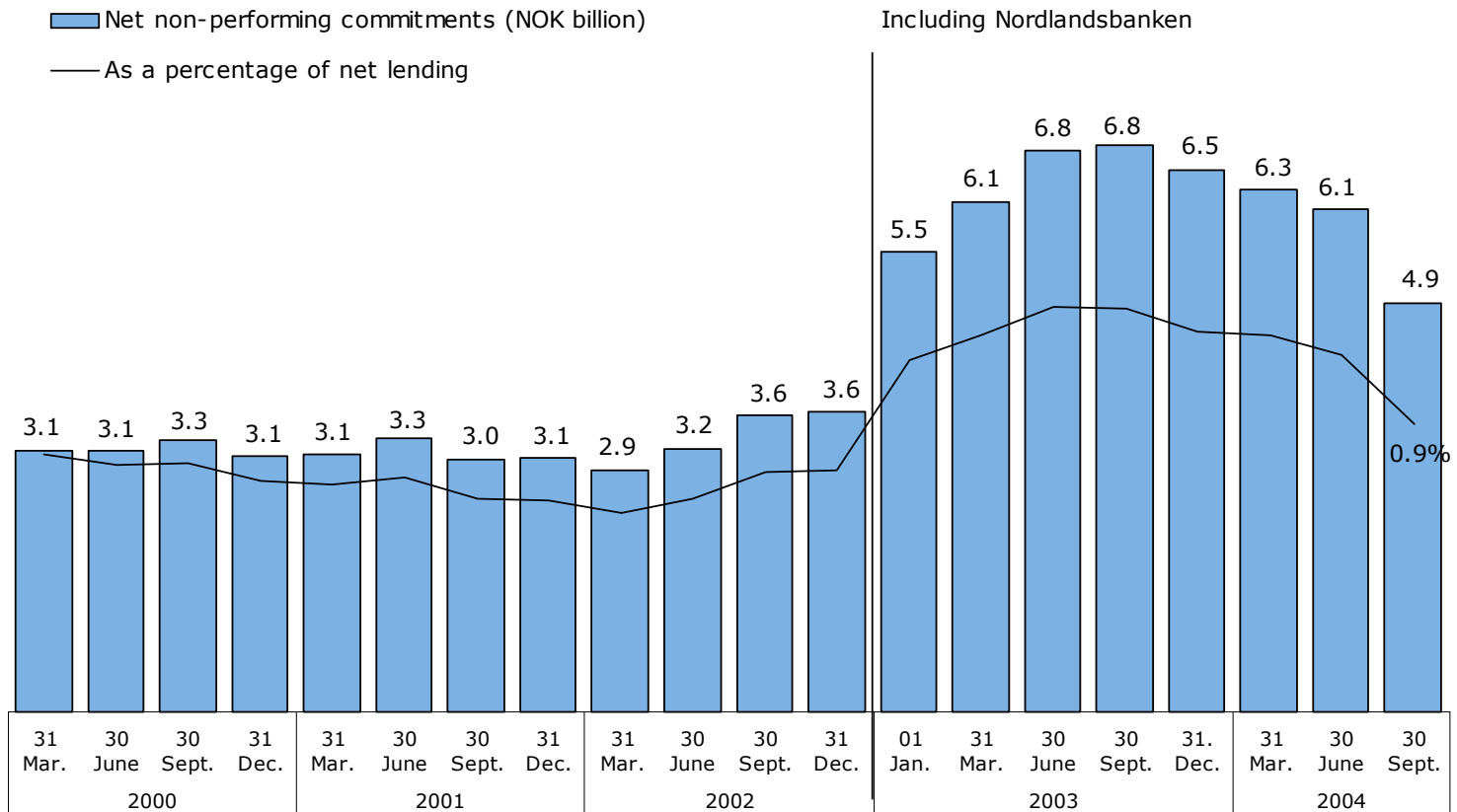
<i>Amounts in NOK million</i>	3Q04	2Q04	1Q04	4Q03	3Q03	<i>January - September</i>	
						2004	2003
Retail Banking	54	62	10	39	81	126	207
Corporate Banking	(175)	19	104	232	216	(52)	1 245
Discontinuing operations	-	-	23	40	47	23	132
Other units	0	1	(1)	(35)	12	0	31
Net losses/(reversals)	(121)	82	135	276	356	97	1 615

<i>Amounts in NOK million</i>	3Q04	2Q04	1Q04	4Q03	3Q03	<i>January - September</i>	
						2004	2003
New losses	289	229	595	543	541	1 114	2 132
Reversals on specified losses	410	147	460	267	185	1 017	517
Net losses/(reversals)	(121)	82	135	276	356	97	1 615

Pro forma accounting figures for 2003.

DnBNOR

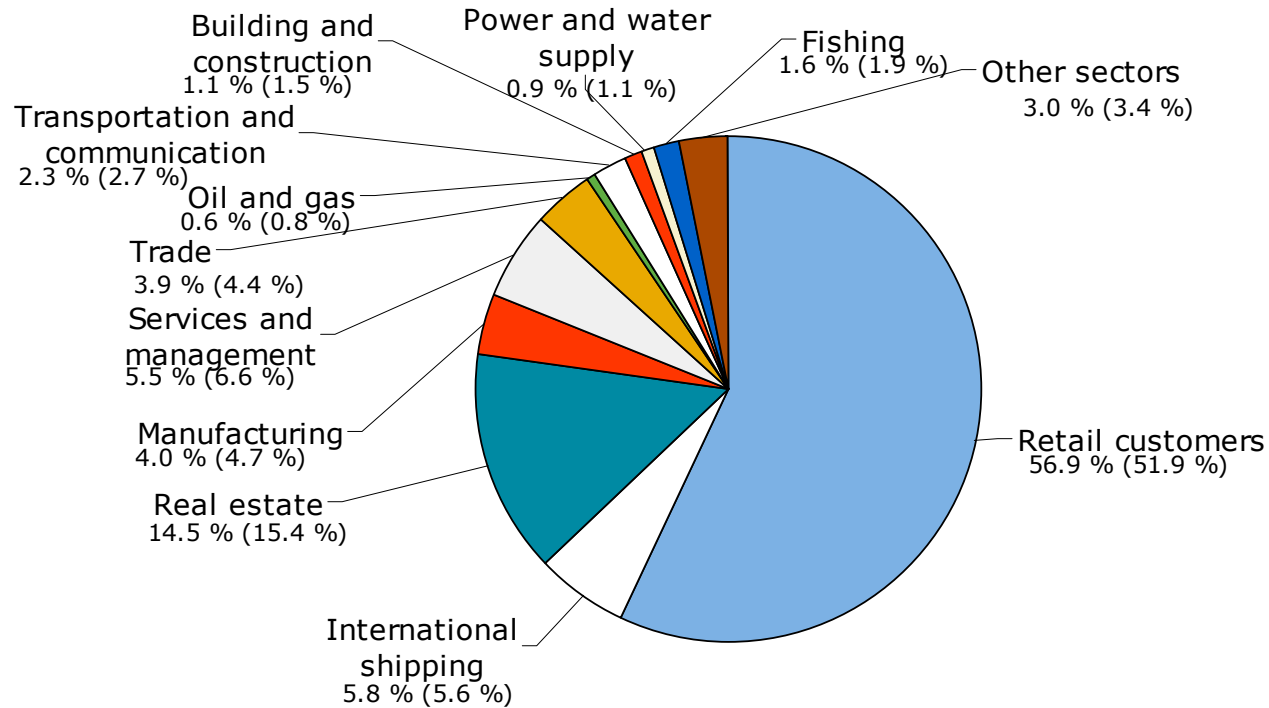
Non-performing commitments after specified loan-loss provisions



Pro forma accounting figures prior to 31 December 2003.



Well-balanced loan portfolio



Figures as at 30 September 2003 in parentheses

Pro forma accounting figures for 2003.

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Balance sheets

<i>Amounts in NOK billion</i>	30 Sept. 2004 ¹⁾	31 Dec. 2003 ²⁾	30 Sept. 2003 ²⁾
Cash and lending to/deposits with credit institutions	37	62	73
Net lending to customers	563	530	521
Commercial paper, bonds, etc.	65	59	60
Shareholdings	12	11	12
Fixed and intangible assets	10	11	12
Other assets	31	31	29
Total assets	719	705	706
Loans and deposits from credit institutions	64	79	83
Deposits from customers	350	335	330
Borrowings through the issue of securities	192	182	176
Other liabilities and provisions	42	43	50
Primary capital	71	66	67
Total liabilities and equity	719	705	706
Average total assets for the year to date	740	696	699
Ratio of deposits to net lending (per cent)	62.1	63.2	63.5

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

2) Excluding Elcon

Pro forma accounting figures prior to 31 December 2003.

DnBNOR

Profit and loss accounts - January through September



<i>Amounts in NOK million</i>	January - September		<i>January - September</i>	
	2004 ¹⁾	2003 ¹⁾	<i>2004</i>	<i>2003</i>
Net interest income	9 662	9 875	9 900	10 490
Net other ordinary operating income	6 409	5 854	6 409	5 918
Ordinary operating expenses	9 262	9 460	9 383	9 811
Ordinary operating profit	6 809	6 269	6 926	6 597
Gains on the sale of fixed assets	1 028	10	1 028	10
Other expenses	942	92	943	92
Pre-tax operating profit before losses	6 894	6 187	7 012	6 516
Net losses on loans etc.	64	1 484	97	1 615
Net gain on long-term securities	51	30	51	30
Pre-tax operating profit	6 881	4 733	6 966	4 930
Taxes	1 855	1 062	1 881	1 122
Profit for the period	5 026	3 671	5 085	3 808

1) Excluding Elcon

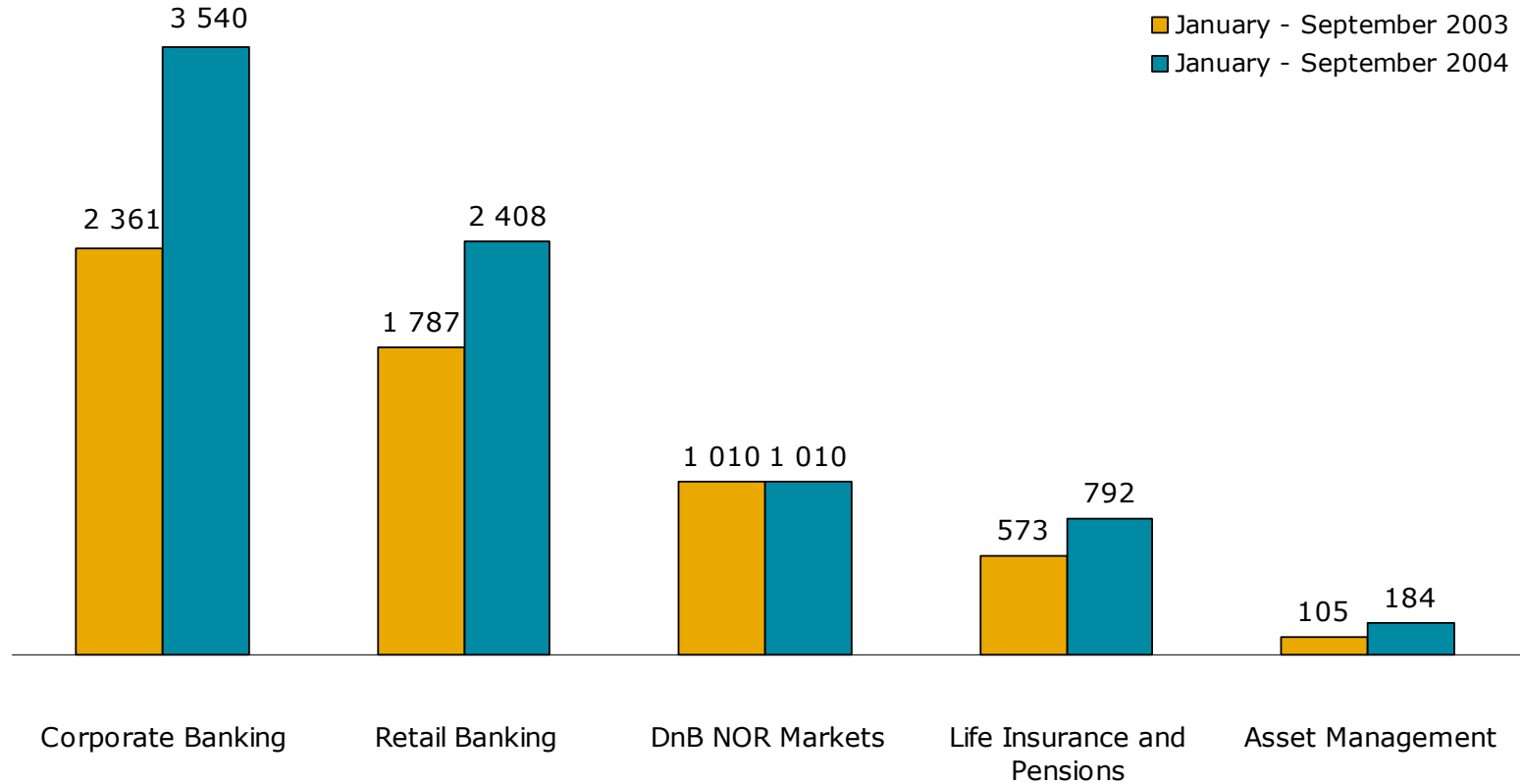
Pro forma accounting figures for 2003.

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Business areas - pre-tax operating profit



NOK million



Pro forma accounting figures for 2003.



Corporate Banking ¹⁾

<i>Amounts in NOK million</i>	<i>January - September</i>	
	<i>2004</i>	<i>2003</i>
Net interest income - ordinary operations	4 087	3 806
Interest on allocated capital	297	636
Net interest income	4 384	4 443
Net other operating income	1 521	1 599
Total income	5 904	6 042
Operating expenses	2 416	2 448
Pre-tax operating profit before losses	3 488	3 594
Net losses	(52)	1 233
Pre-tax operating profit	3 540	2 361
Net lending to customers (NOK billion)	246	249
Deposits from customers (NOK billion)	164	158
Cost/income ratio excl. goodwill (per cent)	40.8	40.4
Ratio of deposits to lending (per cent)	66.4	63.5
Return on equity (per cent)	17.9	12.9

1) Figures do not include operations required sold in connection with the merger.

- Low credit growth offset by improved risk pricing
- Reduction in income from FX and interest rate markets offset by positive trend in leasing and factoring
- Integration according to plan
- Positive loan-loss trend
- Off-balance sheet commitments ensure satisfactory market share development

Pro forma accounting figures for 2003.



Retail Banking ¹⁾

<i>Amounts in NOK million</i>	<i>January - September</i>	
	<i>2004</i>	<i>2003</i>
Net interest income - ordinary operations	5 221	5 017
Interest on allocated capital	118	244
Net interest income	5 339	5 262
Net other operating income	2 059	1 910
Total income	7 398	7 171
Operating expenses	4 877	5 178
Pre-tax operating profit before losses	2 521	1 994
Net losses	113	207
Pre-tax operating profit	2 408	1 787
Net lending to customers (NOK billion)	297	256
Deposits from customers (NOK billion)	186	180
Cost/income ratio excl. goodwill (per cent)	65.7	71.9
Ratio of deposits to lending (per cent)	62.4	70.5
Return on equity (per cent)	30.7	25.5

- Solid growth in housing loans (16 per cent) boosts interest income
- Rise in other income due to higher volumes within payment transactions and cross-sales of products
- Integration according to plan
- Satisfactory market share development

1) Figures do not include operations required sold in connection with the merger.

Pro forma accounting figures for 2003.

DnBNOR



DnB NOR Markets

<i>Amounts in NOK million</i>	<i>January - September</i>	
	<i>2004</i>	<i>2003</i>
Net interest income - ordinary operations	183	332
Interest on allocated capital	29	72
Net interest income	212	404
Net other operating income	1 611	1 493
Total income	1 824	1 897
Operating expenses	816	889
Pre-tax operating profit before losses	1 007	1 008
Net losses	(3)	(1)
Pre-tax operating profit	1 010	1 010
Cost/income ratio excl. goodwill (per cent)	44.8	46.9
Return on equity (per cent)	52.6	48.6

- More stable foreign exchange, interest rate and credit markets
- Healthy trend in equity markets
- Sound trading income
- Integration complete, synergy targets realised
- DnB NOR Markets largest player on Oslo Børs

Pro forma accounting figures for 2003.



Life Insurance and Pensions

<i>Amounts in NOK million</i>	<i>January - September</i>	
	<i>2004</i>	<i>2003</i>
Interest result	3 335	2 671
Risk result ¹⁾	(268)	(545)
Administration result	(100)	(132)
Other	(114)	(116)
Transferred to security reserve	3	7
Profit for distribution	2 850	1 870
Funds transferred to policyholders	2 107	1 336
Tax charge	97	58
Net profit in Life Insurance	646	476
+ Net profit in unit linked	1	0
= Net profit from Life Insurance and Pensions	647	476
- Goodwill amortisation	76	76
= Net profit from Life Insurance and Pensions in the group accounts	571	400
Return on equity (per cent)	10.1	8.3

1) The risk result figure for first three quarters of 2004 includes a transfer of NOK 165 million to strengthen the disability reserve, as against NOK 566 million in 2003.

- Premium income up 48 per cent to NOK 16.8 billion
- Positive inflow of transfers of NOK 2.9 billion
- Returns in the first three quarters:
 - recorded 5.0 per cent
 - value-adjusted 4.6 per cent
 - value-adjusted 5.0 per cent incl. bonds held to maturity
- Satisfactory market share development

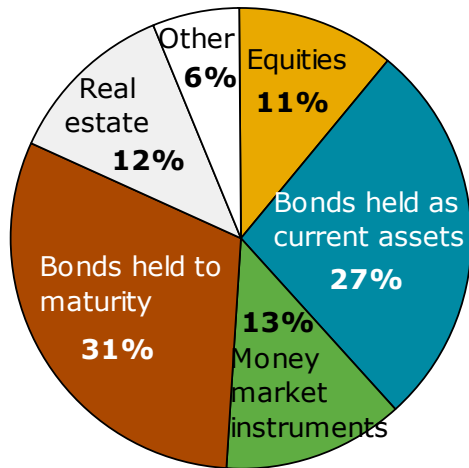
Pro forma accounting figures for 2003.

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Vital Forsikring - development in balance sheet structure ¹⁾

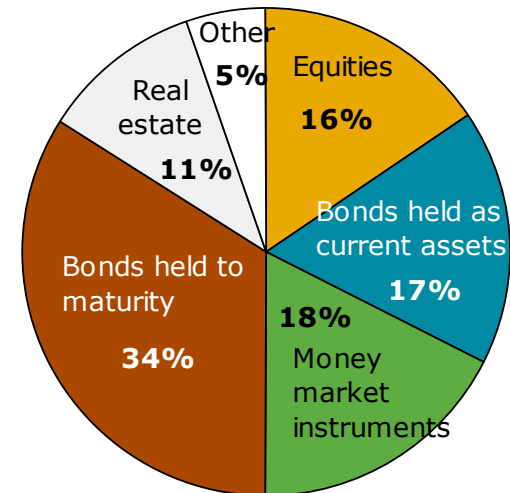


As at 30 September 2003



Total: NOK 145 billion

As at 30 September 2004



Total: NOK 163 billion

Strong growth in assets under management

1) Including derivative contracts

Proforma accounting figures for 2003.



Asset Management

<i>Amounts in NOK million</i>	<i>January - September</i>	
	<i>2004</i>	<i>2003</i>
Commission income	671	584
Other income	23	47
Total income	694	631
Operating expenses	509	527
Pre-tax operating profit before losses	184	105
Assets under management (NOK billion) ¹⁾	483	426
Assets under management (NOK billion) ²⁾	490	455
Cost/income ratio excl. goodwill (per cent)	73.4	83.4
Return on equity (per cent)	18.2	11.8

1) Average assets for the period

2) Assets at end of period

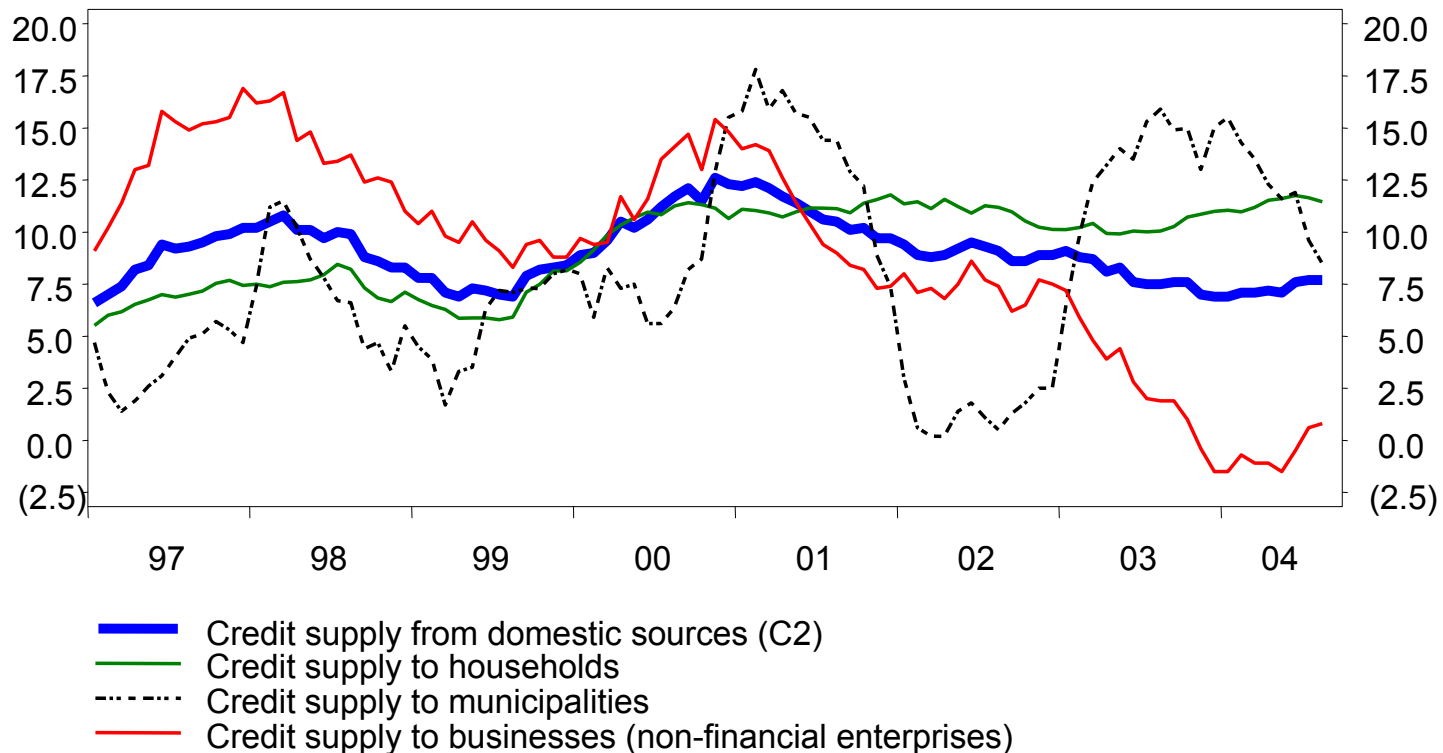
- Changes in product mix give higher commission income
- Integration on schedule
- Three new mutual funds, Global Allokering, Global Selektiv and Global Sikring will generate new business in the retail market in Norway
- Maintains position in the institutional market in Norway
- Carlson Private Banking established after purchase of portfolio from Skandia

Pro forma accounting figures for 2003.

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Norwegian credit supply

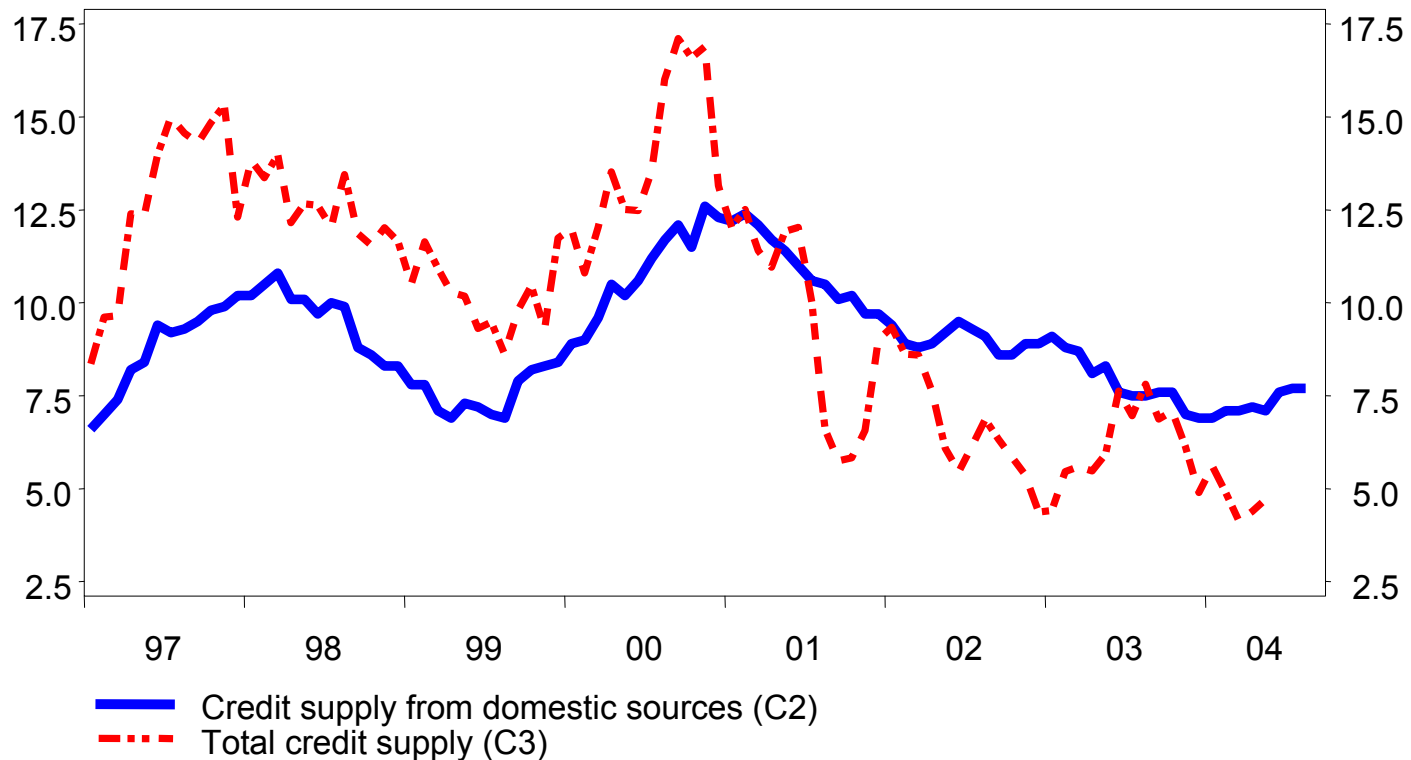
12-month growth in per cent



Source: Norges Bank

Lower credit supply from abroad

12-month growth in per cent



Source: Norges Bank



Our agenda:

- Be a good financial partner for customers
- Realise merger synergies
- Ensure portfolio quality – accurate pricing of risk
- Increase cross-sales
- Selective growth
- Develop new income opportunities
- Realise our values – team spirit, simplicity and value creation

DnB NOR



DnB NOR – steady progress